

A photograph of three people sitting at a wooden table outdoors, smiling and eating. A man in a white shirt is in the center, holding a bottle. A woman with glasses and a blue headband is on the right, wearing a yellow floral top. A woman with long brown hair is on the left, wearing a grey cardigan over a striped shirt. They are all looking at each other and smiling. The table has plates of food, a wooden pepper mill, and a black pepper mill. The background is a brick wall and a building with large windows.

# City of Adelaide **Audited Financial Statements** for the year ended 30 June 2020

## General Purpose Financial Statements

for the year ended 30 June 2020

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General Purpose Financial Statements  
for the year ended 30 June 2020

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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 2020 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

Date:

9 / 10 / 2020



Sandy Verschoor  
Lord Mayor

Date:

9 October 2020

# Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Income</b>			
Rates	2a	115,634	108,846
Statutory Charges	2b	11,770	13,313
User Charges	2c	61,036	67,320
Grants, Subsidies and Contributions	2g	8,560	3,751
Investment Income	2d	231	298
Reimbursements	2e	1,443	1,502
Other income	2f	539	631
Net Gain - Equity Accounted Council Businesses	18	—	79
<b>Total Income</b>		<b>199,213</b>	<b>195,740</b>
<b>Expenses</b>			
Employee costs	3a	79,758	76,916
Materials, Contracts and Other Expenses	3b	84,987	94,261
Depreciation, Amortisation and Impairment	3c	51,869	44,292
Finance Costs	3d	2,121	1,448
Net loss - Equity Accounted Council Businesses	18	18	—
<b>Total Expenses</b>		<b>218,753</b>	<b>216,917</b>
<b>Operating Surplus / (Deficit)</b>		<b>(19,540)</b>	<b>(21,177)</b>
Asset Disposal & Fair Value Adjustments	4	1,092	(4,838)
Amounts Received Specifically for New or Upgraded Assets	2g	1,205	5,625
<b>Net Surplus / (Deficit)</b>		<b>(17,243)</b>	<b>(20,390)</b>
<b>Other Comprehensive Income</b>			
<b>Amounts which will not be reclassified subsequently to operating result</b>			
Changes in Revaluation Surplus - I,PP&E	9a	16,222	181,546
Net Actuarial Gains on Defined Benefit Plan		(47)	90
<b>Total Amounts which will not be reclassified subsequently to operating result</b>		<b>16,175</b>	<b>181,636</b>
<b>Total Other Comprehensive Income</b>		<b>16,175</b>	<b>181,636</b>
<b>Total Comprehensive Income</b>		<b>(1,068)</b>	<b>161,246</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & Cash Equivalent Assets	5a	945	6,069
Trade & Other Receivables	5b	14,117	10,548
Other Financial Assets (Investments)	5c	51	159
Inventories	5d	576	641
<b>Total current assets</b>		<b>15,689</b>	<b>17,417</b>
<b>Non-current assets</b>			
Financial Assets	6a	308	278
Equity Accounted Investments in Council Businesses	6b	672	629
Other Non-Current Assets	6c	2,161	1,659
Infrastructure, Property, Plant & Equipment	7a	1,860,634	1,817,364
Investment Property	7b	2,860	2,865
<b>Total non-current assets</b>		<b>1,866,635</b>	<b>1,822,795</b>
<b>TOTAL ASSETS</b>		<b>1,882,324</b>	<b>1,840,212</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	19,751	28,529
Borrowings	8b	4,837	—
Provisions	8c	14,606	13,879
<b>Total Current Liabilities</b>		<b>39,194</b>	<b>42,408</b>
<b>Non-Current Liabilities</b>			
Trade & Other Payables	8a	293	293
Borrowings	8b	87,896	41,450
Provisions	8c	1,955	2,007
<b>Total Non-Current Liabilities</b>		<b>90,144</b>	<b>43,750</b>
<b>TOTAL LIABILITIES</b>		<b>129,338</b>	<b>86,158</b>
<b>Net Assets</b>		<b>1,752,986</b>	<b>1,754,054</b>
<b>EQUITY</b>			
Accumulated surplus		817,364	834,607
Asset revaluation reserves		934,010	917,788
Other reserves		1,612	1,659
<b>Total Equity</b>		<b>1,752,986</b>	<b>1,754,054</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

for the year ended 30 June 2020

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
<b>2020</b>					
Balance at the end of previous reporting period		834,607	917,788	1,659	1,754,054
Net Surplus / (Deficit) for Year		(17,243)	—	—	(17,243)
<b>Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	16,222	—	16,222
- Defined Benefit Actuarial Gain		—	—	(47)	(47)
<b>Other comprehensive income</b>		<b>—</b>	<b>16,222</b>	<b>(47)</b>	<b>16,175</b>
<b>Total comprehensive income</b>		<b>(17,243)</b>	<b>16,222</b>	<b>(47)</b>	<b>(1,068)</b>
<b>Balance at the end of period</b>		<b>817,364</b>	<b>934,010</b>	<b>1,612</b>	<b>1,752,986</b>
<b>2019</b>					
Balance at the end of previous reporting period		854,997	736,242	1,569	1,592,808
Net Surplus / (Deficit) for Year		(20,390)	—	—	(20,390)
<b>Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	181,546	—	181,546
- Defined Benefit Actuarial Gain		—	—	90	90
<b>Other comprehensive income</b>		<b>—</b>	<b>181,546</b>	<b>90</b>	<b>181,636</b>
<b>Total comprehensive income</b>		<b>(20,390)</b>	<b>181,546</b>	<b>90</b>	<b>161,246</b>
<b>Balance at the end of period</b>		<b>834,607</b>	<b>917,788</b>	<b>1,659</b>	<b>1,754,054</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Operating Receipts		198,532	199,474
Investment Receipts		231	285
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(176,079)	(169,956)
Finance Payments		(2,121)	(1,448)
<b>Net cash provided (or used in) operating activities</b>		<b>20,563</b>	<b>28,355</b>
<b>Cash flows from investing activities</b>			
Amounts Received Specifically for New/Upgraded Assets		1,205	5,625
Sale of Replaced Assets		279	561
Sale of Surplus Assets		112	1,025
Repayments of Loans by Community Groups		78	218
Distributions Received from Equity Accounted Council Businesses		124	—
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(15,482)	(21,819)
Expenditure on New/Upgraded Assets		(16,865)	(27,430)
Capital Contributed to Equity Accounted Council Businesses		(185)	(474)
<b>Net cash provided (or used in) investing activities</b>		<b>(30,734)</b>	<b>(42,294)</b>
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Proceeds from Borrowings		10,150	13,450
<u>Payments</u>			
Repayment of Finance Lease Liabilities		(4,731)	—
Repayment of Bonds & Deposits		(372)	(180)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>5,047</b>	<b>13,270</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(5,124)</b>	<b>(669)</b>
plus: Cash & Cash Equivalents at beginning of period		6,069	6,738
<b>Cash and cash equivalents held at end of period</b>	10a	<b>945</b>	<b>6,069</b>
Additional Information:			
plus: Investments on hand – end of year	6b	359	437
<b>Total Cash, Cash Equivalents &amp; Investments</b>		<b>1,304</b>	<b>6,506</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Notes to and forming part of the Principal Financial Statements for the year ended 30 June 2020

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## Notes to the Financial Statements

for the year ended 30 June 2020

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 using the historical cost convention 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 13 October 2020

#### 1.2 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.

#### 1.3 Rounding

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

### (2) The Local Government Reporting Entity

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

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

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

Other entities in which Council has an interest but does not control are reported in Note 18.

### (3) Income Recognition

Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities (AASB 1058)* or *AASB 15 Revenue from Contracts with Customers (AASB 15)* when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when Council enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable Council to acquire or construct a recognisable non-financial asset that is to be controlled by Council. In this case, Council recognises the excess as a liability that is recognised over time in surplus and deficit when (or as) the entity satisfies its obligations under the transfer.

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 recognises that Council does not have control over the assets comprising the expiation fees until payment is received or awarded to Council by the judicial system.

## Notes to the Financial Statements

for the year ended 30 June 2020

### (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 12.

### (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.

#### 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, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

#### *Plant, Furniture & Equipment*

Office Furniture & Equipment	3 to 20 years
Vehicles and Road-making Equipment	2 to 20 years
Other Plant & Equipment	3 to 25 years

## Notes to the Financial Statements

for the year ended 30 June 2020

### *Buildings*

Structure – other	60 to 100 years
Structure – Heritage Buildings	300 years
Other Building Components	10 to 100 years

### *Infrastructure*

Sealed Roads – Surface	10 to 25 years
Sealed Roads – Structure	30 to 80 years
Bridges – Major	20 to 100 years
Bridges – Minor	25 to 75 years
Footpaths and Bikeways	20 to 70 years
Kerb and Water Table	60 to 120 years
Stormwater Drainage Networks	50 to 125 years
Culverts	80 years
Weir Components	25 to 100 years
Basins	50 to 80 years
Earth retaining structures	30 to 80 years
Gross pollutant traps	80 years
Irrigation	15 to 25 years
Traffic Signals	10 to 30 years
Lighting and Electricals	25 to 30 years
Electrical Switch Boards	30 years
CCTV	5 to 10 years
Sports Fields	15 to 50 years
Open Space Assets	10 to 80 years
Statues & Monuments	Indefinite
Urban Elements	5 to 80 years

### *Other Assets*

Library Books	1 to 7 years
Civic Collection	indefinite
Right-of-Use Assets	3 to 15 years

## 6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other 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).

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.

## (7) Investment property

Investment property comprises land and / 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 Statement of Comprehensive Income 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.

The last full revaluation for Council's Investment Properties was dated 30/06/2018.

## Notes to the Financial Statements

for the year ended 30 June 2020

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### **(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 & Deposits**

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

### **(9) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income 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 average discount rate 0.92% (2019, 1.38%)

Weighted average settlement period 10 years (2019, 10 years)

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

#### **10.2 Superannuation**

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

The Local Government Superannuation Scheme has two types of membership, each of which is funded differently. The Corporation of the City of Adelaide Superannuation Plan is closed to new members and supports Defined Benefit membership only. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

### **(11) 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.

## Notes to the Financial Statements

for the year ended 30 June 2020

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### (12) Leases

#### Accounting policy applicable from 01 July 2019

Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### 12.1 Council as a lessee

Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### i) Right-of-Use-Assets

Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment.

##### ii) Lease Liabilities

At the commencement date of the lease, Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, Council uses its incremental borrowing rate or the interest rate implicit in the lease.

##### iii) Short-term leases and leases of low-value assets

Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

##### iv) Leases with a variable value

Council leases the Light Square Car Park from the Department of Further Education Employment, Science and Technology under a lease which commenced 9 January 1983 for a period of 60 years. This lease contains variable payment terms that are linked to the car park's net profit at the reporting date. Variable lease payments for this lease are recognised in the Statement of Comprehensive Income in the period in which the condition that triggers those payments occurs.

#### 12.2 Council as a lessor

Leases in which Council does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### (13) Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 18.

### (14) 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.

## Notes to the Financial Statements

for the year ended 30 June 2020

### (15) 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.

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

#### **Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

Council applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies. Council has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

Council has determined the impact of the new standards will mainly impact the timing of revenue recognition in relation to special purpose grants. These grants are provided to Council to construct or acquire an asset to be controlled by Council. They are accounted for under AASB 1058 and as such, amounts received in relation to these grants are recorded as a liability in "Payments Received in Advance" (included in Trade and Other Payables) and recorded in revenue as the asset is constructed. There is no impact of adopting the new standards as at 1 July 2019.

Set out below are the amounts by which each financial statement line item is affected as at and the for the year ended 30 June 2020 as a result of the adoption of AASB 15 and AASB 1058.

The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

	AASB 15 / 1058	Previous AAS
	\$'000	\$'000
Grants, Subsidies and Contributions	8,560	8,818
Amounts Received Specifically for New or Upgraded Assets	1,205	4,323
Payments Received in Advance - Current	5,583	2,207

Changes in the grant funding received and payables under the old and new standards are the result of funding received by Council relating to projects to be completed in future periods.

#### **AASB 16 Leases**

Council applied AASB 16 Leases, for the first time from 1 July 2019. This standard requires that the right of use conveyed by leasing contracts (except leases with a maximum term of 12 months and leases for low-value assets) be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability.

#### **Adoption of AASB 16 Leases (AASB 16)**

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. Council has lease contracts for various buildings used in its activities. Before the adoption of AASB 16, Council classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

## Notes to the Financial Statements

for the year ended 30 June 2020

Council adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

On adoption of AASB 16, Council utilised the following practical expedients:

- Contracts that had not previously been identified as containing a lease were not reassessed to determine whether a lease existed. Rather AASB 16 was only applied to leases previously identified under AASB 117.
- Council used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Council recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adopting AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

	\$'000
<b>Assets</b>	
Infrastructure, Property, Plant and Equip.	
- Right-of-Use-Assets	45,864
<b>Total Assets</b>	<b>45,864</b>
<b>Liabilities</b>	
Interest-bearing loans and borrowings	45,864
<b>Total Liabilities</b>	<b>45,864</b>
<b>Accumulated Surplus</b>	NIL

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Operating lease commitments as at 30 June 2019	48,091
<b>Less:</b> Variable lease payments that depend on an index rate and not included in the measurement of the lease liabilities at initial adoption	(33,450)
<b>Add:</b> undisclosed lease commitments as at 30 June 2019	7,699
<b>Add:</b> Options to extend not previously incorporated into the commitments note	28,309
Undiscounted lease payments	50,649
<b>Less:</b> effect of discounting using the incremental borrowing rate as at the date of initial application (weighted average incremental borrowing rate of 2.25%)	(4,785)
Lease liabilities for leases classified as operating leases under AASB 117	<b>45,864</b>
<b>Lease liabilities as at 1 July 2019</b>	<b>45,864</b>

### Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and all applicable new standards will be included in the financial statements

## Notes to the Financial Statements

for the year ended 30 June 2020

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on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretations, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to councils.

### **Effective for NFP annual reporting periods beginning on or after 1 January 2020**

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

### **Effective for NFP annual reporting periods beginning on or after 1 January 2021**

- AASB 17 Insurance Contracts

### **Effective for NFP annual reporting periods beginning on or after 1 January 2022**

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

## **(16) 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.

## **(17) Disclaimer**

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

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 2. Income

\$ '000	2020	2019
<b>(a) Rates</b>		
<b>General Rates</b>		
General Rates	117,091	108,714
Less: Mandatory Rebates	(5,454)	(5,042)
Less: Discretionary Rebates, Remissions & Write Offs	(1,035)	(581)
<b>Total General Rates</b>	<b>110,602</b>	<b>103,091</b>
<b>Other Rates (Including Service Charges)</b>		
Natural Resource Management Levy	1,875	1,676
Rundle Mall Separate Rate	3,850	3,702
Less: Rundle Mall Separate Rate Waived	(962)	—
Building Upgrade Finance	41	41
<b>Total Other Rates (Including Service Charges)</b>	<b>4,804</b>	<b>5,419</b>
<b>Other Charges</b>		
Penalties for Late Payment	228	336
<b>Total Other Charges</b>	<b>228</b>	<b>336</b>
<b>Total Rates</b>	<b>115,634</b>	<b>108,846</b>

## (b) Statutory Charges

Development Act Fees	1,721	1,605
Animal Registration Fees & Fines	32	22
Parking Fines / Expiation Fees	8,852	10,457
Other Fees, Fines, Penalties and Expiations	120	46
Encroachments Fees	469	241
Food Inspections Fees / Fines	28	39
Outdoor Dining Fees	69	405
Residential Parking Permits	47	45
Section 7 Searches	95	97
Temporary Parking Control Permits	283	299
Water Systems Fees	54	57
<b>Total Statutory Charges</b>	<b>11,770</b>	<b>13,313</b>

# City of Adelaide

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 2. Income (continued)

\$ '000	2020	2019
<b>(c) User Charges</b>		
Parking Fees	9,952	10,854
Property Lease	10,947	11,201
Sundry	153	394
Adelaide Aquatic Centre Charges	4,900	6,228
Adelaide Golf Links Charges	2,232	2,056
Adelaide Town Hall Charges	1,017	1,302
Bus Ticket Sales	10	5
Compost Sales	613	608
Event Fees	150	73
Library Centre	9	30
Off-Street Parking	26,285	30,016
Park Lands Events Fees	754	650
Property Recovery	3,741	3,480
Rundle Mall	273	423
<b>Total User Charges</b>	<b>61,036</b>	<b>67,320</b>
<b>(d) Investment Income</b>		
Interest on Investments		
- Local Government Finance Authority	35	45
- Banks & Other	28	44
Investment Property Rental Income	198	196
Financial Instrument - Fair Value Increase / (Decrease)	(30)	13
<b>Total Investment Income</b>	<b>231</b>	<b>298</b>
<b>(e) Reimbursements</b>		
Private Works	1,181	1,096
Land Settlement	–	107
Other	262	299
<b>Total Reimbursements</b>	<b>1,443</b>	<b>1,502</b>
<b>(f) Other income</b>		
Insurance & Other Recoupments	326	497
Sundry	213	134
<b>Total Other income</b>	<b>539</b>	<b>631</b>

# City of Adelaide

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 2. Income (continued)

\$ '000	2020	2019
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#### (g) Grants, Subsidies, Contributions

Amounts Received Specifically for New or Upgraded Assets	1,205	5,625
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>	<b>1,205</b>	<b>5,625</b>
Other Grants, Subsidies and Contributions	1,811	1,963
Untied - Financial Assistance Grant	669	474
Roads to Recovery	255	233
Home and Community Care Grant	288	504
Library and Communications	533	565
Sundry	4	12
State Government Grant - 88 O'Connell Street	5,000	—
<b>Total Other Grants, Subsidies and Contributions</b>	<b>8,560</b>	<b>3,751</b>
<b>Total Grants, Subsidies, Contributions</b>	<b>9,765</b>	<b>9,376</b>

The functions to which these grants relate are shown in Note 11.

The State Government Grant is the second tranche of funding under a grant agreement with the State Government governing the acquisition and development of 88 O'Connell Street.

#### (i) Sources of grants

Commonwealth Government	871	744
State Government	8,790	8,577
Other	104	55
<b>Total</b>	<b>9,765</b>	<b>9,376</b>

#### (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:

<b>Unexpended at the close of the previous reporting period</b>	<b>14</b>	<b>13</b>
<b>Less:</b>		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Infrastructure	—	—
<b>Subtotal</b>	<b>—</b>	<b>—</b>
<b>Plus:</b>		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Infrastructure	—	1
<b>Subtotal</b>	<b>—</b>	<b>1</b>
<b>Unexpended at the close of this reporting period</b>	<b>14</b>	<b>14</b>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>	<b>—</b>	<b>1</b>

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 3. Expenses

\$ '000	Notes	2020	2019
<b>(a) Employee costs</b>			
Salaries and Wages		67,528	65,898
Employee Leave Expense		8,534	9,034
Superannuation - Defined Contribution Plan Contributions	17	6,718	6,609
Workers' Compensation Insurance		1,701	1,715
Income Protection Insurance		331	342
Less: Capitalised and Distributed Costs		(5,054)	(6,682)
<b>Total Operating Employee Costs</b>		<b>79,758</b>	<b>76,916</b>
Number of Employees (full time equivalent at end of reporting period)		628	673
Number of Employees (temporary full time equivalent at end of reporting period)		122	121
<b>(b) Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration		63	68
Bad and Doubtful Debts		419	(16)
Elected Members' Expenses		469	484
Election Expenses		68	227
Operating Lease Rentals - Non-Cancellable Leases			
- Minimum Lease Payments		—	6,585
Lease Expense - Low Value Assets / Short Term Leases		906	—
<b>Subtotal - Prescribed Expenses</b>		<b>1,925</b>	<b>7,348</b>

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 3. Expenses (continued)

\$ '000	2020	2019
<b>(ii) Other Materials, Contracts and Expenses</b>		
Contractors	23,854	23,108
Energy	5,812	5,914
Maintenance	8,629	8,729
Legal Expenses	1,445	1,525
Levies Paid to Government - including NRM levy	2,241	2,182
Levies - Other	41	41
Parts, Accessories & Consumables	6,353	5,801
Professional Services	7,419	7,245
Advertising and Promotion	2,861	3,718
Bank Charges and Cash Collection	994	1,118
Catering	312	547
Cleaning	2,904	2,833
Communications	452	375
Contractual Expenses	510	394
Water	3,169	3,242
Entertainment - Council and Civic Events	18	86
External Plant Hire	763	922
Insurance	2,075	2,060
Investment Property Expenses	153	149
Minor Plant and Equipment	380	722
Printing, Freight and Postage	565	770
Rates and Taxes	409	342
Registrations	210	63
Searches	490	418
Security	2,267	2,123
Sponsorships, Contributions and Donations	5,914	9,082
Subscriptions	1,255	1,171
Training and Development	455	795
Waste Services	1,512	1,370
Other	130	313
Less: Capitalised and Distributed Costs	(530)	(245)
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>	<b>83,062</b>	<b>86,913</b>
<b><u>Total Materials, Contracts and Other Expenses</u></b>	<b><u>84,987</u></b>	<b><u>94,261</u></b>

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 3. Expenses (continued)

\$ '000	2020	2019
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### (c) Depreciation, Amortisation and Impairment

#### (i) Depreciation and Amortisation

Buildings	8,412	8,439
Infrastructure		
- Stormwater and Drainage	2,708	2,185
- Bridges	2,157	2,332
- Footpaths	6,627	7,493
- Footpath Landscaping	214	146
- Kerb & Water Table	1,406	952
- Public Lighting	4,001	3,601
- Roads	7,889	5,896
- Ticket Machines	329	403
- Traffic Signals	1,355	1,454
- Urban Elements	2,886	3,511
Right-of-use Assets	5,408	—
Plant & Equipment	1,701	1,702
Furniture & Fittings	3,681	3,858
Library Books	323	272
Park Land Improvements	1,646	2,048
<b>Subtotal</b>	<b>50,743</b>	<b>44,292</b>

#### (ii) Impairment

Right-of-Use Assets	1,123	—
Office, Furniture and Equipment	3	—
<b>Subtotal</b>	<b>1,126</b>	<b>—</b>

### Total Depreciation, Amortisation and Impairment

<b>51,869</b>	<b>44,292</b>
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### (d) Finance Costs

Interest on Loans	1,138	1,448
Interest on Leases	983	—
<b>Total Finance Costs</b>	<b>2,121</b>	<b>1,448</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2020	2019
<b>Infrastructure, Property, Plant &amp; Equipment</b>		
<b>(i) Assets Renewed or Directly Replaced</b>		
Proceeds from Disposal	279	561
Less: Carrying Amount of Assets Sold	(3,627)	(5,938)
<b>Gain (Loss) on Disposal</b>	<b>(3,348)</b>	<b>(5,377)</b>
<b>(ii) Assets Surplus to Requirements</b>		
Proceeds from Disposal	112	1,025
Less: Carrying Amount of Assets Sold	(4,559)	(16)
<b>Gain (Loss) on Disposal</b>	<b>(4,447)</b>	<b>1,009</b>
<b>Fair Value Adjustments</b>		
Investment Property - Fair Value Increase / (Decrease)	(5)	(470)
Revaluation Decrements Previously Expensed, now Recouped	8,892	—
<b>Total Fair Value Adjustments</b>	<b>8,887</b>	<b>(470)</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>	<b>1,092</b>	<b>(4,838)</b>

# City of Adelaide

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 5. Current Assets

\$ '000	2020	2019
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#### (a) Cash & Cash Equivalent Assets

Cash on Hand at Bank	541	5,668
Deposits at Call	404	401
<b>Total Cash &amp; Cash Equivalent Assets</b>	<b>945</b>	<b>6,069</b>

#### (b) Trade & Other Receivables

Rates - General & Other	7,707	3,740
Accrued Revenues	1,734	1,626
Debtors - General	2,633	2,818
GST Recoupment	209	1,113
Prepayments	1,593	1,571
Deferred Rent	827	—
<b>Subtotal</b>	<b>14,703</b>	<b>10,868</b>
Less: Allowance for Doubtful Debts	(586)	(320)
<b>Total Trade &amp; Other Receivables</b>	<b>14,117</b>	<b>10,548</b>

#### (c) Other Financial Assets (Investments)

Ergo Apartments - Shared Equity Loans	51	159
<b>Total Other Financial Assets (Investments)</b>	<b>51</b>	<b>159</b>

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13.

#### (d) Inventories

Stores & Materials	395	409
Trading Stock	151	176
Other	30	56
<b>Total Inventories</b>	<b>576</b>	<b>641</b>

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 6. Non-Current Assets

\$ '000	2020	2019
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### (a) Financial Assets

#### Other Financial Assets (Investments)

Ergo Apartments - Shared Equity Loans

	308	278
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<b>Total Other Financial Assets (Investments)</b>	<b>308</b>	<b>278</b>
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<u>Total Financial Assets</u>	<u>308</u>	<u>278</u>
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\$ '000	Notes	2020	2019
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### (b) Equity Accounted Investments in Council Businesses

Council Solutions Regional Authority	18i	—	138
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The Brown Hill and Keswick Creeks Stormwater Board	18i	672	491
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<u>Total Equity Accounted Investments in Council Businesses</u>		<u>672</u>	<u>629</u>
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### (c) Other Non-Current Assets

#### Other

Employee Entitlements (unfunded superannuation asset)

	1,612	1,659
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Deferred Rent	549	—
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<b>Total Other</b>	<b>2,161</b>	<b>1,659</b>
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<u>Total Other Non-Current Assets</u>	<u>2,161</u>	<u>1,659</u>
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Notes to the Financial Statements  
for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

(a) Infrastructure, Property, Plant & Equipment

		as at 30/06/19										Asset movements during the reporting period										as at 30/06/20			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Transition adjustments AASB 16	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Losses (recognised in P/L) (Note 3c)	Adjustments & Transfers	Projected Related Expenses (Note 3b)	Revaluation Decrements to Equity (Note 9)	Revaluation Increments to Equity (Note 9)	Reversal of Revaluation Decrements to the P/L (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount					
100																									
Capital Work in Progress and Land and - Other	2	207,470	-	-	207,470	-	21,224	19,284	-	-	-	(50,203)	(356)	(7,963)	-	-	-	-	14,963	-	14,963	-			
	3	12,640	-	-	12,640	-	-	-	-	-	-	-	-	-	-	-	-	-	207,470	-	207,470	-			
																			12,640	-	12,640	-			
	2	536,901	-	(342,909)	193,992	-	-	-	(31)	(3,873)	-	1,500	-	-	-	-	-	-	342,793	-	(151,205)	191,588			
	3	172,046	-	(75,068)	96,978	-	-	-	-	(4,539)	-	6,746	-	-	-	-	-	-	178,792	-	(79,607)	99,185			
	3	-	388,400	-	388,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	388,400	-	388,400	-		
	3	78,861	-	(44,316)	34,545	-	-	-	(428)	(1,646)	-	846	-	(17,630)	-	-	-	-	24,045	-	(8,358)	15,687			
	2	322,706	-	(189,269)	133,437	-	-	-	(262)	(2,708)	-	4,439	-	-	-	-	-	-	271,531	-	(136,058)	135,473			
	3	156,630	-	(90,594)	66,036	-	-	-	(678)	(2,157)	-	1,690	-	-	7	(842)	-	-	179,281	-	(115,225)	64,056			
	3	315,712	-	(109,789)	205,923	-	-	-	(1,347)	(6,627)	-	10,529	-	-	-	-	-	-	289,130	-	(80,652)	208,478			
Footpath Landscaping Kerb & Water Table	3	7,170	-	(146)	7,024	-	-	-	(53)	(214)	-	1,778	-	-	-	-	-	-	8,895	-	(360)	8,535			
	3	134,733	-	(62,468)	72,265	-	-	-	(1,503)	(1,406)	-	1,802	-	-	-	-	-	-	117,209	-	(46,051)	71,158			
	3	91,286	-	(38,305)	52,981	-	-	-	(866)	(4,001)	-	8,409	-	180	-	6,548	7,527	140,938	-	(70,160)	70,778				
	3	382,818	-	(183,654)	199,164	-	-	-	(1,278)	(7,889)	-	6,521	-	-	-	-	-	-	291,670	-	(95,153)	196,517			
	3	3,682	-	(2,110)	1,572	-	-	-	(129)	(329)	-	450	-	-	-	-	-	-	2,508	-	(944)	1,564			
	3	28,813	-	(14,101)	14,712	-	-	-	(102)	(1,355)	-	1,491	-	(39)	-	2,343	8,970	60,234	-	(34,215)	26,019				
	3	74,074	-	(10,813)	63,261	-	-	-	(1,133)	(2,886)	-	2,914	-	-	17,482	-	-	93,283	-	(13,646)	79,637				
		-	-	-	45,864	-	-	-	-	-	(1,123)	-	-	-	-	-	-	-	-	45,864	-	(6,531)	39,333		
	Other																								
	Library Books		-	8,118	(6,087)	2,031	-	-	-	-	(323)	-	302	-	-	-	-	-	-	-	8,420	(6,410)	2,010		
Furniture & Fittings		-	49,455	(39,239)	10,216	-	-	-	(9)	(3,681)	-	(1,531)	-	159	-	-	-	-	-	48,104	(42,953)	5,151			
Plant & Equipment		-	20,557	(10,128)	10,429	-	162	-	(367)	(1,701)	-	2,317	-	(159)	-	-	-	-	-	20,862	(9,981)	10,681			
Civic Collection		-	11,311	-	11,311	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,311	-	11,311			
Total Infrastructure, Property, Plant & Equipment		2,525,542	510,818	(1,218,996)	1,817,364	45,864	21,386	19,284	(8,186)	(50,743)	(1,126)	-	(356)	(7,963)	-	(842)	8,891	17,064	2,220,419	537,724	(897,509)	1,860,634			
Comparatives		2,082,905	514,083	(959,703)	1,637,285	-	38,765	29,894	(5,954)	(44,292)	-	(567)	(771)	(18,539)	-	-	-	181,546	2,525,542	510,818	(1,218,996)	1,817,364			

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

(b) Investment Property

		as at 30/06/19		Asset movements during the reporting period										as at 30/06/20	

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

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#### (c) Valuation of Infrastructure, Property, Plant & Equipment and 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.

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

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

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

##### Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 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.

##### 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.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

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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 Land & Open Space Assets

Park Land and Open Space assets were valued by Council officers at current replacement cost during the reporting period ended 30 June 2003.

#### Land

Land, excluding Park Lands and Land under Roads were valued using the market approach during the reporting period ended 30 June 2018 by independent valuers.

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 the market or current replacement cost approach with the most recent valuation conducted during the reporting period ended 30 June 2018 by independent valuers. Acquisitions subsequent to the most recent valuation have been measured at cost.

#### Infrastructure

##### *Footpaths*

Footpaths were valued by Council officers at current replacement cost during the reporting period ended 30 June 2018. Footpath landscaping is recognised at cost.

##### *Traffic Signals*

The traffic signal network is periodically revalued with the most recent revaluation conducted for the period ended 30 June 2020. The valuation was conducted by independent valuers and assets are valued at current replacement cost less depreciation.

##### *Public Lighting, Electrical and CCTV Network*

Public lighting, electrical and CCTV network assets were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ending 30 June 2020 and was based on the unit rates to replace the associated component. All acquisitions made after the date of valuation are recorded at cost.

##### *Bridges*

Bridge assets are revalued periodically by independent valuers. The most recent valuation was completed during the period ended 30 June 2020. Bridge assets are valued at current replacement cost less depreciation.

##### *Roads*

Road assets were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ending 30 June 2019 and was based on the unit rates to replace the associated road component. All acquisitions made after the date of valuation are recorded at cost.

##### *Stormwater and Drainage*

Stormwater and drainage assets are periodically valued with the most recent revaluation conducted for the period ending 30 June 2019 using the current replacement cost approach. The majority of the stormwater revaluation was conducted by an independent valuer, however the valuation of Council's gross pollutant traps and earth retaining walls was determined internally.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

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#### *Kerb and Water Table*

Kerb and Water Table were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ending 30 June 2019 and was based on unit rates to replace the associated kerb component. All acquisitions made after the date of valuation are recorded at cost.

#### **Plant & Equipment**

Plant and equipment is valued at historical cost less depreciation.

#### **Furniture & Fittings**

Furniture and Fittings is valued at historical cost less depreciation.

#### **Civic Collection**

The civic collection is recognised at historical cost.

#### **Investment Property**

Investment properties are valued annually. The basis of valuation 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 properties 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 16.

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 8. Liabilities

\$ '000	2020 Current	2020 Non Current	2019 Current	2019 Non Current
<b>(a) Trade and Other Payables</b>				
Goods & Services	7,254	–	14,680	–
Payments Received in Advance	5,583	293	2,486	293
Accrued Expenses - Employee Entitlements	472	–	2,136	–
Accrued Expenses - Other	4,192	–	7,087	–
Deposits, Retentions & Bonds	598	–	970	–
Other	1,652	–	1,170	–
<b><u>TOTAL Trade and Other Payables</u></b>	<b><u>19,751</u></b>	<b><u>293</u></b>	<b><u>28,529</u></b>	<b><u>293</u></b>

\$ '000	Notes	2020 Current	2020 Non Current	2019 Current	2019 Non Current
<b>(b) Borrowings</b>					
Loans		–	51,600	–	41,450
Lease Liabilities	16	4,837	36,296	–	–
<b><u>TOTAL Borrowings</u></b>		<b><u>4,837</u></b>	<b><u>87,896</u></b>	<b><u>–</u></b>	<b><u>41,450</u></b>

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

## (c) Provisions

Annual Leave Employee Entitlements	6,585	–	6,113	–
Long Service Leave Employee Entitlements	7,672	1,955	7,356	2,007
Other	349	–	410	–
<b><u>TOTAL Provisions</u></b>	<b><u>14,606</u></b>	<b><u>1,955</u></b>	<b><u>13,879</u></b>	<b><u>2,007</u></b>

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 9. Reserves

	as at 30/06/19				as at 30/06/20
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
<b>(a) Asset Revaluation Reserve</b>					
Buildings	161	—	—	—	161
Infrastructure					
- Stormwater and Drainage	94,178	567	—	—	94,745
- Bridges	56,847	(842)	—	—	56,005
- Footpaths	146,093	—	—	—	146,093
- Kerb & Water Table	80,721	—	—	—	80,721
- Public Lighting	—	7,527	—	—	7,527
- Roads	115,054	—	—	—	115,054
- Statues & Fountains	3,730	—	—	—	3,730
- Ticket Machines	1,202	—	—	—	1,202
- Traffic Signals	—	8,970	—	—	8,970
- Urban Elements	17,616	—	—	—	17,616
Land and Buildings	387,966	—	—	—	387,966
Park Land Improvements	13,217	—	—	—	13,217
Other Assets	1,003	—	—	—	1,003
<b>Total Asset Revaluation Reserve</b>	<b>917,788</b>	<b>16,222</b>	<b>—</b>	<b>—</b>	<b>934,010</b>
Comparatives	736,242	181,546	—	—	917,788

	as at 30/06/19				as at 30/06/20
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
<b>(b) Other Reserves</b>					
Defined Benefit - Unfunded Superannuation Liability	1,659	—	(47)	—	1,612
<b>Total Other Reserves</b>	<b>1,659</b>	<b>—</b>	<b>(47)</b>	<b>—</b>	<b>1,612</b>
Comparatives	1,569	90	—	—	1,659

## PURPOSES OF RESERVES

### Asset Revaluation Reserves

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

### Defined Benefit Superannuation Reserve

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 10. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2020	2019
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#### (a) Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	945	6,069
<b>Balances per Statement of Cash Flows</b>		<b>945</b>	<b>6,069</b>

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

<b>Net Surplus/(Deficit)</b>		<b>(17,243)</b>	<b>(20,390)</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		51,869	44,292
Fair Value Adjustments		(8,887)	470
Equity Movements in Equity Accounted Investments (Increase) / Decrease		18	(79)
Grants for capital acquisitions treated as Investing Activity		(1,205)	(5,625)
Net (Gain) Loss on Disposals		7,795	4,368
Actuarial Gain (Loss) Unfunded Super		(47)	90
		<b>32,300</b>	<b>23,126</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase) / Decrease in Receivables		(3,835)	3,692
Change in Allowances for Under-Recovery of Receivables		(266)	95
Net (Increase) / Decrease in Inventories		65	(114)
Net (Increase) / Decrease in Other Assets		30	(280)
Net Increase / (Decrease) in Trade & Other Payables		(8,406)	680
Net Increase / (Decrease) in Unpaid Employee Benefits		472	33
Net Increase / (Decrease) in Other Provisions		203	1,123
<b>Net Cash provided by (or used in) operations</b>		<b>20,563</b>	<b>28,355</b>

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 10. Reconciliation to Statement of Cash Flows (continued)

\$ '000	2020	2019
<b>(c) Reconciliation of Liabilities Arising from Financing Activities</b>		
<b>Long-term Borrowings</b>		
Opening Balance	41,450	28,000
Borrowings	10,150	13,450
Leases	41,133	—
<b>Closing Balance</b>	<b>92,733</b>	<b>41,450</b>
<b>Bonds &amp; Deposits</b>		
Opening Balance	970	1,150
Bond / Deposit Payments During the Year	(372)	(180)
<b>Total Liabilities from Financing Activities</b>	<b>93,331</b>	<b>42,420</b>

## (d) Financing Arrangements

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

Bank Overdrafts	500	500
Corporate Credit Cards	600	600
LGFA Cash Advance Debenture Facility	100,000	100,000

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

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 11a. Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions / Activities are provided in Note 11b.									
\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)
	2020	2019	2020	2019	2020	2019	2020	2019	2020 2019
<b>Functions/Activities</b>									
Creative City	911	763	12,472	13,364	(11,561)	(12,601)	260	308	467,266 458,784
Liveable City	65,603	80,041	120,405	118,096	(54,802)	(38,055)	1,106	1,194	1,155,426 1,151,427
Smart City	91	4	10,195	2,916	(10,104)	(2,912)	–	–	195,259 200,194
Green City	1,253	1,490	15,741	17,592	(14,488)	(16,102)	56	178	382 437
Corporate	131,355	113,442	59,940	64,949	71,415	48,493	7,138	2,071	63,991 29,370
<b>Total Functions/Activities</b>	<b>199,213</b>	<b>195,740</b>	<b>218,753</b>	<b>216,917</b>	<b>(19,540)</b>	<b>(21,177)</b>	<b>8,560</b>	<b>3,751</b>	<b>1,882,324 1,840,212</b>

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 11b. Components of Functions

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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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 12. Financial Instruments

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#### Recognised Financial Instruments

##### Receivables - Rates & Associated 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:**

Secured over the subject land, arrears attract interest of 6.3% (2019: 6.6%). 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).

##### Receivables - 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).

##### Receivables - 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.

##### Receivables - 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 key differences in key attributes such as car parks, bathrooms and outdoor areas.

**Carrying Amount:**

Fair Value

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 12. Financial Instruments (continued)

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#### Liabilities - Creditors and Accruals

**Accounting Policy:**

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

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

#### Liabilities - Interest Bearing Borrowings

**Accounting Policy:**

Carried at 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.

#### Liabilities - Leases

**Accounting Policy:**

Accounted for in accordance with AASB 16 as stated in Note 16.

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 12. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2020</b>					
<b>Financial Assets</b>					
Cash & Equivalents	945	—	—	945	945
Receivables	3,781	—	—	3,781	3,781
Other Financial Assets	51	308	—	359	359
<b>Total Financial Assets</b>	<b>4,777</b>	<b>308</b>	<b>—</b>	<b>5,085</b>	<b>5,085</b>
<b>Financial Liabilities</b>					
Payables	14,168	—	—	14,168	14,168
Non-Current Borrowings	—	—	51,600	51,600	51,600
Leases	5,712	16,941	24,056	46,709	41,133
<b>Total Financial Liabilities</b>	<b>19,880</b>	<b>16,941</b>	<b>75,656</b>	<b>112,477</b>	<b>106,901</b>
<b>2019</b>					
Cash & Equivalents	6,069	—	—	6,069	6,069
Receivables	4,124	—	—	4,124	4,124
Other Financial Assets	159	278	—	437	437
<b>Total Financial Assets</b>	<b>10,352</b>	<b>278</b>	<b>—</b>	<b>10,630</b>	<b>10,630</b>
<b>Financial Liabilities</b>					
Payables	26,043	—	—	26,043	26,043
Non-Current Borrowings	—	—	41,450	41,450	41,450
<b>Total Financial Liabilities</b>	<b>26,043</b>	<b>—</b>	<b>41,450</b>	<b>67,493</b>	<b>67,493</b>

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

\$ '000	2020		2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	1.91%	51,600	2.73%	41,450
		<b>51,600</b>		<b>41,450</b>

### 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.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 12. Financial Instruments (continued)

#### Risk Exposures

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

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

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

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

### Note 13. Capital Expenditure and Investment Property Commitments

\$ '000	2020	2019
<b>Capital Commitments</b>		
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>		
Buildings	3,124	3,300
Drainage & Waterways	213	120
IT Corporate System	448	274
Lighting & Electrical	110	93
Park Lands & Squares	955	237
Plant & Equipment	11	314
Streetscapes	635	453
Transportation	811	7,835
Urban Elements	94	787
	<b>6,401</b>	<b>13,413</b>
<b>These expenditures are payable:</b>		
Not later than one year	6,401	13,413
	<b>6,401</b>	<b>13,413</b>

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 14. Financial Indicators

\$ '000	Amounts 2020	Indicator 2020	Prior periods	
			2019	2018

*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	(19,540)	(10)%	(11)%	(9)%
Total Operating Income	199,213			

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

### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	113,917	57%	35%	26%
Total Operating Income	199,213			

*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 Renewal Funding Ratio

Net Asset Renewals	15,203	40%	76%	91%
Infrastructure & Asset Management Plan required expenditure	38,247			

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 15. Uniform Presentation of Finances

\$ '000	2020	2019
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	199,213	195,740
less Expenses	(218,753)	(216,917)
<b>Operating Surplus / (Deficit)</b>	<b>(19,540)</b>	<b>(21,177)</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(15,482)	(21,819)
add back Depreciation, Amortisation and Impairment	51,869	44,292
add back Proceeds from Sale of Replaced Assets	279	561
	<b>36,666</b>	<b>23,034</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(16,865)	(27,430)
add back Amounts Received Specifically for New and Upgraded Assets	1,205	5,625
add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)	112	1,025
	<b>(15,548)</b>	<b>(20,780)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>1,578</b>	<b>(18,923)</b>

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 16. Leases

### (i) Council as a lessee

#### Terms and conditions of leases

##### Buildings

Lease obligations for buildings are related to the provision of services by Council including car parks, libraries and community centres. Leases are of varying duration, terms and conditions. No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

#### Right of use assets

\$ '000	Buildings	Total
<b>2020</b>		
Adoption of AASB 16 at 1 July 2019	45,864	45,864
Depreciation charge	(5,408)	(5,408)
Impairment of right-of-use assets	(1,123)	(1,123)
<b>Balance at 30 June 2020</b>	<b>39,333</b>	<b>39,333</b>

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2020
Balance at 1 July	45,864
Accretion of interest	983
Payments	(5,714)
<b>Balance at 30 June</b>	<b>41,133</b>
<b>Classified as:</b>	
Current	4,837
Non Current	36,296

The maturity analysis of lease liabilities is included in Note 12.

The Group had total cash outflows for leases of \$5.714m

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	5,408
Interest expense on lease liabilities	983
Expense relating to leases of low-value assets	906
<b>Total amount recognised in profit or loss</b>	<b>8,064</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 16. Leases (continued)

#### (ii) Council as a lessor

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.

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.

\$ '000	2020
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**Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:**

Not later than one year	6,402
Later than one year and not later than 5 years	14,059
Later than 5 years	24,491
	<u>44,952</u>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 17. Superannuation

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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 2019/20; 9.50% in 2018/19). 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 2018/19) 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, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2020. 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.

#### **Contributions to Other Superannuation Schemes**

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

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 18. Interests in Other Entities

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

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2020	2019	2020	2019
<b>Council's Share of Net Income</b>				
Joint Ventures	(18)	79	672	629
<b>Total Council's Share of Net Income</b>	<b>(18)</b>	<b>79</b>	<b>672</b>	<b>629</b>

### (i) Joint Ventures, Associates and Joint Operations

#### (a) Carrying Amounts

\$ '000	Principal Activity	2020	2019
Council Solutions Regional Authority	Promotion of procurement and service delivery	—	138
The Brown Hill and Keswick Creeks Stormwater Board	Implementation & oversight of stormwater infrastructure	672	491
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>672</b>	<b>629</b>

#### **Council Solutions Regional Authority**

Council Solutions Regional Authority was wound up as at 2 April 2020.

#### **The Brown Hill and Keswick Creeks Stormwater Board**

The Brown Hill and Keswick Creeks Stormwater Board was established by five constituent councils on the 27 February 2018. It comprises the Cities of Adelaide, Burnside, Unley, Mitcham and West Torrens. The purpose of the Board is to oversee the construction of stormwater infrastructure and to implement the Brown Hill and Keswick Creeks Stormwater Board Stormwater Management Plan.

#### (b) Relevant Interests

\$ '000	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2020	2019	2020	2019	2020	2019
Council Solutions Regional Authority	0.00%	17.00%	0.00%	17.00%	0.00%	17.00%
The Brown Hill and Keswick Creeks Stormwater Board	8.00%	8.00%	8.00%	8.00%	20.00%	20.00%

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 18. Interests in Other Entities (continued)

### (c) Movement in Investment in Joint Venture or Associate

\$ '000	Council Solutions Regional Authority		The Brown Hill and Keswick Creeks Stormwater Board	
	2020	2019	2020	2019
Opening Balance	138	76	491	—
Share in Operating Result	(14)	62	(4)	17
New Capital Contributions	—	—	185	474
Distributions Received	(124)	—	—	—
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>—</b>	<b>138</b>	<b>672</b>	<b>491</b>

## Note 18b. Controlled Entities

### 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(2).

#### 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 \$ '000	Ownership 2020	Ownership 2019	Voting Rights 2020	Voting Rights 2019
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 2019-20. 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

Council has provided ACMA with loan funding of \$10,960,640 as at 30 June 2020.

#### Other disclosures

Council manages the operational running of the car park under ACMA's control for which a management fee is payable. This totalled \$493,321 for the year (\$446,111 2018-19).

Council has a lease agreement with ACMA for the Central Market Complex until the 30 September 2033. The lease charge totalled \$2,333,749 for the year (\$2,834,796 2018-19).

ACMA contracts staff from Council with the on-charge totalling \$920,293 for the year (\$1,152,526 2018-19).

An amount of \$944,785 was paid to the Authority as a grant from the City of Adelaide. The grant supports the Authority for the loss of rental income resulting from rent concessions made to Market tenants for the final quarter of the 2019-20 financial year, which were designed to support tenants experiencing financial hardship as a consequence of the COVID-19 pandemic.

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 18b. Controlled Entities (continued)

Name of Operation/Entity	Principal Activity and Place of Business
<b>Adelaide Park Lands Authority (APLA)</b>	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.

Interests in Subsidiary \$ '000	Ownership 2020	Ownership 2019	Voting Rights 2020	Voting Rights 2019
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 for 2019-20 totalled \$215,000 (\$187,000 2018-19).

### Other disclosures

APLA contracts staff from Council with the on-charge totalling \$142,792 for the year (\$136,860 2018-19).

Name of Operation/Entity	Principal Activity and Place of Business
<b>Rundle Mall Management Authority (RMMA)</b>	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.

Interests in Subsidiary \$ '000	Ownership 2020	Ownership 2019	Voting Rights 2020	Voting Rights 2019
Council's Interest in Subsidiary	100%	100%	100%	100%

### Other disclosures

RMMA contracts staff from Council with the on-charge totalling \$1,052,470 for the year (\$793,509 2018-19).

For the financial year 2019-20 Council contributed \$962,456 to the Authority, which was in equal proportion to rates waived to support Rundle Mall Traders as a consequence of the COVID-19 crisis.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 19. Contingencies & Assets / Liabilities Not Recognised in the Balance Sheet

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The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge 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.

At reporting date, Council controlled **190 km** of road reserves of an average width of **9.55 metres**.

#### 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 EXPENSES

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.

Council has an ongoing matter in the Supreme Court of SA. The nature of the matter is such that it is unlikely that Council will be liable for any damages, but it will be liable to perform works in dispute. Council could also be subject to costs ordered against it.

Council disputes a matter in relation to the interpretation of its applicable industrial award, enterprise agreement and the Fair Work Act. The matter relates to the forced stand-down of employees in response to the COVID-19 crisis. As a result, the financial statements have recognised an amount to provide for any potential re-instatement of employee leave provisions.

### Note 20. Events after the Reporting Date

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Events that occur after the reporting date of 30 June 2020, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 21. Related Party Transactions

#### Key Management Personnel

##### Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Lord Mayor, Councillors, CEO and Directors. In all, 21 persons were paid the following total compensation:

\$ '000	2020	2019
<b>The compensation paid to Key Management Personnel comprises:</b>		
Short-Term Employee Benefits	2,135	2,326
Post-Employment Benefits	136	158
Long-Term Benefits	–	22
<b>Total</b>	<b>2,271</b>	<b>2,506</b>

Compensation paid excludes reimbursement of expenses incurred on behalf of Council

##### Receipts from Key Management Personnel comprise:

Rentals for Council property	450	496
<b>Total</b>	<b>450</b>	<b>496</b>

Rentals for Council Property relates to Adelaide Central Market stall holdings. During the year the parties to the rental revenue disclosed received \$136,000 in COVID19 rent waiver and other rent abatement in accordance with a decision of City of Adelaide to provide rent relief to all Adelaide Central Market stallholders.

### Note 22. Capital City Development and Economic Development

Expenditure incurred in accordance with the Capital City Committee Capital City Development Program per Section 34(1)(b) of the City of Adelaide Act 1998 totalled \$36.4m for 2019-20 (\$47.4 m 2018-19). This represents 17.1% (22% 2018-19) of total expenditure for the year ended 30 June 2020.

In accordance with the requirements of the City of Adelaide Act 1998, expenditure of \$13.3m (\$13.7m 2018-19) was incurred for works, services and activities that directly related to Council's economic development program.

This represents 6.34% (6.38% 2018-19) of the total expenditure for the year ended 30 June 2020.

## 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 consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 2020 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 (including Independence Standards)* (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, Adelaide Central Market Authority and the Annual Report of The Brown Hill and Keswick Creeks Stormwater Board.

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.



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\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our auditor's report.

A stylized blue ink signature of the BDO firm, consisting of the letters 'BDO' in a cursive, handwritten style.

**BDO Audit (SA) Pty Ltd**

A blue ink signature of Andrew Tickle, written in a cursive, handwritten style.

Andrew Tickle  
Director

Adelaide, 9 October 2020

## **INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF CITY OF ADELAIDE**

### **Opinion**

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Adelaide ('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 2019 to 30 June 2020 relevant to ensuring such transactions have been conducted properly and in accordance with law.

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 2019 to 30 June 2020.

### **Basis for opinion**

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.

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

### **The Council's responsibilities 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 independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.



### **Assurance practitioner's responsibilities**

Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the 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. ASAE 3150 requires that we 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.

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.

### **Limitations of controls**

Because of the inherent limitations of an assurance engagement, together with 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.

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

**BDO Audit (SA) Pty Ltd**

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

Andrew Tickle  
Director

Adelaide, 9 October 2020

## City of Adelaide

### General Purpose Financial Statements for the year ended 30 June 2020

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#### 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 2020, the Council's Auditor, BDO (Audit) SA 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:

9/10/2020

## 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 2020, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, 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, 10 September 2020



HOUSE  
OF ORGANICS  
And Sustainably  
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STALL 45

# Adelaide Central Market Authority (ACMA) Annual Report 2019–2020

## ACMA Mission

To operate sustainably and successfully as a group of prosperous Traders, Board and management team that provides a diverse and exciting cultural shopping experience that enhances our precinct, city and state.

## The Year in Review

The 2019/20 period was the seventh full year of operation for the Adelaide Central Market Authority (ACMA) after its formal establishment in October 2012.

The Market saw impact from the COVID-19 pandemic early in 2020 with a decrease in customers in the Market precinct, particularly from Chinatown. From late March 2020 the Government introduced COVID-19 restrictions, where the Market was classified as an essential business and was permitted to continue trading. During this time, the Market remained open for business following government restrictions and worked with the advice from SA Health, SAPOL and City of Adelaide. Café business in the Market was significantly impacted due to social distancing measures and take away only business. ACMA supported traders to implement new ways to shop safely in Market, increased advertising with a 'support local' call to action and increased stakeholder engagement and customer relations.

## COVID-19 Summary

### In Market Communication

The Market implemented measures for social distancing compliance including floor, entry signage, regular social distancing PA announcements, POS posters for traders and hand sanitisers located at entrances. Further measures for peak trading times included floor wardens, barriers and working with traders to ensure they also have COVID-19 plans in place.

## Drive-through Initiative

A drive-through service was implemented at the start of April, with a refrigerated shipping container located on Gouger Street and City of Adelaide staff operating the service on Tuesdays and Fridays from 2pm until 6pm. This service, facilitated by ACMA, allowed customers to order and pick up Market goods without needing to leave their car. During the 11-week period of service until 19 June 2020, over 1,100 orders from 40 traders were collected by Market customers. In the final week customers were provided a thank you for your support note with a coffee voucher and Market socks.

## Traders

Between March – June 2020 ACMA issued 42 newsletters to traders and seven General Manager video updates. Traders were supported with signage and guidance for COVID-19 restrictions, flexibility for trading (one hour later for opening or one hour earlier for closing) and a 3-month rental support package from City of Adelaide.

## Marketing and Communications

Marketing activities were increased during COVID-19 to reinforce the Market was open during usual trading hours and encouraged South Australians to support local and ways to shop safely. Tactical marketing included increased customer communications on social media, digital ads, newsletters, paid live reads targeting main grocery buyers on the Australian Traffic Network and FM radio.



## Summary of financial result

	2017–18	2018–19	2019–20
<b>Gross Revenue</b>	9,301,030	9,361,766	8,706,813
<b>Gross Expenditure</b>	(6,627,160)	(6,240,811)	(5,694,095)
<b>ACMA Operations</b>	2,673,870	3,120,955	3,012,718
<b>CoA Rent</b>	(2,801,144)	(2,834,797)	(2,333,750)
<b>CoA Upark Management Fee</b>	(446,111)	(446,112)	(493,321)
<b>CoA Interest on Borrowings</b>	(92,927)	(152,246)	(202,207)
<b>CoA Contribution</b>		(300,000)	
<b>Financial Result</b>	(666,312)	(612,200)	(16,560)

## Fast Facts

- Over 150 years of retailing fresh produce to South Australia
- Home to 72 small businesses
- Over 5,700 square metres of undercover retail space
- 1,000 undercover car parks
- \$1,392,308 of media coverage generated
- Over 113,000 combined followers on Facebook and Instagram
- 1,442,340 pageviews on [adelaidecentralmarket.com](http://adelaidecentralmarket.com)
- \$3.4M in capital works undertaken
- Over 1,000 maintenance tasks completed



## Our Customers

To put our Customers at the centre of all that we do to provide them with an authentic, unique and memorable shopping experience.

Throughout 2019/20 ACMA focused on community and customer engagement within the Market.

### Community and Customer Engagement

Community and Customer engagement activities were significantly impacted in the latter part of FY19/20, from March – June 2020, due to the impacts of COVID-19 restrictions. Gatherings and events were suspended as of 23 March 2020.

### Live Music

Local musicians continue to perform each week in the Market, including an ongoing partnership with Music SA. A community partnership with St Marys College band has included ongoing performances by the St Mary's College jazz ensemble.



### BindiMaps

In a retail first for South Australia and in partnership with the Royal Society for the Blind, the BindiMaps app was launched at the Market in October 2019.

BindiMaps is a free smartphone app, assisting vision impaired customers navigate the Market to exact stalls using new technology.

### Fringe Exhibition

Students from all over South Australia entered the Adelaide Fringe poster competition with the winning piece to feature on the cover of the 2020 Adelaide Fringe Schools booking guide. Over 40 artworks were on display in the Grote Street dining area for judging and for customers to enjoy from 22 October to 4 November 2019.

### Radio Italiana

Radio Italiana celebrated Italian Cuisine week with three outside broadcasts during November 2019 in the Community Kitchen. The broadcasts included cooking with Italian community groups, music and trader interviews.

### Little Picassos Exhibition

The Little Picassos exhibition was held November 2019 until January 2020 and celebrated the work of 450 students from Little Picassos Glenelg, Hyde Park, Magill and Woodcroft Studios. The students worked around the theme of Christmas in Australia with children aged between two and 17 years, creating individual and group pieces, standing angels and ceramic gingerbread houses for display throughout the Market.

### Christmas and Easter

Major retail campaigns Christmas and Easter comprised of above-the-line radio and print advertising, supported by direct mail, digital and in-Market advertising. The campaigns both featured free activities, live music, cooking demonstrations, in-Market theming and recipes.

## **ABC Outside Broadcast and Foodbank appeal**

ABC Radio Adelaide joined Foodbank SA for their Christmas Food Drive to End Hunger across South Australia to help put meals on the table for those in need this Christmas, with an outside broadcast in the Market and their goal of 100,000 meals achieved.

## **Fringe Fridays**

In collaboration with the Adelaide Fringe, Market customers were treated to a preview Fringe performance every Friday during February 2020. A street performance area with stage lighting was available to artists throughout the Fringe period.

## **Events**

### **July Bastille Day**

A celebration of French culture, Bastille Day celebrations were held over two days on Friday 12 and Saturday 13 July 2019. The celebrations included live music, a champagne bar, free cooking demonstrations, product highlights and a crepe pop up.

### **School Holidays**

The July school holiday program featured free and low-cost activities and was the biggest to date. Low cost activity the Market Trail saw 957 kids participating, exploring the Market and Little Market Chefs saw 139 kids create a fresh recipe with Sprout in Little Market Chefs. An additional 450 kids took part in free craft workshops, Market bag decorating, gingerbread decorating, an Aboriginal art workshop and face painting.

### **August Winter Activation**

Every Saturday morning in August 2019 the Market hosted free craft workshops and face painting, with 200 kids enjoying the activities. Live music was also held in each dining area every Friday night.

### **Spin and Win**

Each Friday during lunchtime in August 2019, the Market hosted a 'Spin and Win' with Nova 919 to give

customers the opportunity to win Market prizes on a Central Market branded prize wheel. Over 600 Market branded products were given away to happy customers and the activation was supported by paid on-air activity throughout the month.

## **Gift with Purchase**

The Market offered a free Market gift with purchase to customers on Saturday 24 August 2019. Customers were eligible to a free Market gift with proof of \$30 or more spend with Market traders. Nearly 1,000 Market branded items were given away on the day, with positive feedback from customers.

## **September**

### **Seafood + Sounds**

Seafood + Sounds was held for its third year on 13 and 14 September 2019. Highlights included cooking demonstrations, a chilli crab pop up, a gin pop-up bar, wine tasting, and live jazz music. Producers and industry bodies involved included SA Spencer Prawns, Myers Seafood, Two Gulf Crab and chefs Simon Bryant and Bree May. The Chilli Crab Shack pop up at Producer in Residence stall was a highlight, in partnership with Sprout Cooking School. Chilli Crab Shack saw 25% increase in sales YoY and 50% increase from 2017.

## **October**

### **School Holidays**

The October school holiday program featured free and low-cost activities. 693 kids participated in the Market Trail and 105 kids created a Market recipe with Sprout during Little Market Chefs. Free workshops included Market bag decorating, seedling planting workshop and an eco-crayon workshop.

### **Octoberfeast**

In partnership with Market traders Barossa Fine Foods and Standom Smallgoods a German themed event 'Octoberfeast' was held on Friday 25 October 2019. The event featured cooking demonstrations, tastings, pop up German beer bar, music, dancing and bell ringing.

## November

### Big Market Adventures on Saturdays

Free craft workshops were held every Saturday during November 2019, with approximately 200 children participating.



## December

### Christmas

Christmas activities included three Australian Girls' Choir performances, school Christmas carols, live music and outside broadcasts with Fiveaa. Roving entertainment within the Market included elves and puddings who gave away candy canes and free coffee cards to shoppers.

## January

### School Holidays

Three free art and craft workshops were held for school aged children during the January school holidays with Aboriginal art, Market bag decorating and an eco-crayon workshop.

### Trek-Segafredo Tour Down Under Team Meet and Greet

On Saturday 18 January 2019, the Market secured an appearance with TDU riders from the Trek-Segafredo team, including the current cycling world champion. The event included a cooking demonstration by head

chef Giovanni Pilu from the award-winning Sydney restaurant Pilu at Freshwater, prizes, signings by the team and a live auction of official team merchandise with proceeds going to the Red Cross Disaster Relief and Recovery.

## February

### Market Minis

Tuesday 4 February 2020 saw the launch of Market Minis held every Tuesday during school term. The free program was targeted to parents of pre-schoolers and promoted healthy eating. During the first month the sessions attracted approximately 30 children per day. A new kids zone play furniture was installed within Gouger Street dining area to compliment Market Minis, with two custom made play kitchens, bench seating and a stall made from recycled pallets with wooden toy food and books.

### Market Birthday – Celebrating 151 years

In celebration of 151 years, the Market hosted a 'Spin and Win' with Nova 919 on 8 February 2020. Customers were given the opportunity to win Market prizes on a Central Market branded prize wheel. 225 Market products, with positive feedback from customers.

## March

### Women in Food

In celebration of International Women's day, a sold-out Women in Food Breakfast was held on 5 March 2020. The event featured a breakfast made by Lucia's Pizza & Spaghetti Bar and a robust discussion with panellists Karena Armstrong, chef and owner of the Salopian Inn, Corrina Wright, winemaker and director at Oliver's Taranga and Barbara Knoll owner of Barossa Fine Foods about their challenges, achievements and the moments that keep them inspired. The event was emceed by writer and co-author of our book Adelaide Central Market, Stories, People & Recipes, Katie Spain and saw 40 guests attend.

## Sunday Trading

Voluntary Sunday Trading commenced on 22 March 2020 with a range of traders open, live music and a DJ. Due to COVID-19 Sunday Trading was temporarily postponed at the end of April 2020.

## Our Traders

To build and support a market 'family' of diverse, passionate, professional and knowledgeable customer focused traders.

### Existing Trader Investment in fit-out/refurbishment

Three stalls underwent structural works during 2019/20, demonstrating confidence in the sustainable future of the Market:

- Marino Meats (Stall GO52/54)
- Field to Fork (Stall 75)
- Atlas (Stall 63)

### Lease Renewals

Twenty-one businesses within the Market renewed their leases for a further term.

### New Traders

Three new business in the market, investing in a full stall fit-out:

- Real Falafel (Stall 3 & 4)

- Simply Sarj (Stall 11)
- Gewurzhaus (Stall 43) – opening 2020/21
- Angelakis (Stall 5 & 6) – opening 2020/21

## Trader Engagement

Trader engagement was primarily conducted through Market Talk newsletters and monthly meetings with the elected Traders Advisory Group representatives, video updates and face to face briefings (limited due to COVID-19 social distancing).

- 92 Market Talk e-newsletters were issued to Traders
- Eight Video Updates with General Manager Jodie Kannane were issued to Traders
- Nine Trader Advisory Group (TAG) meetings
- Two Arcade Redevelopment Trader briefings presented by City of Adelaide

## Pop-Up Opportunities

The Producer in Residence stall continued to provide small, local, artisan businesses trial their products with Market customers. Due to COVID-19 the Producer in Residence Stall was put on hold from March 2020.

- 11 businesses occupied the Producer in Residence stall over a three-week period
- The Chilli Crab Shack with Sprout Cooking School traded over two days for the Seafood + Sounds event on 13 and 14 September 2019 at the Producer in Residence Stall.



## Our Business

To build a business that is financially sustainable, well managed and well governed.

### Community Partnerships

In 2019/20 ACMA created a Community Plan to support and work closely with South Australian groups that align with core values and enrich the local community. The Market community includes the many groups within precinct including customers, traders, staff, residents and community organisations. Key initiatives throughout the year included partnering with local families including St Mary's college, The Big Issue, OzHarvest, Guide Dogs SA and working with school groups who visit the Market.

ACMA continued to support The Big Issue Lunch and OzHarvest charity organisations as key partnerships with key highlights including:

#### The Big Issue

The ninth annual Big Issue Lunch saw over 300 people attend, raising over \$22,000 to support the Big Issue's work in positively changing the lives of homeless and disadvantaged South Australians.

#### OzHarvest

In 2019/20 the total contribution to food rescue from the Adelaide Central Market was 32,715 meals, equating to 10,905kg. By diverting this food from landfill, traders helped the environment by saving 52,334kgs of CO<sub>2</sub>-eq\* greenhouse gases and 7,483,762 litres of water.

In the final days to Christmas 2019 the Tree of Goodness returned, with each donation highlighting the number of meals contributed to Adelaide's disadvantaged. \$5,347 was raised over three days, enabling 10,695 meals to be delivered to Adelaide's disadvantaged.

## Operations

ACMA continues to improve the look and feel of the trading environment and safety of the Market with 2019/20 key improvements:

- \$3.4M in capital works was undertaken and 1012 maintenance tasks completed
- Cooling and BMS Upgrade
- Gouger and Grote St Heritage tiling and painting works
- Fire hydrant booster pump installation
- Structural rebuild of Stalls 3/4
- Structural rebuild of Stall 63
- Grote St Dining area furniture Renewal
- Stall Switchboard Modernisation Upgrades
- Anti-Terrorism Bollard installation

## Our Precinct

To make a valuable contribution to the economic, social and cultural wellbeing of our precinct, city and state.

- Continue to work closely with the Market District including attendance to Lord Mayor Precinct Association forums, industry association and district meetings
- Continue to work with the South Australia Tourism Commission for events and filming opportunities.

### Central Market Arcade Redevelopment

ACMA has been working closely with the City of Adelaide on the Central Market Arcade Redevelopment including the 6 December project announcement and scheduling of Trader Forums with senior members of the City of Adelaide executive.

ACMA looks forward to working with the City of Adelaide to achieve the vision for the redevelopment which will extend the Market offer and provide a thriving mixed-use place, complementing the vital role of the Adelaide Central Market as a hub of food and culture in the city.

Adelaide Central Market  
Authority (ACMA)

# Audited Financial Statements

for the year ended 30 June 2020



# Adelaide Central Market Authority

## General Purpose Financial Statements for the year ended 30 June 2020

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## Adelaide Central Market Authority

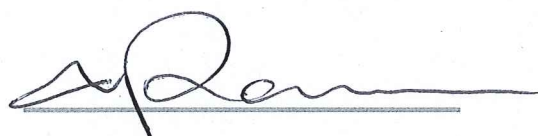
### General Purpose Financial Statements for the year ended 30 June 2020

### Certification of Financial Statements

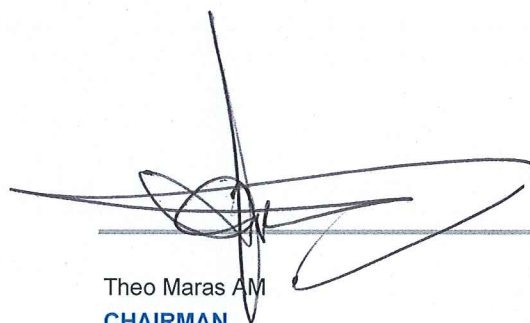
**We have been authorised by the Adelaide Central Market Authority (the Authority) to certify the financial statements in their final form.**

**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 2020 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Authority's accounting and other records.



Jodie Kannane  
**GENERAL MANAGER**



Theo Maras AM  
**CHAIRMAN**

**Date: 24 September 2020**

## Adelaide Central Market Authority

### Statement of Comprehensive Income for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Income</b>			
User Charges	2a	8,386	9,192
Grants, Subsidies and Contributions	2d	945	-
Investment Income	2b	9	12
Other Income	2c	31	117
<b>Total Income</b>		<b>9,371</b>	<b>9,321</b>
<b>Expenses</b>			
Materials, Contracts & Other Expenses	3a	7,775	9,107
Depreciation, Amortisation & Impairment	3b	1,277	376
Finance Costs	3c	332	152
Contribution to City of Adelaide	3d	-	300
<b>Total Expenses</b>		<b>9,384</b>	<b>9,935</b>
<b>Operating Surplus / (Deficit)</b>		<b>(13)</b>	<b>(614)</b>
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>(13)</b>	<b>(614)</b>
<b>Total Comprehensive Income</b>		<b>(13)</b>	<b>(614)</b>

<sup>1</sup> Transferred to Statement of Changes in Equity

# Adelaide Central Market Authority

## Statement of Financial Position as at 30 June 2020

\$ '000	Notes	2020	2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4a	242	567
Trade & Other Receivables	4b	332	256
Inventories	4c	43	81
Other Current Assets	4d	295	-
<b>Subtotal</b>		<b>912</b>	<b>904</b>
<b>Total Current Assets</b>		<b>912</b>	<b>904</b>
<b>Non-Current Assets</b>			
Infrastructure, Property, Plant & Equipment	6a	17,115	8,849
Other Non-Current Assets	5a	395	-
<b>Total Non-Current Assets</b>		<b>17,510</b>	<b>8,849</b>
<b>TOTAL ASSETS</b>		<b>18,422</b>	<b>9,753</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7a	1,230	1,632
Borrowings	7b	718	-
<b>Subtotal</b>		<b>1,948</b>	<b>1,632</b>
<b>Total Current Liabilities</b>		<b>1,948</b>	<b>1,632</b>
<b>Non-Current Liabilities</b>			
Borrowings	7b	13,822	5,895
<b>Total Non-Current Liabilities</b>		<b>13,822</b>	<b>5,895</b>
<b>TOTAL LIABILITIES</b>		<b>15,770</b>	<b>7,527</b>
<b>Net Assets</b>		<b>2,652</b>	<b>2,226</b>
<b>EQUITY</b>			
Accumulated Surplus		402	415
Other Reserves	8a	2,250	1,811
<b>Total Equity</b>		<b>2,652</b>	<b>2,226</b>

## Adelaide Central Market Authority

### Statement of Changes in Equity for the year ended 30 June 2020

\$ '000	Accumulated Surplus	Other Reserves	Total Equity
<b>2020</b>			
<b>Balance at the end of previous reporting period</b>	415	1,811	2,226
<b>Restated Opening Balance</b>	<b>415</b>	<b>1,811</b>	<b>2,226</b>
<b>Net Surplus / (Deficit) for Year</b>	(13)	-	(13)
Other Comprehensive Income			
- Deemed contribution	-	439	439
<b>Other Comprehensive Income</b>	<b>-</b>	<b>439</b>	<b>439</b>
<b>Total Comprehensive Income</b>	<b>(13)</b>	<b>439</b>	<b>426</b>
<b>Balance at the end of period</b>	<b>402</b>	<b>2,250</b>	<b>2,652</b>
<b>2019</b>			
<b>Balance at the end of previous reporting period</b>	1,029	1,175	2,204
<b>Restated Opening Balance</b>	<b>1,029</b>	<b>1,175</b>	<b>2,204</b>
<b>Net Surplus / (Deficit) for Year</b>	(614)	-	(614)
Other Comprehensive Income			
- Deemed contribution	-	636	636
<b>Other Comprehensive Income</b>	<b>-</b>	<b>636</b>	<b>636</b>
<b>Total Comprehensive Income</b>	<b>(614)</b>	<b>636</b>	<b>22</b>
<b>Balance at the end of period</b>	<b>415</b>	<b>1,811</b>	<b>2,226</b>

# Adelaide Central Market Authority

## Statement of Cash Flows for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Cash Flows from Operating Activities</b>			
<u>Receipts</u>			
Operating Receipts		9,203	9,447
Investment Receipts		9	12
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(8,746)	(9,917)
Finance Payments		(130)	-
<b>Net Cash provided by (or used in) Operating Activities</b>	9b	<b>336</b>	<b>(458)</b>
<b>Cash Flows from Investing Activities</b>			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(3,459)	(2,959)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(3,459)</b>	<b>(2,959)</b>
<b>Cash Flows from Financing Activities</b>			
<u>Receipts</u>			
Proceeds from Borrowings		3,500	3,207
<u>Payments</u>			
Repayment of Lease Liabilities		(702)	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>2,798</b>	<b>3,207</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(325)</b>	<b>(210)</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	9	<b>567</b>	<b>777</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	9	<b>242</b>	<b>567</b>

## Adelaide Central Market Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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# Adelaide Central Market Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

### Note 1. Summary of Significant Accounting Policies

---

The principal accounting policies adopted by the Adelaide Central Market Authority (the Authority) 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 on a going concern basis using the historical cost convention (except as stated below) 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*.

##### 1.2 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying the Authority's accounting policies.

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

##### 1.3 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

The Authority recognises revenue under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) or AASB 15 *Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when the Authority enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the Authority to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

#### 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.

Most receivables relate to stall holder leases and are secured in part by bank or director's guarantees.

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

# Adelaide Central Market Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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

---

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.

#### 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.

##### 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 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*

Plant & Equipment	2 to 20 years
-------------------	---------------

##### *Buildings & Other Structures*

Buildings – other construction	5 to 50 years
--------------------------------	---------------

##### *Other Assets*

Right-of-Use Assets	10 years
---------------------	----------

#### 6.4 Impairment

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

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

#### 7 Payables

##### 7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 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 assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded.

#### 8 Borrowings

# Adelaide Central Market Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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

The loan from the City of Adelaide to the Adelaide Central Market Authority has not been formalised however, per AASB 9, it is recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost.

Any difference between the proceeds (net of transaction costs) and the fair value is recognised through the Statement of Changes in Equity.

Deemed interest, which is the effective unwinding of the discount applied to the fair value recognition, is recognised in the Statement of Comprehensive Income. The City of Adelaide's Long-Term Financial Plan has been referenced to determine the timing of the principal repayment.

#### 9 Employee Benefits

The Authority does not have any employees. All employees are engaged through the parent entity, the City of Adelaide.

#### 10 Leases

##### Accounting policy applicable from 01 July 2019

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

##### 10.1 The Authority as a lessee

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### i.) Right-of-Use-Assets

The Authority recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are

depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

The right-of-use assets are also subject to impairment.

##### ii.) Lease Liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

##### iii.) Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (ie, those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

##### iv.) Leases with a variable value

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. This lease contains variable payment terms that are linked to the Authority's gross revenue for the year and net surplus at the reporting date. Variable lease payments for this lease are recognised in the Statement of Comprehensive Income in the period in which the condition that triggers those payments occurs.

##### 10.2 The Authority as a lessor

Leases in which the Authority does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating

# Adelaide Central Market Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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

lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### 11 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.

#### 12 New and amended accounting standards and interpretations

In the current year, the Authority adopted all 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 impact of the new and revised Standards and Interpretations on the Authority's accounting policies has been disclosed below.

Adelaide Central Market Authority has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

#### **Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

The Authority applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (except for certain matters relating to public sector NFP entities)

as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies. The Authority has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

#### **AASB 16 Leases**

The Authority applied AASB 16 Leases, for the first time from 1 July 2019. This standard requires that the right of use conveyed by leasing contracts (except leases with a maximum term of 12 months and leases for low-value assets) be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability.

#### **Adoption of AASB 16 Leases (AASB 16)**

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Statement of Financial Position under a single on-Statement of Financial Position model. The Authority has lease contracts for the Market complex and Market car parks. Before the adoption of AASB 16, the Authority classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Authority adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively and comparatives have not been restated.

The Authority recognised right-of-use assets and lease liabilities for those leases previously classified

## Adelaide Central Market Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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

as operating leases, except for short-term leases with lease terms that end within 12 months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Minimum operating lease commitments as at 30 June 2019	8,132
Less: variable lease payments that depend on an index rate and not included in the measurement of the lease liabilities at initial adoption	(1,478)
Undiscounted lease payments	6,654
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(570)
Lease liabilities for leases classified as operating leases under AASB 117	6,084
<b>Lease liabilities as at 1 July 2019</b>	<b>6,084</b>

of which:

Current liabilities (i)	702
Non-current liabilities (ii)	5,382

- (i) Included in current borrowings in the Statement of Financial Position; and
- (ii) Included in non-current borrowings in the Statement of Financial Position

Right of use assets of the same value as lease liabilities were recognised as a non-cash addition and included in Infrastructure, Property, Plant and Equipment in the Statement of Financial Position.

#### 13. Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020. The Authority does not anticipate

that new and amended Australian Accounting Standards, and Interpretations, issued but not yet effective at the time of compiling these illustrative statements will apply to the Authority's future reporting periods.

#### 14 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.

#### 15 Disclaimer

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

## Adelaide Central Market Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 2. Income

\$ '000	2020	2019
<b>(a). User Charges</b>		
Property Lease	3,445	3,527
Off-Street Parking	4,186	4,801
Property Recovery	755	864
<b>Total User Charges</b>	<b>8,386</b>	<b>9,192</b>
<b>(b). Investment Income</b>		
- Banks & Other	9	12
<b>Total Investment Income</b>	<b>9</b>	<b>12</b>
<b>(c). Other Income</b>		
Merchandise Sales	12	26
General Sales	19	91
<b>Total Other Income</b>	<b>31</b>	<b>117</b>
<b>(d). Grants, Subsidies, Contributions</b>		
Other Grants, Subsidies and Contributions	945	-
<b>Total Other Grants, Subsidies and Contributions</b>	<b>945</b>	<b>-</b>
<b>Total Grants, Subsidies, Contributions</b>	<b>945</b>	<b>-</b>
An amount of \$944,785 was received by the Authority as a grant from the City of Adelaide. The grant supports the Authority for the loss of rental income resulting from rent concessions made to Market tenants for the final quarter of the 2019-20 financial year, which were designed to support tenants experiencing financial hardship as a consequence of the COVID-19 pandemic.		
<b>(i) Sources of grants</b>		
Other	945	-
<b>Total</b>	<b>945</b>	<b>-</b>

# Adelaide Central Market Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

### Note 3. Expenses

\$ '000	Notes	2020	2019
<b>(a). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Nil			
Auditor's Remuneration			
Auditor's Remuneration		11	10
Bad and Doubtful Debts		34	-
Board Fees		117	116
Operating Lease Rentals - Non-Cancellable Leases	12		
- Minimum Lease Payments		-	4,125
Lease Expense - Variable Payments		2,352	-
<b>Subtotal - Prescribed Expenses</b>		<b>2,514</b>	<b>4,251</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		1,480	1,242
Energy		721	761
Maintenance		412	362
Legal Expenses		21	45
Levies Paid to Government - including NRM levy		36	34
Parts, Accessories & Consumables		48	41
Professional Services		60	85
Advertising and Promotion		239	222
Bank Charges and Cash Collection		100	118
Catering		12	8
Cleaning		938	890
Water		121	128
Insurance		101	86
Minor Plant and Equipment		5	19
Printing, Freight and Postage		4	10
Rates and Taxes		52	21
Security		616	535
Subscriptions		2	-
Training and Development		1	15
Waste Services		266	217
Other		26	17
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>5,261</b>	<b>4,856</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>7,775</b>	<b>9,107</b>

## Adelaide Central Market Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 3. Expenses (continued)

\$ '000	2020	2019
<b>(b). Depreciation, Amortisation and Impairment</b>		
<b>(i) Depreciation and Amortisation</b>		
Buildings	377	291
Right-of-Use Assets	760	-
Plant & Equipment	139	85
Furniture & Fittings	1	-
<b>Subtotal</b>	<b>1,277</b>	<b>376</b>
<b>Total Depreciation, Amortisation and Impairment</b>	<b>1,277</b>	<b>376</b>
<b>(c). Finance Costs</b>		
Interest on Loans	202	152
Interest on Leases	130	-
<b>Total Finance Costs</b>	<b>332</b>	<b>152</b>
<b>(d). Contribution to City of Adelaide</b>		
Contribution to City of Adelaide	-	300
<b>Subtotal</b>	<b>-</b>	<b>300</b>

# Adelaide Central Market Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

### Note 4. Current Assets

\$ '000	2020	2019
<b>(a). Cash &amp; Cash Equivalent Assets</b>		
Cash on Hand at Bank	242	567
<b>Total Cash &amp; Cash Equivalent Assets</b>	<b>242</b>	<b>567</b>
<b>(b). Trade &amp; Other Receivables</b>		
Accrued Revenues	105	164
Debtors - General	64	49
GST Recoupment	160	34
Prepayments	3	9
<b>Subtotal</b>	<b>332</b>	<b>256</b>
<b>Total Trade &amp; Other Receivables</b>	<b>332</b>	<b>256</b>
<b>(c). Inventories</b>		
Trading Stock	43	81
<b>Total Inventories</b>	<b>43</b>	<b>81</b>
<b>(d). Other Current Assets</b>		
Rent Receivable	295	-
<b>Total Other Current Assets</b>	<b>295</b>	<b>-</b>

During the year the Authority resolved to provide three month's rent relief to its tenants as a consequence of the COVID-19 pandemic. The rent concession has been recognised as a lease modification under AASB 16 *Leases*, and the revised consideration is recognised over the remaining lease term. The non-current portion of the modification is shown at Note 5. Non-Current Assets (i) Other.

### Note 5. Non-Current Assets

\$ '000	2020	2019
<b>(a). Other Non-Current Assets</b>		
<b>(i) Other</b>		
Rent Receivable	395	-
<b>Total Other</b>	<b>395</b>	<b>-</b>
<b>Total Other Non-Current Assets</b>	<b>395</b>	<b>-</b>

# Adelaide Central Market Authority

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 6a (i). Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/6/2019			Asset movements during the reporting period				as at 30/6/2020			
		At Cost	Accumulated Dep'n	Carrying Value	Asset Additions	Depreciation Expense (Note 3c)	Adjustments & Transfers	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	
<b>Capital Work in Progress</b>												
Buildings		1,324	-	1,324	3,459	-	(4,432)	-	350	-	350	
Buildings	2	7,431	(609)	6,822	-	(377)	3,311	-	10,741	(986)	9,755	
Other		-	-	-	6,084	(760)	-	-	6,084	(760)	5,324	
Right-of-Use Assets		999	(296)	703	-	(139)	1,099	-	2,099	(435)	1,664	
Plant & Equipment		-	-	-	-	(1)	22	-	23	(1)	22	
Furniture & Fittings												
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>9,754</b>	<b>(905)</b>	<b>8,849</b>	<b>9,543</b>	<b>(1,277)</b>	<b>-</b>	<b>-</b>	<b>19,297</b>	<b>(2,182)</b>	<b>17,115</b>	
<b>Comparatives</b>		<b>7,122</b>	<b>(556)</b>	<b>6,566</b>	<b>2,959</b>	<b>(376)</b>	<b>(300)</b>	<b>-</b>	<b>9,754</b>	<b>(905)</b>	<b>8,849</b>	

# Adelaide Central Market Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

### Note 7. Liabilities

\$ '000	Notes	2020 Current	2020 Non Current	2019 Current	2019 Non Current
(a). Trade and Other Payables					
Payments Received in Advance		13	-	90	-
Accrued Expenses - Other		259	-	960	-
Loan from City of Adelaide		323	-	109	-
Other		635	-	473	-
Total Trade and Other Payables		1,230	-	1,632	-
(b). Borrowings					
Lease Liabilities	12	718	4,664	-	-
Loan from City of Adelaide		-	9,158	-	5,895
Total Borrowings		718	13,822	-	5,895

The Loan from City of Adelaide liability is secured over the future revenues of the Authority

## Adelaide Central Market Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 8. Reserves

\$ '000	1/7/2019	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2020
<b>(a). Other Reserves</b>					
Fair Value Loan Adjustment	1,811	439	-	-	2,250
<b>Total Other Reserves</b>	<b>1,811</b>	<b>439</b>	<b>-</b>	<b>-</b>	<b>2,250</b>
<b>Comparatives</b>	<b>1,175</b>	<b>636</b>	<b>-</b>	<b>-</b>	<b>1,811</b>

#### OTHER RESERVES

The loan from the City of Adelaide to the Adelaide Central Market Authority has not been formalised and as such no commercial terms exist. AASB 9 *Financial Instruments* requires the loan be recognised at fair value. The difference between the loan amount (face value) and its fair value has been determined by the differential in the interest charged by Council (2020: 1.5% to 2.75%) and the rate offered by the Local Government Finance Authority (2020: 1.5%)

# Adelaide Central Market Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

### Note 9. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2020	2019
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#### (a). Reconciliation of Cash

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

Total Cash & Equivalent Assets	4	242	567
<b>Balances per Statement of Cash Flows</b>		<b>242</b>	<b>567</b>

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

<b>Net Surplus/(Deficit)</b>	<b>(13)</b>	<b>(614)</b>
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	1,277	376
Notional Interest Charged	202	152
	<b>1,466</b>	<b>(86)</b>
<b>Add (Less): Changes in Net Current Assets</b>		
Net (Increase)/Decrease in Receivables	(76)	138
Net (Increase)/Decrease in Inventories	38	(44)
Net (Increase)/Decrease in Other Current Assets	(690)	-
Net Increase/(Decrease) in Trade & Other Payables	(402)	(466)
<b>Net Cash provided by (or used in) operations</b>	<b>336</b>	<b>(458)</b>

#### (c). Non-Cash Financing and Investing Activities

<b>Long Term Borrowings</b>		
- Opening Balance	7,461	4,554
- Borrowings Advanced During the Year	3,500	2,907
- Fair Value Adjustment	(1,803)	(1,566)
<b>Closing Balance</b>	<b>9,158</b>	<b>5,895</b>
- Leases	5,382	-
<b>Total Liabilities from Financing Activities</b>	<b>14,540</b>	<b>5,895</b>

## Adelaide Central Market Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 10. Financial Instruments

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2020</b>					
<b>Financial Assets</b>					
Cash & Equivalents	242	-	-	242	242
Receivables	169	-	-	169	169
<b>Total Financial Assets</b>	<b>411</b>	<b>-</b>	<b>-</b>	<b>411</b>	<b>411</b>
<b>Financial Liabilities</b>					
Payables	1,217	-	-	1,217	1,217
Non-Current Borrowings	-	-	10,961	10,961	9,158
Lease Liabilities	832	4,158	832	5,822	5,382
<b>Total Financial Liabilities</b>	<b>2,049</b>	<b>4,158</b>	<b>11,793</b>	<b>18,000</b>	<b>15,757</b>

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2019</b>					
<b>Financial Assets</b>					
Cash & Equivalents	567	-	-	567	567
Receivables	213	-	-	213	213
<b>Total Financial Assets</b>	<b>780</b>	<b>-</b>	<b>-</b>	<b>780</b>	<b>780</b>
<b>Financial Liabilities</b>					
Payables	1,542	-	-	1,542	1,542
Non-Current Borrowings	-	-	5,895	5,895	5,895
<b>Total Financial Liabilities</b>	<b>1,542</b>	<b>-</b>	<b>5,895</b>	<b>7,437</b>	<b>7,437</b>

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

	30 June 2020		30 June 2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	2.26%	9,158	2.65%	5,895
		<b>9,158</b>		<b>5,895</b>

#### 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 Authority.

## Adelaide Central Market Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 10. Financial Instruments (continued)

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\$ '000

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##### 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 impairment. 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 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.

## Adelaide Central Market Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 11. Uniform Presentation of Finances

\$ '000	2020	2019
<p>The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	9,371	9,321
less Expenses	(9,384)	(9,935)
<b>Operating Surplus / (Deficit)</b>	<b>(13)</b>	<b>(614)</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(3,459)	(2,959)
add back Depreciation, Amortisation and Impairment	1,277	376
<b>Subtotal</b>	<b>(2,182)</b>	<b>(2,583)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(2,195)</b>	<b>(3,197)</b>

## Adelaide Central Market Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 12. Leases

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\$ '000

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##### The Authority as a Lessee

##### Terms and conditions of leases

##### Land & Buildings

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. Lease costs associated with this arrangement are disclosed below and at Note 3 as Variable Lease Payments.

##### Right of use Asset

ACMA has entered into an agreement with the City of Adelaide regarding the use of the Star Carpark with Jian Yong Investments Pty Ltd, Eon Australia Pty Ltd, Tien-Sheng Lu, David Wang and Ying-Chieh Lu until 30 June 2027. The financial implications of this arrangement are disclosed in Right of Use Assets below.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

##### Right of use assets

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	Right of Use Asset \$'000	Total \$'000
<hr/>		
<b>2020</b>		
Adoption of AASB 16 at 1 July 2019	6,084	6,084
Depreciation charge	(761)	(761)
<b>Balance at 30 June 2020</b>	<u>5,323</u>	<u>5,323</u>

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## Adelaide Central Market Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 12. Leases (continued)

##### The Authority as a Lessee (continued)

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2020
<b>Balance at 1 July</b>	6,084
Accretion of interest	130
Payments	(832)
<b>Balance at 30 June</b>	<b>5,382</b>
<b>Classified as:</b>	
Current	718
Non Current	4,664

The maturity analysis of lease liabilities is included in Note 10.

The Group had total cash outflows for leases of \$831,694

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	761
Interest expense on lease liabilities	130
Variable lease payments	2,352
<b>Total amount recognised in profit or loss</b>	<b>3,243</b>

##### The Authority as a Lessor

##### Leases Providing Revenue to the Authority

\$ '000	2020	2019
<b>Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:</b>		
Not later than one year	3,147	2,899
Later than one year and not later than 5 years	8,499	4,254
Later than 5 years	588	17
	<b>12,234</b>	<b>7,170</b>

## Adelaide Central Market Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 13. Related Party Transactions

\$ '000	2020	2019
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##### Key Management Personnel

##### Transactions with Key Management Personnel

The Key Management Personnel of the Adelaide Central Market Authority include Board members and the General Manager. In all, 7 persons were paid the following total cumulative compensation:

##### The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	283	304
Post-Employment Benefits	16	18
<b>Total</b>	<b>299</b>	<b>322</b>

Amounts paid as direct reimbursement of expenses incurred on behalf of the Adelaide Central Market Authority have not been included above.

##### Receipts from Key Management Personnel comprise:

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 Board members or Council elected members relating to 8 tenancies:

Stallholder Lease Rentals for properties managed by Adelaide Central Market	280	331
<b>Total</b>	<b>280</b>	<b>331</b>

##### 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 \$2,352,106 for the year.

Council manages the operational running of the car park under ACMA's control for which a management fee is payable. This totalled \$493,321 for the year.

The Memorandum of Lease between Council and ACMA requires Base Rent payable on Gross Revenue at a rate notified by the lessor. The lessor notified the rate to be 30% from lease commencement.

Council has provided loan funding to ACMA valued at \$10,960,640 at 30 June 2020. The loan has been recognised in the Statement of Financial Position at fair value based on the projected repayment timing of the principal. There is no required principal repayment therefore these borrowings are reflected as non-current.

ACMA has entered into an agreement with Council regarding the use of the Star Carpark with Jian Yong Investments Pty Ltd, Eon Australia Pty Ltd, Tien-Sheng Lu, David Wang and Ying-Chieh Lu until 30 June 2027.

This arrangement is recognised in accordance with Australian Accounting Standard AASB 16 Leases as a Right of Use asset. Interest and depreciation expense associated with the Right of Use asset totalling \$890,165 are included in the operating result of the Authority.

ACMA contracts staff from Council with the on-charge totalling \$920,293 for the year.

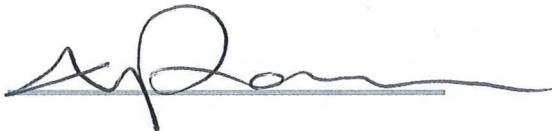
## Adelaide Central Market Authority

### General Purpose Financial Statements for the year ended 30 June 2020

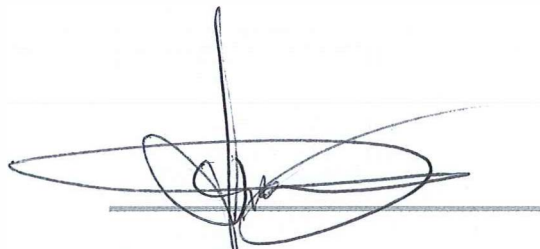
### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Central Market Authority for the year ended 30 June 2020, the Council's Auditor, BDO Audit (SA) Pty Ltd 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*.



Jodie Kannane  
General Manager  
**ADELAIDE CENTRAL MARKET  
AUTHORITY**



Theo Maras  
Chairman  
**ADELAIDE CENTRAL MARKET AUTHORITY**

**Date: 24 September 2020**



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AUSTRALIA

## 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 2020, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, 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*.

Paul Gosnold  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 4 September 2020

# Annual

# Report

## 2019/20







## Kurna

### Acknowledgement

Rundle Mall acknowledges the traditional Country of the Kurna 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 Kurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations.



# 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 2019/20 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 FY 2019/20, it was levied at \$0.03582 per dollar of property value and raised \$2.888M 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).

A further \$569,000 of self-generated funds were created through casual Mall leasing, concession permits and partnerships during FY 2019/20.

During the fourth quarter (April – June 2020) in response to COVID-19, \$962,000 was provided from the City of Adelaide to support the rate rebate decision and \$128,000 of internal recovery supported the overall budget.

The total budget for the RMMA for FY 2019/20 was \$4,547,000.

## Letter from the Chairman



In the face of ever-present disruptions that challenge traders' connections with consumers, one constant remains - RMMA's commitment to advocate for the economic interests of the traders, businesses and property owners in Rundle Mall.

Underpinned by the Strategic Plan, RMMA has succeeded in reinforcing to decision makers, shoppers and the wider public Rundle Mall's place as the premier retail and lifestyle destination in South Australia.

In the first half of 2019/20, we secured additional trading hours, enabling retailers to better align their opening hours with consumer needs. In doing so, we successfully attracted shoppers into the city, recording year-on-year growth for our two busiest days of the year, Black Friday and Boxing Day.

The completion of the Gawler Place upgrade delivers a much-anticipated facelift to the busy North/South thoroughfare. It complements the recently upgraded Rundle Mall Plaza and provides a welcoming connection to North Terrace where the tram extension brings thousands of visitors to Rundle Mall's doorstep each day. We thank the traders of Gawler Place for their patience and ongoing support during construction and beyond.

Completion of Gawler Place, along with infrastructure for 10Gigabit Adelaide and wireless charging stations, marks the completion of several key projects for Rundle Mall. We are now working on the next priority - activating the Precinct laneways. With support from the City of Adelaide, planning is under way with more detail to be shared in coming months.

Continued investment in a quality environment is integral to retaining the local, national and international brands that choose Rundle Mall for their flagship stores. As a result of Council's capital investment, private property owners have had the confidence to invest more than \$500 million in recent years across the Precinct.

Our objective to support economic outcomes expanded in March 2020 as COVID-19 threatened our public health and economy. The landscape as we emerge leaves retailers and businesses facing changes in spending behaviour driven by low consumer confidence, rising unemployment and uncertainty about future outbreaks. It also provides opportunity to adapt and change and drive innovation for the Precinct.

Rest assured the Board and RMMA team are closely monitoring these conditions so it can continue to support traders into the future and represent their interests to both the City of Adelaide and the South Australian Government.

I thank Johanna and the RMMA for their leadership and sustained drive to deliver excellence for the Precinct and its stakeholders, along with outgoing Board members Lauren Fried and David Cooke for their contributions. I would also like to welcome property industry leader Fairlie Delbridge and marketing expert Fiona Krawczyk who both joined the Board as COVID-19 restrictions took effect.

To my fellow Board Members, who have remained resolute in their commitment in a challenging year, your wisdom, insights and opinions continue to lead to robust discussion to inform the future of Rundle Mall.

Finally, to the traders, business owners and property owners of Rundle Mall, my gratitude and appreciation goes to your unwavering commitment to adapt to the changing landscape.

Together we will lead Rundle Mall's recovery and preserve its place in the hearts of generations of South Australians to come.

A handwritten signature in black ink, appearing to read 'Peter Joy'.

**Peter Joy**  
Chairman  
Rundle Mall Management Authority Board



## Letter from the General Manager



The need to differentiate, reinvent business models and harness the combined power of digital and data to unlock opportunity has never been more important in the ever-changing retail landscape.

Through a comprehensive program of partnerships, activations, events and working closely with the City of Adelaide and South Australian Government, RMMA has delivered on its objective to drive visitation and preserve Rundle Mall's place as the economic heart of Adelaide.

As the hub of Precinct information, RMMA's analysis of retail data and trends has assisted traders, property owners and leasing agents with individual business planning and leasing negotiations.

This collaboration has informed new brands and redevelopment of stores to provide the very latest instore experiences to South Australians. These include the much-anticipated arrival of international beauty giant Sephora and brands such as Dr Martens, Sushi Hub, and new flagship stores for Hype DC, Strandbags, Forever New and Secrets Shhh.

Our partnership with publishing icon *Vogue Australia* culminated in our largest ever *Vogue Festival* over three days in October, attracting 215,000 customers into the Precinct with more than 150 retailer offers, masterclasses and special events. Generating approximately \$30 million in retail sales, *Vogue Festival* also launched the world premiere of homegrown couturier Paolo Sebastian's *Frozen* partnership with Disney.

To reinvigorate Rundle Mall's relevance to shoppers, a new visual identity and 'Expect it all' positioning statement was unveiled as part of our Christmas trading campaign. This fresh new look capitalises on our iconic Spheres sculpture and was recognised with an Asia Pacific brand refresh award.

The identity injects a bold new look into our social media channels, business and consumer email newsletters and our redeveloped and expanded website which showcases retailer promotions better than ever before. Engagement with Rundle Mall's communication channels exceeds the retail industry average, providing retailers with a valuable additional channel to connect with consumers.

Regular ongoing discussions with retailers, property managers, leasing agents, arcade/centre managers and marketing teams continues to inform our advocacy program. This resulted in the first-ever midnight trading for Black Friday where foot traffic rose 18% on 2018, and extra hours on Boxing Day supported year-on-year sales growth in the Precinct.

A partnership with Adelaide Festival and the City of Adelaide created a 60th anniversary gift to the city, with Tatzu Nishi's whimsical *A Doll's House* installation attracting 30,000 visitors. The RMMA complemented the colourful Doll's House with its very own pop-up back yard – aptly titled 'The Yard' – featuring the return of popular national brands including Gelato Messina.

As festival season drew to a close an unexpected disruption emerged that extends beyond the retail sector to public health and the economy. Restrictions to limit the spread of COVID-19 saw a variety of Rundle Mall stores remain open as an essential service, however health directions to remain at home resulted in many temporarily closing their doors.

During this hibernation, RMMA updated its emergency response plans and escalated communications with retailers, assisting them to navigate their new obligations while also ensuring safety across the Precinct by increasing cleaning measures, security presence and instructional signage to promote social distancing.

To provide much-needed financial relief, RMMA worked with the City of Adelaide to waive the fourth quarter RMMA Separate Levy, and support hundreds of traders and property owners to access advice and grants via all tiers of government.

Our Rundle Mall 'At Home' digital campaign connected consumers with all their favourite Rundle Mall brands and experiences, complemented by an extensive advertising campaign.

As restrictions began to ease, a 'new' normality and shopping experience emerged as stores began reopening. We shared our 'Roadmap to Recovery' strategy, which shifts from larger events to creating place-making opportunities, and improving lighting and signage along the Mall to assure South Australians of a safe and attractive setting.

Maintaining relevance as customer values and behaviours shift will be the key consideration for our stakeholders moving into the year ahead. It's the key driver for the dedicated RMMA team as we ensure Rundle Mall continues to deliver on its 'Expect it all' brand promise.

The rapid innovation occurring across the Precinct and from RMMA in response to an uncertain landscape has been remarkable. I would like to thank the RMMA Board for the experience and insights they bring to drive our Precinct forward. I am also incredibly grateful for the ongoing support, hard work and dedication from my team at the RMMA who work so hard to turn a challenge into opportunity.

We are driving forward with a complementary range of promotions, initiatives and pop ups that ensure Rundle Mall remains a safe, attractive and welcoming environment to benefit our traders, property owners and business owners, and the people of South Australia.



**Johanna Williams**  
General Manager  
Rundle Mall Management Authority



The RMMA

Our Business

Business name	Rundle Mall Management Authority
Business structure	Section 42 Subsidiary 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
Email	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 Purpose

- Attract**  
To attract people to the Rundle Mall Precinct.
- Stay**  
To encourage people to dwell longer.
- Enjoy**  
To facilitate enjoyment of the Rundle Mall experience.

Our Areas of Focus

- Information**  
To be the hub of Precinct information.
- Visitor Experience**  
To support an easy and enjoyable visitor experience.
- Advocacy**  
To influence projects for Precinct growth and minimise negative impacts.
- Brand**  
To position Rundle Mall as the premier retail destination in South Australia.





## 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 City of Adelaide 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, with ten staff responsible for marketing, events and administration.

The RMMA's overarching aim is to improve the Rundle Mall Precinct's competitive stance and ensure a sustainable future for its 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 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 and the western side of Pulteney Street, and includes all of the land in between. It is comprised of approximately 700 retail stores, 300 service businesses 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 retail sales collectively of approximately \$1B, approximately 21 million visitations per annum and employing in the vicinity of 5,000 people, Rundle Mall remains the retailing heart of South Australia.





## Meet the Board



**Chairperson**  
Peter Joy



**Deputy Chairperson**  
Rob McKay



**Director**  
Cllr Franz Knoll



**Director**  
Deborah Miller



**Director**  
Kate Gould



**Director**  
Fiona Krawczyk



**Director**  
Fairlie Delbridge

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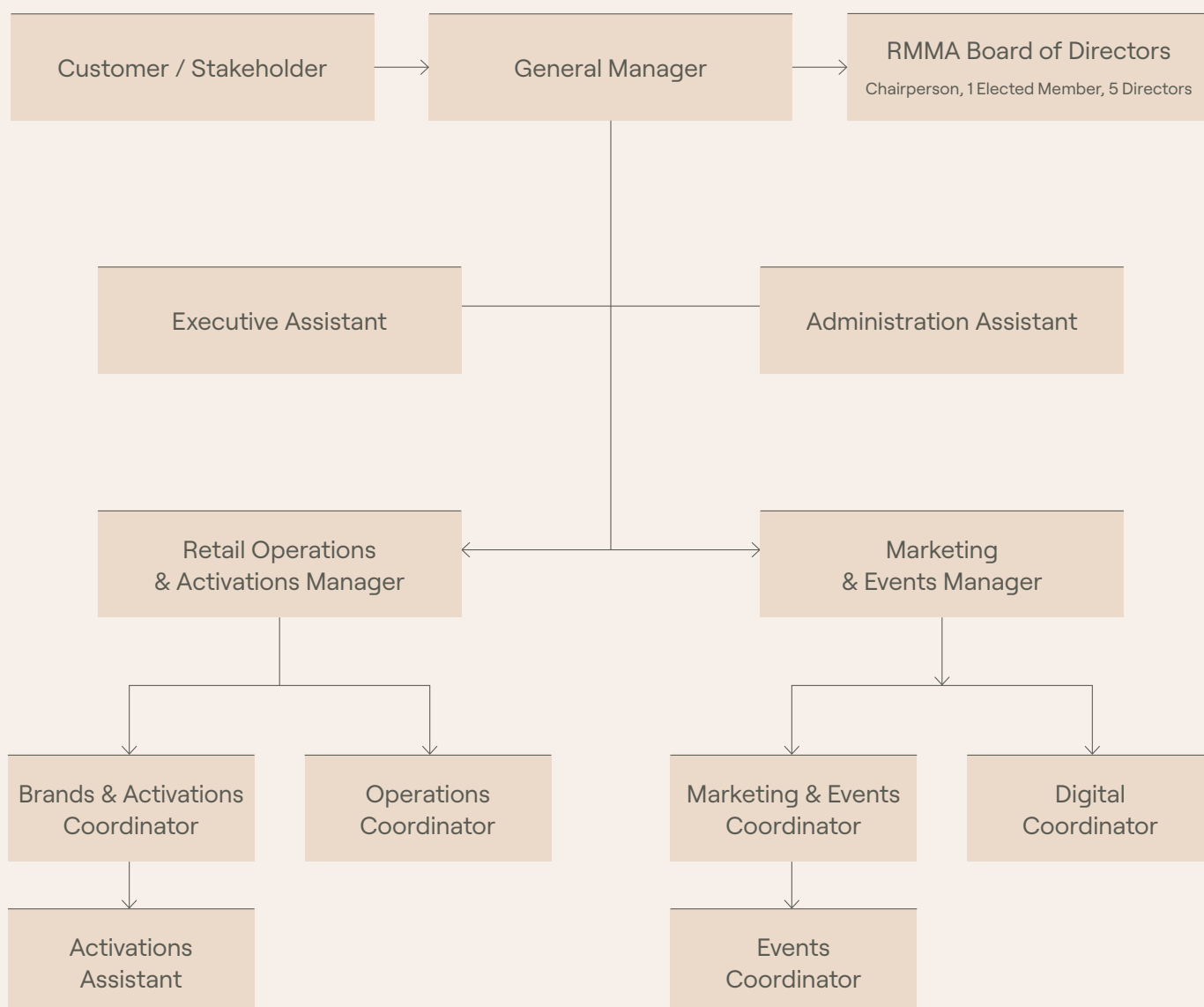
### New Board Members

February 2020 — Fiona Krawczyk  
March 2020 — Fairlie Delbridge

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### Thank You

Thank you to outgoing Board Members Lauren Fried and David Cooke for your service.

**RMMA****Organisational Structure**

## Governance

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### RMMA Board

The Rundle Mall Management Authority is a subsidiary 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
- Marketing, events and advertising
- Financial management
- Property management
- Local Government
- Planning, design or place-making

The RMMA Board members focus on their strategic skill set in a spirit of co-creation with the City of Adelaide. The RMMA continued its close working relationship with the City of Adelaide throughout the 2019/20 Financial Year.

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### Statutory Requirements

The RMMA 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.

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### Delegations

The Board of the RMMA has been granted a number of sub-delegations from the CEO of the City of Adelaide. These were last reviewed in July 2019 and are due to be reviewed again in December 2020.

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### Operating Agreement

In October 2013, the Rundle Mall Management Authority and the City of Adelaide negotiated an Operating Agreement. The Agreement was reviewed in 2019/20 and outlines the formal working relationship between the City of Adelaide 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.



## Performance against Strategic Plan and Business Plan

### Area of Focus: Information

Objective: Be the hub of Precinct information











Strategic Plan	Business Plan
<b>Collect and analyse key performance data to:</b> <ul style="list-style-type: none"> <li>• Inform marketing strategy</li> <li>• Measure success</li> <li>• Inform advocacy; and</li> <li>• Educate stakeholders</li> </ul>	Continue to capture and analyse information including: <ul style="list-style-type: none"> <li>• Precinct foot traffic</li> <li>• Dwell time</li> <li>• Shopping behaviour; and</li> <li>• Customer experience</li> </ul>
	Continue to work with data analyst to review and analyse information including but not limited to: <ul style="list-style-type: none"> <li>• Foot traffic counting</li> <li>• Spendmapp data</li> <li>• Research findings</li> <li>• Open source data (inc. State Gov &amp; CoA)</li> <li>• Online sentiment</li> <li>• Digital Analytics</li> </ul>
	Create and implement reports based on the data captured
<b>Develop and implement a B2B Comms Plan</b>	Implement a Customer Relationship Management tool to support communication
	Create communications calendar for all stakeholder engagement
	Send monthly stakeholder communications via electronic direct mail and printed communications for major events
	Meet regularly with Arcades/Centres, property owners, and retailers. Host stakeholder events (training, information sessions and AGM)

Outcome	Status
<p>Precinct foot traffic captured and analysed each month</p> <ul style="list-style-type: none"><li>• July 19 – February 20 +2%</li><li>• July 19 – June 20 -14% (impacted by COVID-19)</li><li>• Total traffic 21M</li></ul> <p>Shopping behaviour and customer research updated and further research undertaken</p> <ul style="list-style-type: none"><li>• Market Share 5.5% MTA</li><li>• Average Annual Visits 13.9</li><li>• Average Annual Spend \$1,083</li></ul> <p>Source: Kepler, Quantum</p>	<div><div></div></div> <div><div></div></div>
<p>Data Analyst engaged and analysis of information conducted monthly including:</p> <ul style="list-style-type: none"><li>• Traffic results and analysis</li><li>• Quantum quarterly analysis on spend (market research)</li><li>• Tourism trends</li><li>• ABS data</li><li>• Australian Retailer Association results</li></ul>	<div><div></div></div>
<p>Quarterly reports created with key business highlights</p>	<div><div></div></div>
<p>CRM tool continues to be used by RMMA for B2B communications</p>	<div><div></div></div>
<p>Communications calendar created and content gathered from retailers, CoA and third parties to keep retailers informed</p>	<div><div></div></div>
<ul style="list-style-type: none"><li>• Printed communications delivered to all stakeholders for Vogue Festival, Christmas and COVID-19 ‘Roadmap to Recovery’</li><li>• EDM sent twice per month to all subscribed stakeholders. Communication increased from March – June during the COVID-19 pandemic period</li><li>• New EDM template created in line with new Rundle Mall brand</li></ul>	<div><div></div></div>
<p>Met regularly with retailers, property managers, leasing agents and Arcade/Centre Managers and marketing teams</p>	<div><div></div></div>

## Area of Focus: Visitor Experience

Objective: Support an easy and enjoyable visitor experience









Strategic Plan	Business Plan
Stage and support engaging activities	Create an event plan specifying key and off-peak campaign periods and commercial opportunities linked to both
	Drive income from sponsorship in line with FY 2019/20 Budget
	Drive brand partnerships aligned with the RM brand values and event plan objectives
Advocate for innovative solutions to support visitor experience	Implement a digital wayfinding solution, supported by an integrated CRM
	Work with CoA to deliver Smart City solutions and use Rundle Mall to trial city wide initiatives
Support a safe and attractive public space	Negotiate and implement an Operating Agreement with CoA to define service levels to the RMMA and Precinct
	Support CoA and SAPOL to install CCTV and public lighting requirements for the Precinct
	Work with CoA to implement Emergency Management Plans
	Review Rundle Mall Security requirements and contract relationship to define service levels including reporting
	Engage with CoA to define busking standards and permitted locations within the Precinct

Outcome	Status
<ul style="list-style-type: none"> <li>• Event plan and calendar created and in use</li> <li>• Events and activation plan revised from March 2020 in line with Government advice during the COVID-19 pandemic</li> </ul>	
<p>Income from sponsors and third party pop-ups above 2019/20 Budget targets</p> <ul style="list-style-type: none"> <li>• \$569K v \$545K budget (+4.5%)</li> </ul> <p>Events and Activations numbers:</p> <ul style="list-style-type: none"> <li>• 380 events and activations throughout the year</li> <li>• July – March +17% increase compared to 2018/19</li> <li>• April – June -73% decrease compared to 2018/19 due to COVID-19 cancellations</li> </ul>	
<ul style="list-style-type: none"> <li>• Brand partnerships secured for major events and Mall activity including <i>Vogue</i> Festival, Christmas and “A Dolls House” including Gelato Messina, Archie Rose, H&amp;M, SA Art Gallery, Channel 10 and Spendless Shoes</li> <li>• Additional partners throughout the year included Adelaide Crows/Optus, Nintendo Switch, Adelaide Uni, Bickfords, Mecca x Khiels, Vodafone/Strikers amongst others</li> </ul>	
Project is incomplete at financial year end	
Continued to work with CoA on city wide solutions including the delivery of 10Gigabit Adelaide infrastructure and wireless charging stations in Rundle Mall	
<ul style="list-style-type: none"> <li>• Operating Agreement updated with CoA</li> <li>• Service levels reviewed and increased during COVID-19 response</li> </ul>	
Worked with SAPOL to ensure a safe shopping precinct for customers and businesses including increased foot patrols and monitoring	
Worked with CoA and RMMA Board to update all risk plans, emergency response plans and Business Continuity Plans (BCP) especially during the COVID-19 response	
Worked with Wilson’s Security team to ensure a safe shopping precinct for customers and businesses including increased presence and high visibility during COVID-19 response	
Worked closely with CoA to monitor busking throughout busy Fringe season and in line with SA Health regulations throughout COVID-19. Busking zones identified through CoA permits	

## Area of Focus: Advocacy

**Objective: Influence projects for Precinct growth and minimise negative impacts**

Strategic Plan	Business Plan
<b>Advocate for future Council investment in the delivery of the Rundle Mall Masterplan to ensure high-quality amenity and public realm</b>	Create a Masterplan priority approach, including design elements and Precinct look and feel that will improve customer experience
	Engage with CoA to inform this approach
	Advocate for the proposed approach with CoA to secure commitment and funding
<b>Advocate for State &amp; Local Government policy that provides positive outcomes for the Rundle Mall Precinct</b>	Engage with State and Local Government representatives to educate on the impacts of policy on the Rundle Mall Precinct, its stakeholders and users including Trading Hours, Development and Capital Projects
	Encourage property owners to utilise available State and Local Government grants to improve the presentation and customer experience of the Precinct
	Advocate for CoA 10Gigabit Project priority in the Rundle Mall Precinct
<b>Represent stakeholder interest to minimise disruption and actively promote 'Business Operating' throughout the Gawler Place Redevelopment Project</b>	Advocate for the interests of Gawler Place stakeholders in the Gawler Place Redevelopment Project via CoA Project Control Group
	Work with CoA to create and implement a marketing and events campaign for Gawler Place to promote business and minimise disruption

Outcome	Status
Worked with CoA to identify priority approach for next stage of Rundle Mall Masterplan including Laneway strategies. Project is ongoing	
Continued to work with CoA Planning, Design, Infrastructure and Public Art teams to advocate for projects and upgrades in Rundle Mall including music laneways, art installations, wireless charging stations, improved lighting and signage	
No additional funding secured for next phase	
<ul style="list-style-type: none"> <li>• Worked with DPC, DPTI and CoA to advocate for trading hours and Planning and Development policy</li> <li>• Secured additional trading hours for key periods including Black Friday, Boxing Day and Festival weekends</li> <li>• Supported retailers throughout COVID-19 period with changed trading hours and conditions</li> </ul>	
<ul style="list-style-type: none"> <li>• Worked with owners for positive outcomes including the opening of Sephora, Dr Martens, Hype DC, Strandbags, Forever New, Secrets Shhh, Sushi Hub, Chemist Warehouse</li> <li>• Met with key property owners and building managers to discuss funding, future projects and enhancements for Precinct presentation</li> </ul>	
Worked with CoA 10Gigabit project team to connect key buildings in the Rundle Mall Precinct and complete the project	
Worked with CoA to successfully deliver the completed Gawler Place project	
<ul style="list-style-type: none"> <li>• Strong digital, social and on-Mall activity delivered to support traders in Gawler Place</li> <li>• Hosted launch event and media activity at completion in December 2019</li> </ul>	

## Area of Focus: Brand

**Objective: Position Rundle Mall as the premier retail destination in South Australia**

Strategic Plan	Business Plan
<b>Create, implement and deliver an Annual Marketing Plan</b>	Deliver four major marketing campaigns including Spring Fashion, Christmas, Festival Season and Food
	Support key retail and public holiday trading periods
	Increase social media engagement including Facebook and Instagram
	Update website and grow consumer EDM database
	Engage with State Government and CoA to support tourism initiatives
<b>Develop a new Rundle Mall Brand</b>	Develop a new brand story and overall creative theme for Rundle Mall based on brand Spotlight work
	Proactively drive positive PR stories based on campaign implementation
	Engage agency in marketing campaign planning and business operations
<b>Position the RMMA as an industry leader</b>	In consultation with the RMMA PR Agency, create and implement a proactive public relations strategy in regard to industry positioning
	Identify relevant industry awards and submit application

Outcome	Status
<p>Executed major campaigns including successful Year 3 <i>Vogue</i> Festival, Christmas campaign and Adelaide Festival installation. Tasting Australia campaign in March/April was cancelled due to the COVID-19 restrictions.</p> <ul style="list-style-type: none"> <li>• <i>Vogue</i> Festival delivered approx. 215K customers, approx. \$30M in retail sales, \$1M in positive PR, 150 retailer offers, 15 pop-ups and activations, exclusive world premiere of Paolo Sebastian's <i>Frozen</i> partnership with Disney, 5 x Voices of <i>Vogue</i> Masterclasses</li> <li>• Christmas included the two biggest trading days – Black Friday +18% increase in foot traffic to 2018 and Boxing Day +17% sales increase from 2018</li> <li>• Adelaide Festival included the international launch of Tatzu Nishi's "<i>A Dolls' House</i>" with over 30K visits and two biggest launch days for Adelaide Festival ever held in the Mall</li> </ul>	●
<p>All key retail and public holidays supported with media, digital and PR campaigns including: Lunar New Year, Father's Day, Mother's Day, Valentines Day and Easter</p>	●
<p><b>Facebook</b> 53,601 Likes +2.6% Engagement Rate: 1.2% +43% (Industry average 0.5-0.99%)</p> <p><b>Instagram</b> 24,202 Followers +17% Engagement Rate: 5.3% +23% (Industry average is 1-3%)</p>	●
<ul style="list-style-type: none"> <li>• EDM Subscribers: 29,935 +48%</li> <li>• New website launched in April 2020 in line with new brand. Updated functionality and business pages included</li> <li>• During the COVID-19 response, RMMa launched Rundle Mall 'At Home' online platform to keep customers up to date with all activity and connected to retailers</li> </ul>	●
<ul style="list-style-type: none"> <li>• Worked with SATC on Cruise Ship launch from November 2019 – January 2020, including offers from retailers</li> <li>• Cruise Ship activity from February 2020 was cancelled due to COVID-19 restrictions</li> <li>• Worked with CoA on #MyAdelaide campaign</li> <li>• Interstate and overseas tourists impacted by COVID-19 from February 2020 onward</li> </ul>	●
<p>Successfully launched the new Rundle Mall brand in October 2019</p>	●
<ul style="list-style-type: none"> <li>• \$2.3M proactive PR</li> <li>• \$29.9M total PR coverage for Rundle Mall brand</li> </ul>	●
<ul style="list-style-type: none"> <li>• New creative/digital agency (Simple) appointed</li> <li>• Event tender completed and 3 new agencies appointed</li> <li>• Conducted workshops and planning with all agencies</li> </ul>	●
<p>Industry PR plan created and opportunities and articles placed in key publications</p>	●
<p>Creative Industry Award winner – Asia Pacific AWARD Awards for Brand Refresh, large identity category. Recognised alongside brands such as Toyota, Tasmania &amp; Charles Sturt University</p>	●





## Finances

### Funding

The RMMA is funded via a differential rate levy appropriated by Council to the custodianship of the RMMA for the delivery of programs designated and approved by the RMMA Board and laid out in the Capital Annual Business Plan. Having considered the general rating principles outlined in Section 150 of the Local Government Act 1999, the City of Adelaide maintained a differential separate rate of \$0.03582 in the dollar of the AAV (annually assessed value) in FY 2019/20.

### 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 FY 2019/20, the differential rate provided \$2.888 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:** reinforcing 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 with Precinct stakeholders, 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, engagement and pop-up experiences in the Precinct.
- **Improved Precinct Economy:** attracting greater footfall, dwell time and heightened customer experience to attract the attention of investors, property developers, brands and the retail industry.
- **Amenity Services:** the coordination of high-standard amenity in the Precinct including additional cleansing and security within the public realm, including the response to the COVID-19 pandemic.

### 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 objectives and purposes through fees and charges.' In line with this power, this document confirms that \$569,000 of self-generated funds were created via the provision of casual mall leasing, concession permits and partnerships within the FY 2019/20.

A further \$962,000 was provided from the City of Adelaide to support the rate rebate decision and \$128,000 of internal recovery supported the overall budget.

### 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 \$259,000 is an accumulated surplus at 30 June 2020. This incorporates \$263,000 of capital expenditure. A funding deficit of \$4,000 will be carried forward into FY 2020/21.

Total Income: (\$'000)				
Description	2019-20 (\$'000)	2018-19 (\$'000)	Variance (\$'000)	Comment
Differential Rate	2,888	3,702	(814)	Decreased rates income – rate rebate given to businesses due to impact of COVID-19
Self-Generated Income	569	471	98	Increase in pop-up activations, 3rd party brands on Mall and partnerships
Contributions	1,090	0	1,090	City of Adelaide contribution to support rate rebate and marketing activity
<b>Total</b>	<b>4,547</b>	<b>4,173</b>	<b>374</b>	
Total Expenditure: (\$'000)				
Description	2019-20 (\$'000)	2018-19 (\$'000)	Variance (\$'000)	Comment
Advertising & Sponsorships	1,963	1,594	369	Additional elements for strategic plan deliverables for major events including Vogue Festival, Christmas and Adelaide Festival 60th Anniversary 'A Doll's House'
Contractors & Professional Services	1,494	1,654	(160)	Additional temp staff in 2018/19 compared to 2019/20
Security	310	270	40	Increased security staff in response to COVID-19
Premises	122	126	(4)	—
Plant & Equipment	293	236	57	Additional on-Mall infrastructure in response to COVID-19
Minor Assets	10	32	(22)	—
Printing	35	34	1	—
Insurance	14	13	1	—
Catering	9	7	2	—
Car Parking	9	6	3	—
Tax	3	5	(2)	—
Legal	10	0	10	—
Sundry	57	34	23	Additional general event and administration expenses
Depreciation	235	100	135	Capital asset depreciation and Right of Use Assets (AASB16 Leases)
Finance Costs	7	0	7	New Accounting Standard AAB16 Leases
<b>Total</b>	<b>4,571</b>	<b>4,111</b>	<b>460</b>	

## Rundle Mall Management Authority

### General Purpose Financial Statements

for the year ended 30 June 2020

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## Rundle Mall Management Authority

### General Purpose Financial Statements for the year ended 30 June 2020

## Certification of Financial Statements

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

**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2020 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 Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Authority's accounting and other records.

  
Peter Joy per Robert McKay  
**CHAIR OF THE BOARD**

  
Johanna Williams  
**GENERAL MANAGER**

Date: 24th Sept 2020

## Rundle Mall Management Authority

### Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Income</b>			
Rates	2a	2,888	3,702
User Charges	2b	569	471
Grants, Subsidies and Contributions	2c	1,090	-
<b>Total Income</b>		<b>4,547</b>	<b>4,173</b>
<b>Expenses</b>			
Materials, Contracts & Other Expenses	3a	4,329	4,011
Depreciation, Amortisation & Impairment	3b	235	100
Finance Costs	3c	7	-
<b>Total Expenses</b>		<b>4,571</b>	<b>4,111</b>
<b>Operating Surplus / (Deficit)</b>		<b>(24)</b>	<b>62</b>
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>(24)</b>	<b>62</b>
<b>Total Comprehensive Income</b>		<b>(24)</b>	<b>62</b>

<sup>1</sup> Transferred to Statement of Changes in Equity

## Rundle Mall Management Authority

### Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Trade & Other Receivables	4a	41	27
<b>Subtotal</b>		<b>41</b>	<b>27</b>
<b>Total Current Assets</b>		<b>41</b>	<b>27</b>
<b>Non-Current Assets</b>			
Infrastructure, Property, Plant & Equipment	5	543	262
<b>Total Non-Current Assets</b>		<b>543</b>	<b>262</b>
<b>TOTAL ASSETS</b>		<b>584</b>	<b>289</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	6a	42	6
Borrowings	6b	73	-
<b>Total Current Liabilities</b>		<b>115</b>	<b>6</b>
<b>Non-Current Liabilities</b>			
Borrowings	6b	210	-
<b>Total Non-Current Liabilities</b>		<b>210</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>325</b>	<b>6</b>
<b>Net Assets</b>		<b>259</b>	<b>283</b>
<b>EQUITY</b>			
Accumulated Surplus		259	283
<b>Total Council Equity</b>		<b>259</b>	<b>283</b>

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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## Rundle Mall Management Authority

### Statement of Changes in Equity

for the year ended 30 June 2020

<b>\$ '000</b>	<b>Total Equity</b>
<b>2020</b>	
<b>Balance at the end of previous reporting period</b>	<b>283</b>
<b>Net Surplus / (Deficit) for Year</b>	<b>(24)</b>
<b>Total Comprehensive Income</b>	<b>(24)</b>
<b>Balance at the end of period</b>	<b>259</b>
<b>2019</b>	
<b>Balance at the end of previous reporting period</b>	<b>221</b>
<b>Net Surplus / (Deficit) for Year</b>	<b>62</b>
<b>Total Comprehensive Income</b>	<b>62</b>
<b>Balance at the end of period</b>	<b>283</b>

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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## Rundle Mall Management Authority

### Statement of Cash Flows

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Cash Flows from Operating Activities</b>			
<u>Receipts</u>			
Operating Receipts		4,555	4,198
<u>Payments</u>			
Payments for Materials, Contracts & Other Expenses		(4,308)	(4,018)
Finance Payments		(7)	-
<b>Net Cash provided by (or used in) Operating Activities</b>	7a	<b>240</b>	<b>180</b>
<b>Cash Flows from Investing Activities</b>			
<u>Payments</u>			
Expenditure on New/Upgraded Assets		(162)	(180)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(162)</b>	<b>(180)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of Lease Liabilities		(78)	-
Repayment of Other Borrowings		-	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(78)</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>-</b>	<b>-</b>

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	12
3	Expenses	13
	<b>Current Assets</b>	
4a	Trade & Other Receivables	14
	<b>Fixed Assets</b>	
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## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Rundle Mall Management Authority (the Authority) 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 on a going concern basis using the historical cost convention (except as stated below) 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*.

###### 1.2 Rounding

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

##### 2 Income Recognition

The Authority recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when the Authority enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable

the Authority to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

##### 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

###### 4.1 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.

###### 4.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by 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.

## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

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

##### 4.3 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.

<i>Plant, Furniture &amp; Equipment</i>	
Other Plant & Equipment	3 years

<i>Other Assets</i>	
Right-of-Use Assets	3 years

##### 4.4 Impairment

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, are not subject to impairment testing.

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).

##### 5 Payables

###### 5.1 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded.

##### 6 Employee Benefits

The Authority does not have any employees. All employees are engaged through the parent entity, the City of Adelaide

##### 7 Leases

###### Accounting policy applicable from 01 July 2019

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

###### 12.1 The Authority as a lessee

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

###### i.) Right-of-Use-Assets

The Authority recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Plant and equipment	3 years
---------------------	---------

The right-of-use assets are also subject to impairment.

###### ii.) Lease Liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

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

##### iii) Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of plant and equipment (ie those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of plant and equipment that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

##### 8 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.

##### 9 New and amended accounting standards and interpretations

In the current year, the Authority adopted all 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.

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

##### **Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

The Authority applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (except for certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies. The Authority has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

##### **AASB 16 Leases**

The Authority applied AASB 16 Leases, for the first time from 1 July 2019. This standard requires that the right of use conveyed by leasing contracts (except leases with a maximum term of 12 months and leases for low-value assets) be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability.

##### **Adoption of AASB 16 Leases (AASB 16)**

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Statement of Comprehensive Income under a single on-Statement of Comprehensive Income model. The Authority has lease contracts for office and storage space. Before the adoption of AASB 16, the Authority classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

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

The Authority adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

The Authority recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Minimum operating lease commitments as at 30 June 2019	0
Add: Undisclosed lease commitments in 2019	374
Undiscounted lease payments	374
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(19)
Lease liabilities for leases classified as operating leases under AASB 117	355
<b>Lease liabilities as at 1 July 2019</b>	<b>355</b>

of which:

Current liabilities (i)	72
Non-current liabilities (ii)	283

- (i) Included in current borrowings in the Statement of Financial Position; and
- (ii) Included in non-current borrowings in the Statement of Financial Position

Right of use assets of the same value as lease liabilities were recognised as a non-cash addition

and included in Infrastructure, Property, Plant and Equipment in the Statement of Financial Position.

#### 10. Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020. The Authority does not anticipate that new and amended Australian Accounting Standards, and Interpretations, issued but not yet effective at the time of compiling these illustrative statements will apply to the Authority's future reporting periods.

#### 11 Comparative Figures

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

#### 12 Disclaimer

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

## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 2. Income

\$ '000	2020	2019
<b>(a). Rates Revenues</b>		
Rundle Mall Separate Rate	2,888	3,702
<b>Total Rates Revenues</b>	<b>2,888</b>	<b>3,702</b>
<b>(b). User Charges</b>		
Rundle Mall	569	471
<b>Total User Charges</b>	<b>569</b>	<b>471</b>
<b>(c). Grants, Subsidies, Contributions</b>		
Other Grants, Subsidies and Contributions	1,090	-
<b>Total Grants, Subsidies, Contributions</b>	<b>1,090</b>	<b>-</b>

## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

#### Note 3. Expenses

\$ '000	2020	2019
<b>(a). Materials, Contracts and Other Expenses</b>		
<b>(i) Prescribed Expenses</b>		
Auditor's Remuneration	1	1
Operating Lease Rentals - Non-Cancellable Leases (2019 only)		
- Minimum Lease Payments	-	104
Lease Expense - Low Value Assets / Short Term Leases	94	-
<b>Subtotal - Prescribed Expenses</b>	<b>95</b>	<b>105</b>
<b>(ii) Other Materials, Contracts and Expenses</b>		
Contractors	1,422	1,535
Energy	11	9
Maintenance	5	-
Legal Expenses	10	-
Parts, Accessories & Consumables	5	-
Professional Services	68	114
Sundry	44	28
Advertising and Promotion	1,558	1,572
Catering	9	7
Cleaning	12	9
Water	4	4
External Plant Hire	293	236
Insurance	14	13
Minor Plant and Equipment	10	32
Printing, Freight and Postage	35	34
Rates and Taxes	3	5
Security	310	270
Sponsorships, Contributions and Donations	405	22
Subscriptions	2	5
Training and Development	4	5
Waste Services	1	-
Other	9	6
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>	<b>4,234</b>	<b>3,906</b>
<b>Total Materials, Contracts and Other Expenses</b>	<b>4,329</b>	<b>4,011</b>
<b>(b). Depreciation, Amortisation and Impairment</b>		
Right-of-Use Assets	75	-
Plant & Equipment	160	100
<b>Total Depreciation, Amortisation and Impairment</b>	<b>235</b>	<b>100</b>
<b>(c). Finance Costs</b>		
Interest on Leases	7	-
<b>Total Finance Costs</b>	<b>7</b>	<b>-</b>

## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

#### Note 4. Current Assets

\$ '000	2020	2019
<b>(a). Trade &amp; Other Receivables</b>		
Accrued Revenues	23	-
Debtors - General	8	18
GST Recoupment	-	9
Prepayments	10	-
<b>Total Trade &amp; Other Receivables</b>	<b>41</b>	<b>27</b>

## Rundle Mall Management Authority

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 5 Infrastructure, Property, Plant &amp; Equipment

	as at 30/6/2019			Asset Movements during the Reporting Period		as at 30/6/2020			
	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions	Depreciation Expense (Note 3c)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
<b>\$ '000</b>									
Plant and Equipment									
Right-of-Use Assets	-	-	-	355	(75)	-	355	(75)	280
Plant & Equipment	365	(103)	262	162	(160)	-	526	(263)	263
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>	<b>365</b>	<b>(103)</b>	<b>262</b>	<b>517</b>	<b>(235)</b>	<b>-</b>	<b>881</b>	<b>(338)</b>	<b>543</b>
<b>Comparatives</b>	<b>185</b>	<b>(3)</b>	<b>182</b>	<b>180</b>	<b>(100)</b>	<b>-</b>	<b>365</b>	<b>(103)</b>	<b>262</b>

## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

#### Note 6. Liabilities

\$ '000	Notes	2020 Current	2020 Non Current	2019 Current	2019 Non Current
(a). Trade and Other Payables					
Payments Received in Advance		12	-	-	-
Accrued Expenses - Other		2	-	-	-
Loan from City of Adelaide		28	-	6	-
Total Trade and Other Payables		42	-	6	-
(b). Borrowings					
Lease Liabilities	10	73	210	-	-
Total Borrowings		73	210	-	-

#### Note 7. Reconciliation to Statement of Cash Flows

\$ '000	2020	2019
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:		
<b>(a). Reconciliation of Change in Net Assets to Cash from Operating Activities</b>		
<b>Net Surplus/(Deficit)</b>	<b>(24)</b>	<b>62</b>
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	235	100
	<b>218</b>	<b>162</b>
<b>Add (Less): Changes in Net Current Assets</b>		
Net (Increase)/Decrease in Receivables	(14)	25
Net Increase/(Decrease) in Trade & Other Payables	36	(7)
<b>Net Cash provided by (or used in) operations</b>	<b>240</b>	<b>180</b>

## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 8. Financial Instruments

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Total Contractual Cash Flows	Carrying Values
<b>2020</b>				
<b><u>Financial Assets</u></b>				
Receivables	31	-	31	31
<b>Total Financial Assets</b>	<b>31</b>	<b>-</b>	<b>31</b>	<b>31</b>
<b><u>Financial Liabilities</u></b>				
Payables	42	-	42	42
Lease Liabilities	79	216	295	283
<b>Total Financial Liabilities</b>	<b>121</b>	<b>216</b>	<b>337</b>	<b>325</b>
<b>2019</b>				
<b><u>Financial Assets</u></b>				
Receivables	18	-	18	18
<b>Total Financial Assets</b>	<b>18</b>	<b>-</b>	<b>18</b>	<b>18</b>
<b><u>Financial Liabilities</u></b>				
Payables	6	-	6	6
<b>Total Financial Liabilities</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>6</b>

#### **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 Authority.

## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 9. Uniform Presentation of Finances

\$ '000	2020	2019
<p>The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	4,547	4,173
less Expenses	(4,571)	(4,111)
<b>Operating Surplus / (Deficit)</b>	<b>(24)</b>	<b>62</b>
<b>Net Outlays on Existing Assets</b>		
add back Depreciation, Amortisation and Impairment	235	100
<b>Subtotal</b>	<b>235</b>	<b>100</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	(162)	(180)
<b>Subtotal</b>	<b>(162)</b>	<b>(180)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>49</b>	<b>(18)</b>

## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

#### Note 10. Leases

\$ '000

##### The Authority as a Lessee

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

##### Right of use assets

	Buildings \$'000	Total \$'000
<b>2020</b>		
Additions to right-of-use assets	355	355
Depreciation charge	(75)	(75)
<b>Balance at 30 June 2020</b>	<b>280</b>	<b>280</b>

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2020
<b>Balance at 1 July</b>	-
Additions	355
Accretion of interest	7
Payments	(79)
<b>Balance at 30 June</b>	<b>283</b>
<b>Classified as:</b>	
Current	73
Non Current	210

The maturity analysis of lease liabilities is included in Note 8.

The Authority had total cash outflows for leases of \$78,743.

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	75
Interest expense on lease liabilities	7
Expense relating to short term leases	94
<b>Total amount recognised in profit or loss</b>	<b>176</b>

## Rundle Mall Management Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 11. Related Party Transactions

\$ '000	2020	2019
---------	------	------

#### Key Management Personnel

##### Transactions with Key Management Personnel

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

##### The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	210	225
Post-Employment Benefits	15	-
<b>Total</b>	<b>225</b>	<b>225</b>

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

#### Other Related party Transactions

The Rundle Mall Management Authority contracts staff from the City of Adelaide. The cost of these services was \$1,052,470 for the year (2019 \$793,509).



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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 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity 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 accompanying financial report presents fairly, in all material respects, financial position of the Authority as at 30 June 2020 and of 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 (including Independence Standards)* (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 a 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.



#### **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](http://www.auasb.gov.au/auditors_responsibilities/ar4.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, 9 October 2020

## Rundle Mall Management Authority

### General Purpose Financial Statements for the year ended 30 June 2020

#### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Rundle Mall Management Authority for the year ended 30 June 2020, the Council's Auditor, BDO Audit (SA) Pty Ltd 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: 9/10/20



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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 2020, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, 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 'Andrew Tickle', is written over a light blue horizontal line.

Andrew Tickle  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 10 September 2020

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# Adelaide Park Lands Authority Annual Report 2019 – 2020

Adelaide.  
Designed for Life.



CITY OF  
ADELAIDE

**apla**

Adelaide  
Park Lands  
Authority

Adelaide  
Park Lands





'It Was All Park Lands Once' by Susan Chenery, Adelaide Park Lands Art Prize Finalist 2020

# Message from the Presiding Member



The Adelaide Park Lands are the City's defining feature and a treasured community asset of which I am incredibly proud. In a time of limited travel, this essential resource plays an even more important role in supporting our physical and mental health. In fact,

the travel restrictions provide an opportunity to rediscover the more than 700 hectares of wetlands, picnic grounds, sports fields, playgrounds and native vegetation, trees and green open spaces right on our doorstep.

We sometimes forget the diversity of offerings in the Park Lands, whether they be the expansive spaces of Victoria Park/Pakapakanthi, the birdlife on the Torrens Lake, the horses running free in Lefevre Park/Nantu Wama, the beautiful Veale Gardens or the majestic Elm Carriageway in Tuthangga.

Simply venturing out into the Park Lands is something I often do and allows us to appreciate their scale and offerings. A leisurely cycle around the Park Lands Trail

will take you the best part of an afternoon or morning and take you through a rich tapestry of landscapes.

In June this year, the Board spent time in the southern Park Lands contemplating where the new wetlands and detention basins are to be created, understanding the impacts on the landscape and making sure that as few trees as possible are affected.

I want to thank the members of the Authority for their input over the last twelve months. They have done a tremendous job in advising both the City of Adelaide and the State Government on a variety of projects and plans for the Adelaide Park Lands. I particularly want to thank Matt Davis who resigned from the Board in October 2019 to take up a position interstate and Rob Brookman AM who joined the Board as Matt's replacement in May 2020.

I encourage you to continue to enjoy the Adelaide Park Lands.

A blue ink handwritten signature, appearing to read 'Sandy Verschoor', with a long horizontal line extending to the right.

**Sandy Verschoor**

The Right Honourable The Lord Mayor of Adelaide  
Presiding Member, Adelaide Park Lands Authority

The Board of the Adelaide Park Lands Authority visiting Blue Gum Park/Kurangga (Park 20) in the Southern Park Lands in June 2020.

From left: Jessica Davies-Huynh; Kirsteen Mackay (Deputy Presiding Member); Rob Brookman AM; Stephen Forbes; The Right Honourable The Lord Mayor of Adelaide and Presiding Member, Sandy Verschoor; Allison Bretones; Craig Wilkins; Stephanie Johnston and Ben Willsmore.



# Purpose of the Annual Report

This Annual Report details the work and operations of the Authority against its Business Plan and Budget and incorporates the audited financial statements of the Authority.

In its principal role as an advisory body, the matters considered by the Authority have been reported against the following five Outcomes of the Adelaide Park Lands Management Strategy:

## Dynamic, active and tranquil places

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

- Facilities and infrastructure that encourage outdoor recreation and sport
- Destinations and attractions in the Park Lands
- Creation of activity hubs to support a diverse range of recreational needs
- The Park Lands as a visitor and tourist attraction
- Management of activities and events
- Enhancement of buildings.

## 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, addressing:

- Greater connection of places and spaces through a network of shared paths for walking, cycling and running
- A hierarchy of path networks which link all parks, places and spaces within parks
- Connections linking the city and suburbs with the Park Lands
- Lighting of pathways, ovals and key recreational hubs to improve safety and increase use

- Improved wayfinding and interpretive signage
- Management of car parking on and around the Park Lands.

## Welcoming and attractive places

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

- Establishment of a cohesive Park Lands identity
- Landscaped entry points and edges to welcome and draw people into the Park Lands
- Enhancement of natural, ornamental and cultural landscapes.

## Sustainable and enduring places

Places that thrive in the face of a changing climate, addressing:

- Management of biodiversity
- Improved management of water and watercourses in the Park Lands
- Sustainable use of water
- Resilience in the face of changing climate
- Role of Park Lands in broader city carbon neutral targets and in managing Urban Heat Island effect.



## Memorable and distinctive places

Places celebrating Adelaide's unique natural and cultural heritage, addressing:

- Protection and preservation of the Park Lands
- World Heritage nomination for the Park Lands
- Identification, protection and interpretation of Kaurna cultural and heritage sites
- Protection and interpretation of the cultural and environmental values of the Park Lands
- Protection and preservation of the National Heritage-listed Park Lands
- Protection and interpretation of the cultural and environmental values of the Park Lands and their cultural landscapes.

An unusual map of the City and Park Lands dated 1853-55



# The year in summary

The Adelaide Park Lands are a living, breathing system which changes daily and over the course of the seasons. Remnant native plants which have managed to survive the intrusion of European settlement bloom in spring while the Magpies swoop unsuspecting visitors.

In April and May, the autumn rains breathe new life into parched landscapes and revitalise areas used by events over the summer. Over time, the Park Lands continue to grow and adapt to the changing needs of the community through new facilities and revitalised landscapes.

The Adelaide Park Lands Authority has a role to play throughout the year to safeguard the values we place on the Park Lands and ensure they continue to provide for future generations.

Indicative of the range of issues considered by the Authority are:

- A Master Plan for Rymill Park/Murlawirrapurka (Park 14) in the eastern Park Lands, which included design considerations for the new Quentin Kenihan Inclusive Playspace
- A Cultural Burn proposal for an area of the southern Park Lands, a project led by Kaurua
- The State Government's Planning and Design Code
- The wetlands and stormwater detention basins proposed for the southern Park Lands as part of the Brownhill and Keswick Creeks Stormwater Management Plan

## Deliberations by the Board

Matters affecting the Park Lands can be complex in nature. Consideration of these matters requires preparation by Board Members and often involves robust discussion.

When deliberating on proposals and policies for the Park Lands, Board Members must consider and

balance the many competing interests facing the Park Lands identified in the Adelaide Park Lands

Management Strategy, including, in no particular order:

- Meeting the needs of modern day recreational and sporting activity while minimising built form on the Park Lands
- Enhancing the liveability of a growing and diversifying city
- Balancing sporting use, event activity, general recreation needs and access rights for the general community
- Accommodating biodiversity and other natural values
- Enhancing the landscape amenity of the Park Lands
- Ensuring sustainable practices are followed and climate change is addressed
- Preserving the heritage and integrity of the Park Lands and protecting the Values which underpin their National Heritage Listing.

## Meeting procedures

The Authority's Charter requires meetings of the Board to adhere to the Local Government (Procedures at Meetings) Regulations 2013. This is a requirement usually reserved for Councils and Council committees and not usually imposed on expertise-based Boards.

During the course of this financial year, Board Members agreed with the Presiding Member's view that the inflexible arrangements imposed by the constraints of the meeting regulations unnecessarily hindered effective discussions and interchange between Board Members at meetings.

As a result, the Presiding Member initiated a review of the Authority's Charter by Council to remove the requirement and allow the Board to determine its own meeting procedures, which must be fair and contribute to free and open decision making.

The *Adelaide Park Lands Act 2005* requires the Authority (Board) to meet in public, which would continue, along with the ability to receive public deputations. This matter is on-going and requires consultation with State Government Ministers.

## Enhancements Projects

Design considerations for the new Quentin Kenihan Inclusive Playspace in Rymill Park/Murlawirrapurka (Park 14) were presented to the Authority. This project, funded by the State Government and delivered by the City of Adelaide, will provide a wonderful play opportunity for children of all abilities. Quentin was a disability advocate, actor, film maker, movie reviewer, radio host and writer born with the bone disease osteogenesis imperfecta.

## Master Planning

The Authority reviewed the newly developed City Dirt Master Plan for the BMX facility in Blue Gum Park/Kurangga (Park 20). The Master Plan was finalised with

considerable public consultation input and establishes a Vision and Principles to guide the enhancement of the precinct, incorporating the City TreeClimb adventure high ropes course and Park Lands Trail.

## Park Lands Management

The Authority received a progress report on the Adelaide Park Lands Event Management Plan 2016–2020, which provides a very comprehensive framework for the management of the many events which take place in the Park Lands. It was noted the Plan would undergo a comprehensive review in 2020/2021.

The Authority recommended that the City of Adelaide endorse the draft Adelaide Park Lands Building Design Guidelines, a comprehensive guide for all building development in the Park Lands which establishes a set of expectations for the standard of design quality.



# The year in review

During 2019/20 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.

The following matters considered by the Authority demonstrate the breadth of its activity and are grouped under the five key outcomes from the Park Lands Strategy.

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

## Dynamic, Active and Tranquil Places

### City Dirt (BMX) Master Plan

In July 2019, the Board was updated on the community engagement feedback received prior to the development of the City Dirt Master Plan. The Board supported the Dirt Master Plan, which integrates improved BMX tracks, the Park Lands Trail, picnic facilities and the City TreeClimb facility.

### Adelaide Park Land Events Management Plan 2016–2020

In July 2019, the Board considered minor amendments to the Adelaide Park Lands Events Management Plan 2016–2020 (APLEMP) and supported the proposed improvements to the way in which events in the Adelaide Park Lands are managed. Improvements included site management and remediation and public access and sustainability measures.

In June 2020, the Board noted the review of the Adelaide Park Lands Events Management Plan 2016–2020.

### Superloop Adelaide 500

In August 2019, through the required consultation, the Board supported the Declared Area, Declared Period and Prescribed Works Period for the Superloop Adelaide 500 2020 event.

The Board noted the following matters would be addressed:

- Further information in relation to risk management for the protection of the native grass area and habitat
- Confirmation sought in relation to the allocation of monies for extra contractors to reduce time
- Cost/benefit analysis undertaken by the State Government on the event sought
- Data in relation to benefit/loss to the city and who benefits in the city.



'Between the Flags' by Christopher Meadows, Adelaide Park Lands Art Prize Finalist 2020

## Sports Lighting in Gladys Elphick Park

In September 2019, the Board supported the South Australian Crickets Association's proposal to install sports lighting on the main oval in Gladys Elphick Park/Narnungga (Park 25), taking into consideration the needs of the adjacent Royal Adelaide Hospital.

## Adelaide Football Club's Unsolicited Proposal for Denise Norton Park/Pardipardinyilla (Park 2)

In December 2019, the City of Adelaide's Associate Director Property & Commercial, Consultant Community Property and David Cooke, Director of City Collective on behalf of Adelaide Football Club, provided an overview of an 'Unsolicited Proposal' by the Adelaide Football Club for a new sporting facility, headquarters and aquatic facility to replace the current Aquatic Centre and an outline of the process followed to date.



A small gathering in Botanic Park

In February 2020, the Board was addressed on this proposal by:

- Mr John Underwood on behalf of South-East Residents Association Inc
- Mr Valdis Dunis as Convener of the Friends and Residents of North Adelaide.

In March 2020, the Board supported a Motion on Notice that 'APLA notes and supports the motion approved by Council on 11 February 2020 requesting the Lord Mayor writes to the Premier, the Prime

Minister and Mayors of neighbouring Councils as identified through the Needs Analysis to ascertain the nature of any programs and the level of any associated funding which could be used to upgrade the Adelaide Aquatic Centre in order to provide a modern, fit for purpose facility for this state's capital city'.

## Lot Fourteen Development Plan Amendment

In November 2019, the Board provided a response to the State Government on the development of the Lot Fourteen site. It was recommended the site reflects the aspirations and provisions of the Adelaide Park Lands Management Strategy as follows:

- Provide for a greater component, at least 30% of the site, as open space Park Lands reflecting, and contributing to, the adjacent Adelaide Botanic Garden, to be retained in perpetuity
- Provide for urban park-like courtyards and treed avenues throughout
- Building heights on the site should be restricted to 53m (approximately 15 storeys) and transition down to zone boundaries in order to minimise impacts on the national heritage values and view shed to the Adelaide Botanic Gardens
- Include a combined cycle and pedestrian path along the eastern side of the site, adjacent the Adelaide Botanic Garden, for the Park Lands Trail to connect North Terrace and Frome Park
- Include strong east-west path connections and access points from Frome Road to the Adelaide Botanic Garden
- Recognise, promote and protect sites of Kaurna cultural heritage significance.

In December 2019, the Board supported a Motion on Notice that 'an assessment be undertaken by the Minister for Planning of the Lot Fourteen Innovation Area Development Plan Amendment building height policy and associated view shed impacts on the Adelaide Botanic Garden (as part of the National Heritage Listed Adelaide Park Lands and City Layout) as required by the EPBC Act (which includes potential external impacts on a listed site)'.

## **Golden Wattle Park/Mirnu Wirra Concept Plan and Community Land Management Plan**

At its December 2019 meeting, the Board considered a draft Concept Plan and Community Land Management Plan for Golden Wattle Park. The City of Adelaide's Senior Coordinator Recreation & Sport, provided an overview of the process

Discussions occurred in relation to:

- Consultation processes
- Roadside 'Clearways' and parking provisions
- Capacity for, and timing of, delivery of the project
- The management of the biodiversity area in the park.

The Vice Chairman of Adelaide Lutheran Sports Club addressed the Board as the leaseholder for the sporting facility in Park 21W.

## **City of Adelaide draft Strategic Plan 2020–2024**

The Board supported the vision, outcome, strategies and key actions set out in the City of Adelaide Strategic Plan 2020–2024, as they relate to the Adelaide Park Lands.

## **Sports Master Plan for Bullrush Park/ Warnpangga (Park 10) and Red Gum Park/ Karrawirra (Park 12)**

The City of Adelaide's Senior Coordinator Recreation & Sport (City Wellbeing), and staff from the University of Adelaide, presented a draft sports master plan developed by the University for their facilities in these two parks.

## **New Stadium for Adelaide**

At its March 2020 meeting, the Board supported a Motion on Notice that APLA requests a briefing from the State Government regarding sites under consideration in the Park Lands for a new sports stadium.

## **Lounders' Boathouse Precinct Plan**

In June 2020, the Board considered an enhancement plan for the Lounders' Boathouse Precinct off Victoria Drive, adjacent the River Torrens/Karrawirra Pari, addressing:

- Stormwater management issues
- Cycling and pedestrian movement
- Parking and vehicle access
- Use of the State Heritage listed Water Police station

## **Connected Places and Spaces**

### **Adelaide Park Lands Building Design Guidelines**

At its September 2019 meeting, the Board endorsed the draft Adelaide Park Lands Building Design Guidelines, a comprehensive document to aid in the consideration of new and re-designed buildings for the Park Lands, in terms of siting, scale, form, design, materials and purpose.

In June 2020, following public consultation, the Board recommended the draft final guidelines for publication, which has since occurred.

### **Quentin Kenihan Inclusive Playspace**

At its October 2019 meeting, the City of Adelaide's Manager Design presented the design considerations for the Quentin Kenihan Inclusive Playspace in Rymill Park/Murlawirrapurka (Park 14).

Discussion following the presentation centred on incorporation of Kaurna design elements, exeloo/ change room design, footprint and minimising visual impact.

### **Rymill Park/Murlawirrapurka (Park 14) Car Park**

In November 2019, the Board was presented with the results from the 12-month trial of the proposed parking control changes undertaken for the public car park in Rymill Park/Murlawirrapurka (Park 14), following a request from the Adelaide Bowling Club (ABC) for a review. The car park sits adjacent to the ABC and provides limited permit parking.

The Board supported the continuation of 18 additional permits to the ABC during their Pennant Bowling season and noted this will be reviewed once the Quentin Kenihan Play Space is completed.



Cyclocross in Victoria Park/Pakapakanthi (Park 16)

## Planning and Design Code

In December 2019, the Executive Director, Planning & Land Use Services, DPTI, presented an overview of how the proposed Planning and Design Code addresses the Adelaide Park Lands.

Discussion occurred around:

- Squares being zoned Park Lands not Capital City Zone
- Conservation Zones
- Restricted forms of development
- Aquatic Centre and other sites referenced in the Code
- APLA involvement in guidelines and assessment process.

At its meeting in February 2020, the Board made a detailed submission regarding, amongst other things:

- Self-assessment and referral process in relation to any possible effect the P&D Code may have on the values which underpin the National Heritage Listing of the Adelaide Park Lands and City Layout

- Recognition of the special attributes of the Adelaide Park Lands through inclusion of a dedicated Zone in the P&D Code
- Inclusion of the six Squares in the Adelaide Park Lands Zone
- Strengthening of policies to prevent inappropriate development
- Revision of the 'Built-form and Character' provisions to provide greater clarity regarding new buildings in the Adelaide Park Lands, including the incorporation of the City of Adelaide's Park Lands Building Design Guidelines or being adopted as a Design Standard to further support high quality Park Lands building design
- Educational establishment, hotel and public infrastructure being Code Assessed (Performance Assessed) Development rather than Restricted Development.

## Welcoming and Attractive Places

### Public Art Guidelines and Memorials Guidelines

At its July 2019 meeting, following a presentation from the City of Adelaide's Senior Coordinator Arts & Culture, the Board noted the draft Public Art Action Plan 2019–2022 goals and deliverables, and the draft Public Art Guidelines and draft Memorials Guidelines which were developed to replace existing documents.

### City of Adelaide Lighting Strategy

At its August 2019 meeting, the Board was supportive of a draft Lighting Strategy for the city presented by the City of Adelaide's Lighting Designer.

The high-level presentation outlined:

- Key Park Land considerations
- Principles and objectives
- Next steps

## Adelaide Park Lands Leasing & Licensing Policy and Guidelines

In August 2019, the Board was presented with the range of factors influencing a review of the current policy for the granting of leases and licences in the Park Lands.

### Dry Zone update

In March 2020, the Presiding Member, Lord Mayor Sandy Verschoor, advised the Board that there had been a one-month extension of the dry zone in the South Park Lands to the end of March. Public consultation was conducted to understand the impact of that dry zone.

### Adelaide Park Lands Management Strategy

In June 2020, the The Board's Executive Officer commenced discussions with the Board to inform the upcoming review of the Adelaide Park Lands Management Strategy.



The Western Park Lands through time.

## Sustainable and Enduring Places

### Master Plan and Community Land Management Plan for Rymill Park/Murlawirrapurka (Park 14)

In September 2019, the Board considered a proposed Master Plan and Community Land Management Plan for Rymill Park for the purposes of public consultation. The focus of the Master Plan was the potential future options for the lake as either an ornamental wetland or traditional lake, the incorporation of the Quentin Kenihan Playspace and the future design and setting of the kiosk.

### Prospect Road Park Lands Entry Improvements and Tree Removal

At its November 2019 meeting, the Board supported the new design for the Denise Norton Park/Pardipardinyilla (Park 2) and Yam Daisy Park/Kantarilla (Park 3), frontages of Prospect Road, including replacement tree planting, creation of a small picnic hub and an upgrade of the existing tennis courts.

The Board noted that targeted engagement with the Kurna community as to how some of the design can incorporate Kurna culture and heritage would be further explored.

### Kurna Cultural Mapping and Management of Biodiversity in the Park Lands

At the meeting in March 2020, staff from the City of Adelaide's City Wellbeing team presented an update on the Kurna Cultural Mapping project. The project provides a systematic tool to identify and record the cultural assets and knowledge to inform Council's strategies and planning processes, with the additional benefit of building capacity amongst young Kurna people.

An update was also provided on partnerships with the Kurna community in the management of biodiversity in the south Park Lands, focussing on a planned cultural burn to revitalise remnant native vegetation.

## **Brown Hill and Keswick Creeks Stormwater Management Project (South Park Lands)**

In June 2020, the Board conducted a very successful field trip to the South Park Lands where, in addition to the broad scope of the works, individual trees were assessed for possible retention as part of the creation of wetlands and detention basins. Following this field trip, the Brown Hill and Keswick Creeks Stormwater Board's Project Management and Design Team provided a brief presentation on the project.

As a result, the APLA Board:

- Supported the general intent of the design proposal for the stormwater management works
- Supported the removal of two regulated trees, 31 unregulated or exempt trees and a grove of White Poplar trees in Victoria Park/Pakapakanthi (Park 16)
- Recommended the project team re-look at the design proposal for Blue Gum Park/Kurangga (Park 20) (noting that tree 96 is no longer proposed for removal and tree 108 was incorrectly classified as significant) with the aim of reducing the impact on established trees, in particular two regulated trees – trees (19) and (95) by shifting the works as part of a possible modification of the existing Tree Climb infrastructure.
- Commended the design team for reconfiguring the design to ensure the retention of tree (96)
- Noted the proposed planting of over 120 new trees in Victoria Park/Pakapakanthi (Park 16) and 40 in Blue Gum Park/Kurangga (Park 20) as part of the project.
- Supported the use of part of Victoria Park/Pakapakanthi (Park 16) as a temporary soil stockpile and soil sorting facility for the duration of the works.
- Recommended the Brown Hill and Keswick Creeks Stormwater project team works with Kaurna community representatives to ensure that Kaurna cultural heritage for the Victoria Park/Pakapakanthi (Park 16) and Blue Gum Park/Kurangga (Park 20) site is clearly recognised and incorporated in the native vegetation, interpretative signage and any artworks associated with the project.



A wetland in GS Kingston Park/Wirrarninhi (Park 23)

## **Memorable and Distinctive Places**

### **Adelaide Park Lands Art Prize**

Through a \$15k grant from the City of Adelaide, the Authority again supported the Adelaide Park Lands Preservation Association's Adelaide Park Lands Art Prize. The biennial Art Prize is a very positive and valuable form of promotion for the Park Lands. The Art Prize is 'non-acquisitive' and open to artists of any age, working in any media or style, with the aim of making a statement or capturing the essence of the Park Lands. The Art Prize has a combined prize value of \$38,500, including a \$20,000 first prize. Images of three of the 2020 finalists are included in this report.

### **State Heritage Listing**

At its December 2019 meeting, the Board supported a Motion on Notice that the Adelaide Park Lands Authority writes to the Minister for Planning to provide a response to the initiative recommended in December 2018, that the Adelaide Park Lands, Squares and City Layout be considered for State Heritage.

## Kaurna Community Hub in the Adelaide Park Lands

At its February 2020 meeting, the Board supported the use by the Kaurna Yerta Aboriginal Corporation Incorporated (KYAC) of the North Adelaide Railway Station Building as a Kaurna Community Hub to provide a base to deliver cultural, economic and social development activities.

## World Heritage Listing

The Authority's sub-committee, established to explore the feasibility of World Heritage Listing of the Adelaide Park Lands and City Layout, met in August and October 2019. The meetings discussed the research to date, State Government support and the possible synergies to be found in the potential for a joint bid with the Mt Lofty Ranges Settlement Landscapes. It was agreed at the October meeting that an expert review should be undertaken to further inform the feasibility of a separate or joint bid. Experts were subsequently engaged to undertake the review and a first draft was received in June 2020.



APLA Board Members on a field trip to the Adelaide Oval precinct from left: Rob Brookman AM, Craig Wilkins, The Right Honourable The Lord Mayor of Adelaide and Presiding Member, Sandy Verschoor, Allison Bretones, Ben Willsmore, Deputy Lord Mayor Alexander Hyde and Stephen Forbes

# Performance against the objectives of the 2019/20 Business Plan and Budget

Performance Target	Performance Measures	Achievements	Review Opportunities
Provide advice as required to Council and the State Government on key matters relating to the Adelaide Park Lands.	<p>At least 12 ordinary meetings of the Authority held per year.</p> <p>Advice provided to Council and State Government in a timely manner.</p> <p>Receive at least two presentations on Park Lands planning and management related matters per year.</p> <p>Undertake at least one Park Lands field trip per year to facilitate greater understanding of Park Lands projects, facilities and landscapes.</p>	<p>The Authority held 11 meetings in the 2019/20 Financial Year. Meetings were not held in January and April 2020. Two meetings were held in June 2020.</p> <p>Advice is provided to Council at the meeting of Council held immediately after the meeting of the Authority.</p> <p>The Authority received 23 reports and nine presentations throughout the year.</p> <p>The Authority undertook one Park Lands field trip.</p>	<p>An opportunity exists for the Board to also include items in future agendas which it wishes to consider.</p> <p>A further opportunity exists to undertake additional field trips.</p>
<p>Promotion of the Park Lands which focuses on:</p> <ul style="list-style-type: none"> <li>Raising public awareness of their values and importance</li> <li>Increased, appropriate use</li> <li>Responsible management</li> <li>Promotion of the work of the Authority.</li> </ul>	<p>Review existing marketing activities.</p> <p>Support for the (biennial) Adelaide Park Lands Art Prize.</p> <p>The public can explore the work of the Authority through a website.</p>	<p>The promotion of the Park Lands was discussed at a planning session on 4 June.</p> <p>The Authority renewed its support for the Adelaide Park Lands Art Prize and was provided by the City of Adelaide with \$15k in its budget to donate to the Art Prize.</p> <p>The Authority has a website presence identifying its responsibilities, membership and Annual Reports.</p>	<p>An opportunity exists for the Board to be more active in the promotion of the Park Lands.</p>
A feasibility study is conducted by the Authority's sub-committee established to explore World Heritage Listing opportunities for the Adelaide Park Lands and city layout.	The feasibility study is conducted by a qualified and experienced person or team.	The prospects of a World Heritage Listing bid were discussed with key stakeholders and an expert review was commissioned with a first draft received in mid-June 2020.	The project is on-going.
Business Plan and Budget is in place.	New Business Plan is adopted prior to the expiry of that currently in operation.	The Authority adopted its annual Business Plan and Budget in April 2019.	Reviewed annually.
Operation of General Purpose Accounts.	Council's accounting procedures met.	The Authority's General Purpose Accounts are managed by the Executive Officer and the City of Adelaide Finance Team.	
Quarterly Financial Reports	Reports adopted and presented to Council.	Quarterly Financial Reports are provided through the City of Adelaide's quarterly budget review process.	
Operation of the Adelaide Park Lands Fund which currently contains \$1.4k	Monies are received and expended according to the provisions of the Authority's Charter.	The Adelaide Park Lands Fund operates and contains \$1.4k	
Auditing required by the Authority's Charter.	Council's external auditor and Audit Committee is satisfied the requirements are met.	The Authority's accounts are audited annually by Council's external auditor and Audit Committee.	
Preparation of Annual Report.	Annual Report is submitted to Council each financial year.	Annual report for 2018/19 was submitted to Council in November 2019.	
Insurance Requirements.	The Local Government Mutual Liability Scheme insures the Authority.	Quarterly payments ensure insurance cover is in place.	

## 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 (as Presiding Member) or, if the Lord Mayor chooses not to be a member of the Authority, a person appointed by the City of Adelaide (as the Presiding Member)
- Four other members appointed by the City of Adelaide
- Five members appointed by the Minister (one of whom will be the Deputy Presiding Member).

### Current Appointments

In addition to the Lord Mayor, Sandy Verschoor as Presiding Member, the City of Adelaide appointees (expiring 31 December 2020) are:

- Deputy Lord Mayor Alex Hyde (with Councillor Anne Moran as Deputy)
- Ms Jessica Davies-Huynh
- Ms Allison Bretones
- Mr Rob Brookman AM

Current Ministerial appointees to the Board (expiring 31 December 2021) are:

- Ms Kirsteen Mackay (Deputy Presiding Member)
- Mr Stephen Forbes
- Mr Craig Wilkins
- Ms Stephanie Johnston (with Professor Emeritus Damien Mugavin as Deputy)
- Mr Ben Willsmore

### Change in Membership

In October 2019, the City of Adelaide appointee to the Authority, Mr Matt Davis, resigned as a Board Member due to relocating interstate.

In March 2020, Council appointed Mr Rob Brookman AM to the Adelaide Park Lands Authority for the period 1 April 2020 to 31 December 2020.

### Meetings

The Authority held 10 ordinary meetings and one special during the 2019/20 financial year.

The scheduled meeting in April was cancelled due to the restrictions on gatherings imposed by the State Government in response to the COVID-19 pandemic.

The meetings held on 7 May and 4 and 18 June were conducted remotely by telecommunications.

Attendances at meetings were recorded as follows:

	Meetings attended
The Right Honourable the Lord Mayor, Sandy Verschoor	10
Ms Kirsteen Mackay	7
Ms Stephanie Johnston	8
Mr Stephen Forbes	10
Mr Ben Willsmore	10
Mr Craig Wilkins	11
Professor Emeritus Damien Mugavin (for Ms Stephanie Johnston)	2
Councillor Alexander Hyde	10
Ms Allison Bretones	10
Ms Jessica Davies-Huynh	11
Mr Matt Davis	3
Mr Rob Brookman AM	2

## The role of the Authority in the governance of the Park Lands

The Adelaide Park Lands Authority was established by the *Adelaide Park Lands Act 2005* as a subsidiary of the City of Adelaide under 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 and its Board are the same entity.

The City of Adelaide manages about 75% of the Adelaide Park Lands. The State Government manages the remaining 25% which is predominantly composed of the Educational, Institutional and Biomedical precinct along North Terrace, but also includes the Botanic Garden (and Park) of Adelaide.

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

Within the Governance and Planning Framework, the Authority was established to undertake the following Functions, as set out in the *Adelaide Park Lands Act 2005*;

1. To undertake a key policy role with respect to the management and protection of the Adelaide Park Lands;
2. 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*;
3. 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;

4. 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;
5. 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;
6. To promote public awareness of the importance of the Adelaide Park Lands and the need to ensure that they are managed and used responsibly;
7. 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;
8. To administer the Adelaide Park Lands Fund; and
9. 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 2005*.



'Under a Sunlit Canopy in Angas Gardens' by Neil Huggett, Adelaide Park Lands Art Prize Finalist 2020

## Governing Legislation

SA Motor Sport Act 1984

Aboriginal Heritage Act 1988

Development Act 1993

Heritage Places Act 1993

Environment Protection and Biodiversity  
Conservation Act 1999

Local Government Act 1999

Adelaide Park Lands Act 2005

- Statutory Principles
- Adelaide Park Lands Plan

Adelaide Oval Redevelopment and  
Management Act 2011

National Heritage Listing of Park Lands  
and City Layout (Values)

## Governing Bodies

City of Adelaide  
Strategic Plan

City of Adelaide  
(75% of Park Lands)

Adelaide Park Lands  
Authority (Advisory)  
established by *Adelaide  
Park Lands Act 2005*  
as a subsidiary of  
City of Adelaide

State Government of SA  
(25% of Park Lands)

South Australian Strategic  
Plan (30 Year Plan for  
Greater Adelaide)

## Park Lands Planning

Adelaide Park Lands Management Strategy  
(prepared by APLA and adopted by SA  
Government and City of Adelaide)

National Heritage Management Plan

Community Land Management Plans

State Government Management Plans

Development Plan

Derivative Policies, Master Plans

Cultural Heritage and  
Landscape Assessments

A man in a black tank top and shorts is jogging on a paved path in a park. The path is lined with large, mature trees with thick trunks. The background shows a grassy field and more trees under a clear sky. The top half of the image has a dark green overlay with white text.

# Adelaide Park Lands Authority

# **Audited**

# **Financial Statements**

for the year ended 30 June 2020

# Adelaide Park Lands Authority

## General Purpose Financial Statements for the year ended 30 June 2020

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# Adelaide Park Lands Authority

## General Purpose Financial Statements

for the year ended 30 June 2020

## Certification of Financial Statements

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

**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Authority's accounting and other records.



Mark Goldstome  
**CHIEF EXECUTIVE OFFICER**



Sandy Verschoor  
**LORD MAYOR**

Date: 9/10/2020

## Adelaide Park Lands Authority

### Statement of Comprehensive Income for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Income</b>			
Grants, Subsidies and Contributions	2a	215	187
<b>Total Income</b>		<b>215</b>	<b>187</b>
<b>Expenses</b>			
Materials, Contracts & Other Expenses	3a	215	187
<b>Total Expenses</b>		<b>215</b>	<b>187</b>
Operating Surplus / (Deficit)		-	-
Net Surplus / (Deficit)		-	-
<b>Total Comprehensive Income</b>		<b>-</b>	<b>-</b>

# Adelaide Park Lands Authority

## Statement of Financial Position

as at 30 June 2020

\$ '000	2020	2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	-	-
Trade & Other Receivables	-	-
Other Financial Assets	-	-
Inventories	-	-
Other Current Assets	-	-
<b>Subtotal</b>	-	-
Non-Current Assets Held for Sale	-	-
<b>Total Current Assets</b>	-	-
<b>Non-Current Assets</b>		
Financial Assets	-	-
Equity Accounted Investments in Council Businesses	-	-
Infrastructure, Property, Plant & Equipment	-	-
Investment Property	-	-
Other Non-Current Assets	-	-
<b>Total Non-Current Assets</b>	-	-
<b>TOTAL ASSETS</b>	-	-
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade & Other Payables	-	-
Borrowings	-	-
Provisions	-	-
Other Current Liabilities	-	-
<b>Subtotal</b>	-	-
Liabilities relating to Non-Current Assets Held for Sale	-	-
<b>Total Current Liabilities</b>	-	-
<b>Non-Current Liabilities</b>		
Trade & Other Payables	-	-
Borrowings	-	-
Provisions	-	-
Liability - Equity Accounted Council Businesses	-	-
Other Non-Current Liabilities	-	-
<b>Total Non-Current Liabilities</b>	-	-
<b>TOTAL LIABILITIES</b>	-	-
<b>Net Assets</b>	-	-
<b>EQUITY</b>		
Accumulated Surplus	-	-
Asset Revaluation Reserves	-	-
Other Reserves	-	-
<b>Total Equity</b>	-	-

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

page 4

## Adelaide Park Lands Authority

### Statement of Changes in Equity for the year ended 30 June 2020

\$ '000	Accumulated Surplus	Total Equity
<b>2020</b>		
Balance at the end of previous reporting period	-	-
Restated Opening Balance	-	-
Net Surplus / (Deficit) for Year	-	-
Total Comprehensive Income	-	-
Balance at the end of period	-	-
<b>2019</b>		
Balance at the end of previous reporting period	1	1
Adjustments (Correction of Prior Period Errors)	(1)	(1)
Restated Opening Balance	-	-
Net Surplus / (Deficit) for Year	-	-
Total Comprehensive Income	-	-
Balance at the end of period	-	-

# Adelaide Park Lands Authority

## Statement of Cash Flows for the year ended 30 June 2020

\$ '000	2020	2019
<b>Cash Flows from Operating Activities</b>		
<b><u>Receipts</u></b>		
Operating Receipts	215	187
<b><u>Payments</u></b>		
Operating Payments to Suppliers and Employees	(215)	(187)
<b>Net Cash provided by (or used in) Operating Activities</b>	-	-
<b>Net Increase (Decrease) in Cash Held</b>	-	-
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	-	-
<b>Cash &amp; Cash Equivalents at end of period</b>	-	-

# Adelaide Park Lands Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	10
3	Expenses	11
4	Uniform Presentation of Finances	12
5	Related Party Transactions	13

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

### Note 1. Summary of Significant Accounting Policies

---

The principal accounting policies adopted by the Adelaide Park Lands Authority (the Authority) 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 on a going concern basis using the historical cost convention (except as stated below) 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*.

##### 1.2 Rounding

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

#### 2 Income Recognition

The Authority recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when the Authority enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable

the Authority to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

Income of the Authority was not impacted as a result of AASB 15 or AASB 1015 during the 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 engaged 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.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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

---

- 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.

#### 7 New and amended accounting standards and interpretations

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

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

#### **Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

The Authority applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (except for certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). The Authority has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under

AASB 111, AASB 118, AASB 1004 and related Interpretations.

#### **AASB 16 Leases**

The Authority does not have any leases as at the reporting date.

The Authority will apply AASB 16 Leases to all future leases.

#### **8 Standards issued by the AASB not yet effective**

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020.

The Authority does not anticipate that new and amended Australian Accounting Standards, and Interpretations, issued but not yet effective at the time of compiling these illustrative statements will apply to the Authority's future reporting periods.

#### **9 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.

#### **10 Disclaimer**

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

# Adelaide Park Lands Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

### Note 2. Income

\$ '000	2020	2019
(a). Grants, Subsidies, Contributions		
Other Grants, Subsidies and Contributions	215	187
<b>Total Other Grants, Subsidies and Contributions</b>	<b>215</b>	<b>187</b>
<b>Total Grants, Subsidies, Contributions</b>	<b>215</b>	<b>187</b>
(i) Sources of grants		
City of Adelaide	215	187
<b>Total</b>	<b>215</b>	<b>187</b>

# Adelaide Park Lands Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

### Note 3. Expenses

\$ '000	2020	2019
<b>(a). Materials, Contracts and Other Expenses</b>		
<b>(i) Prescribed Expenses</b>		
Auditor's Remuneration	1	1
<b>Subtotal - Prescribed Expenses</b>	<b>1</b>	<b>1</b>
<b>(ii) Other Materials, Contracts and Expenses</b>		
Contractors	143	145
Legal Expenses	6	-
Sundry	-	1
Advertising and Promotion	-	12
Catering	-	3
External Plant Hire	-	2
Insurance	14	14
Sponsorships, Contributions and Donations	15	-
Sitting Fees	36	9
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>	<b>214</b>	<b>186</b>
<b>Total Materials, Contracts and Other Expenses</b>	<b>215</b>	<b>187</b>

## Adelaide Park Lands Authority

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 4. Uniform Presentation of Finances

\$ '000

2020

2019

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.

Income	215	187
less Expenses	(215)	(187)
Operating Surplus / (Deficit)	-	-
Net Lending / (Borrowing) for Financial Year	-	-

# Adelaide Park Lands Authority

## Notes to and forming part of the Financial Statements for the year ended 30 June 2020

### Note 5. Related Party Transactions

\$ '000

2020

2019

#### Key Management Personnel

##### Transactions with Key Management Personnel

The Key Management Personnel of the Adelaide Park lands Authority include the Board Members. In all, 11 persons were paid the following total cumulative compensation:

##### The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	36	9
<b>Total</b>	<b>36</b>	<b>9</b>

#### Other Related party Transactions

The Adelaide Parklands Authority contracts staff from the City of Adelaide. The cost of these services was \$137,113 for the year (2019 \$136,860).

The City of Adelaide provides an annual contribution to APLA matching the total expenditure incurred during the financial year.

## 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 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity 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 accompanying financial report presents fairly, in all material respects, financial position of the Authority as at 30 June 2020 and of 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 (including Independence Standards)* (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 a 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.



### **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](http://www.auasb.gov.au/auditors_responsibilities/ar4.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, 9 October 2020

## Adelaide Park Lands Authority

### General Purpose Financial Statements for the year ended 30 June 2020

### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Park Lands Authority for the year ended 30 June 2020, the Council's Auditor, BDO Audit (SA) Pty Ltd 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 Goldstome  
**CHIEF EXECUTIVE OFFICER**



---

David Powell  
**PRESIDING MEMBER, AUDIT COMMITTEE**

Date: 9/10/2020



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Level 7, BDO Centre  
420 King William Street  
Adelaide SA 5000  
GPO Box 2018, Adelaide SA 5001  
AUSTRALIA

## CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Adelaide Park Lands Authority for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, 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 'Andrew Tickle', is written over a faint, light blue grid background.

Andrew Tickle  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 10 September 2020



# 2019/20 Annual Report

**Brown Hill and Keswick Creeks Stormwater Board**

*For the cities of Adelaide, Burnside, Mitcham, Unley and West Torrens*



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# 1

## Chairperson's Report

*This is the third annual report of the Brown Hill and Keswick Creeks Stormwater Management Board, a regional subsidiary formed in February 2018 pursuant to the Local Government Act (SA).*

The report reflects the considerable achievements of the Project Director in further developing the foundation relationships, policies, systems and procedures that underpin the Board's operations. It also reflects the sharpening focus of the Board on advancing the implementation of a number of projects, working closely with the five constituent councils. The 2019-2020 year saw considerable progress in the current projects at Everard Park, South Park Lands and Glenside, building on the groundwork laid for these projects with the stakeholder community and suppliers throughout the year.

The year has not been without its challenges, including COVID-19 and the consequent economic impact. The progress made throughout the year in advancing the active projects is much to the credit of the constituent councils and the Stormwater Management Authority, whose cooperation, commitment and professionalism has been invaluable. I extend my thanks, on behalf of the Board members and staff, to all those involved.

I also wish to recognise the substantial contribution of retired Board member Paul Bowler, and to thank him for his contribution over the previous two years. I welcome new Board member Rob Gregory to the team and look forward to continuing the progress of our work to date.

It is my pleasure as Chair of the Board to deliver the 2020 Annual Report.

***Judith Oppenheimer***



# 2019/20

Annual Report



# 2

## Project Director's Report



The 2019/20 financial year saw a significant shift in my focus as Project Director. Having commenced with the project in January 2019, my initial priorities centred around the establishment of robust systems, policies and procedures and it has been rewarding to put this foundation into practice with the on-ground delivery of project works in Everard Park. The project has engaged with several SA based suppliers and consultants and it is satisfying to have the opportunity to work closely with a very talented pool of professionals in the local market.

COVID-19 has presented a challenging working environment and seen significant change in the way the Board has communicated and operated. Project delivery has continued uninterrupted and our project teams are to be commended on their ability to respond expeditiously and professionally. Social distancing measures continue to be observed and Government directives are regularly reviewed to ensure compliance.

The inaugural Board of the Subsidiary was appointed in August 2018 and has, until recently, remained unchanged with Judith Choate providing strong leadership as Chairperson. Judith and Board members Paul Gelston, Geoff Vogt, Rachel Barratt and Paul Bowler have provided a diverse range of experience and capability across a wide spectrum of skills and I have greatly valued their guidance and direction over the 18 months of my tenure. Already, the Subsidiary has evolved from a relatively new organisation in its infancy to an efficient and well-rounded operation and the Board members are to be applauded for their dedication to the success of the project.

Paul Bowler's tenure as a Board member has recently concluded and I wish to thank him on behalf of the project for his significant contribution, particularly as we moved into the delivery phase of works and his project management expertise became a valuable asset. I also wish to welcome our new Board member Rob Gregory who commenced in August 2020. Rob has strong Regional Subsidiary experience given his role as General Manager of EastWaste and I look forward to working with him in the coming years.

Delivery of the Hawthorn Reserve, Everard Park and South Park Lands projects has required extensive engagement with technical staff from the cities of Mitcham, Unley and Adelaide in particular and I have appreciated the input and assistance of these experienced local government professionals as we have moved through the various project stages. This engagement will continue in the coming years and I look forward to working more closely with City of Burnside personnel as the Glenside project works develop and with City of West Torrens as we move toward planning for the Lower Brown Hill Creek upgrades. The support from the Chief Executives, technical, finance and other staff of the member Councils has been integral to the successful operation of the project.

The delivery schedule of the project is influenced by the availability of funding and a significant commitment has been made by our member Councils and the Stormwater Management Authority (SMA). Historically, SMA capital funding has been provided in arrears

however this has cashflow impacts, particularly in the delivery of more substantial works in excess of \$10m. The SMA Board have recently committed to providing project funding in advance and this decision has very real implications in the ability of the project to move forward with construction activities. The immediate beneficiary of this decision is the South Park Lands project which will go to tender in the coming weeks with wetland construction scheduled to commence in late 2020. I thank the SMA Board, led by Presiding Member Stephen Hains, along with General Manager David Trebilcock for their commitment to the project.

As we move into the new financial year, our focus will again shift with an increased emphasis on asset management and strategic planning. We continue to build on the strong foundation that has been established to ensure we are delivering in accordance with our 5 key values – integrity, collaboration, excellence, progressive and simplicity.

The 2019/20 financial year has been both challenging and busy and I would like to thank the Board, our member Councils and the Stormwater Management Authority for their support and collaboration.

***Peta Mantzarapis***

# 3

## The Project

The Brown Hill Keswick Creek Stormwater Project is a collaborative undertaking between the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens.

Brown Hill, Keswick, Glen Osmond and Park Lands Creeks are important drainage watercourses in metropolitan Adelaide. The creeks have a low standard of flood protection resulting in a history of flooding. Their combined catchment is predominantly contained within the Local Government area of the five Constituent Councils, which are home to more than 200,000 residents. The Project is designed to mitigate serious flood risks and help safeguard properties across the catchment through the implementation of a stormwater management plan that was approved and gazetted in February 2017.

The plan satisfies best practice outcomes for stormwater management as set out in the Stormwater Management Planning Guidelines of the Stormwater Management Authority.

The scope and complexity of the plan are such that it could only be delivered effectively and efficiently by the five councils working collaboratively through a single entity. The Councils have therefore established the Brown Hill and Keswick Creeks Stormwater Board as a regional subsidiary to co-ordinate delivery of the plan. Implementation of the plan will mitigate serious flood risks and help safeguard properties across the catchment.

### *Funding Acknowledgement*



The Brown Hill Keswick Creek Stormwater Project is jointly funded by five Constituent Councils and the Stormwater Management Authority.





# 4

## Our Key Stakeholders

The Brown Hill and Keswick Creeks Stormwater Board works to deliver successful project outcomes in an efficient and professional manner. We interact with a diverse range of internal and external stakeholders and value the contribution they make.



Constituent  
Councils



Stormwater  
Management  
Authority



Adelaide  
Park Lands  
Authority



Residents



Green Adelaide



Kurna



Suppliers



Consultants



Community  
Groups

## 5

## Acknowledgment of Country

The Brown Hill and Keswick Creeks Stormwater Board acknowledges that the project and our Constituent Councils are located on the traditional Country of the Kaurna People of the Adelaide Plains and pays respect to Elders past and present.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

We also extend that respect to other Aboriginal Language groups and other First Nations.

*The Brown Hill and Keswick Creeks Stormwater Board  
tampendi, ngadlu Kaurna yertangga  
banbabanbalyarnendi (inbarendi). Kaurna meyunna  
yaitya mattanya Womma Tarndanyako.*

*Parnako yailtya, parnuko tappa purruna, parnuko yerta  
ngadlu tampendi. Yellaka Kaurna meyunna itto yailtya,  
tappa purruna, yerta kuma burro martendi, burro  
warriappendi, burro tangka martulyaiendi.*

*Kumarta yaitya miyurna iyangka yalaka ngadlu  
tampinthe.*

Kaurna people play a key role in the design and delivery of the Brown Hill Keswick Creeks Stormwater Project and we value the input and guidance of representatives of the Kaurna Nation Cultural Heritage Association (KNCHA) and RAW Recruitment and Services.

### Willawilla - Brown Hill Creek



# 6

## Our History

### ***Joint Arrangement Phase***

From its inception in 2007 until February 2018, the project was conducted as a joint arrangement between the Constituent Councils in accordance with a Memorandum of Agreement dated December 2008.

During the joint arrangement phase the Stormwater Management Plan was developed as a collaborative effort leading to its subsequent approval by the Stormwater Management Authority and gazettal of its adoption in February 2017. Certain investigations and works of the plan were also delivered during the joint arrangement phase.

### ***Regional Subsidiary***

A condition of the Stormwater Management Authority approving the Stormwater Management Plan was that a Regional Subsidiary be established within 12 months to implement the plan and manage its works on behalf of the Constituent Councils. The Regional Subsidiary, known as the Brown Hill and Keswick Creeks Stormwater Board was established in February 2018. The Board is governed by a Charter prepared by the five Constituent Councils and subsequently approved by the Minister for Local Government.

### ***Charter***

The Charter governs the affairs of the Board by setting out its purpose, function and powers, including governance provisions. It also provides the Constituent Councils with a legally enforceable agreement specifying their rights and obligations in achieving common interests.





# 7

## Governance

The Brown Hill Keswick Creek Stormwater Project is administered by a Board in accordance with the requirements of the Local Government Act 1999, the Board Charter, and various other policies.

The Board is comprised of 5 independent members, appointed following recommendations made by a Nominations Committee of representatives from each of the Constituent Councils. Each Board member contributes a unique set of skills and experience, particularly covering:

- Corporate financial management
- Corporate governance
- Project management
- General management
- Engineering
- Economics
- Environmental management

The Board appoints a Project Director who is responsible for implementing the decisions of the Board and managing the operational requirements of the project.

We thank outgoing Board member Paul Bowler for his contribution over his 2-year term and welcome new Board member Rob Gregory.

The Audit and Risk Committee comprises 4 Board members and an independent member and meets quarterly.

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### *Current Board Members*



**Judith Choate**

Chair since August 2018,  
appointed August 2018



**Paul Gelston**

Appointed August 2018

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### *Project Director*



**Peta Mantzarapis**

appointed  
January 2019

### *Independent Member of Audit and Risk Committee*



**Justin Humphrey**

appointed  
November 2018

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**Outgoing  
Board Member**

**Paul Bowler**  
August 2018-2020



**Geoff Vogt**  
Appointed August 2018



**Rachel Barratt**  
Appointed August 2018



**Rob Gregory**  
Appointed August 2020

**Board Member Meeting Attendance 2019/20**

Board Member	Meeting Attendance
Judith Choate	8/8
Paul Gelston	8/8
Geoff Vogt	8/8
Rachel Barratt	8/8
Paul Bowler	8/8

**Audit and Risk Committee Member Meeting Attendance 2019/20**

Committee Member	Meeting Attendance
Judith Choate	4/4
Paul Gelston	4/4
Geoff Vogt	4/4
Rachel Barratt	4/4
Justin Humphrey	3/4

**Owners Executive Committee**

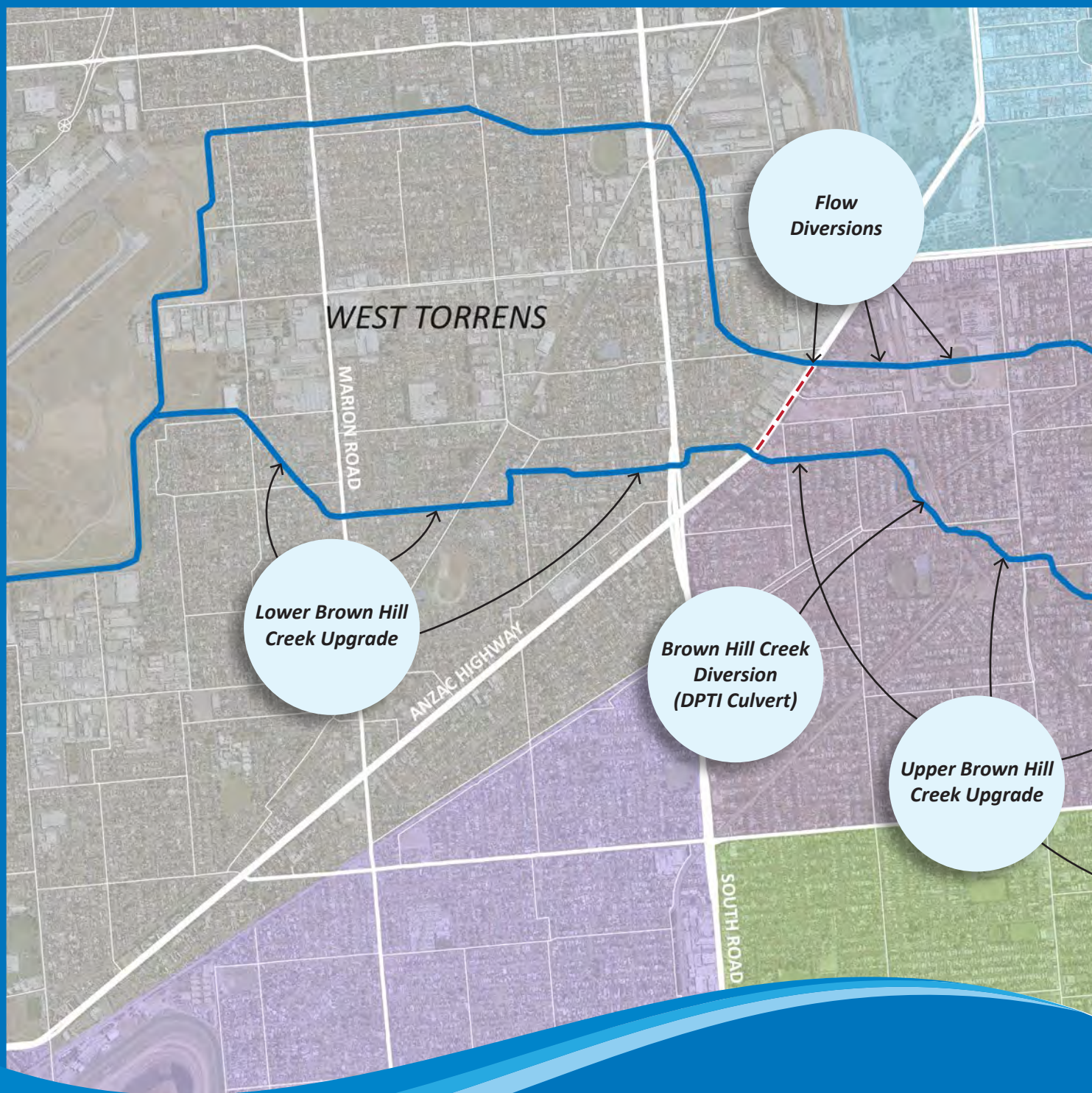
The Owners Executive Committee is comprised of a representative from each of the Constituent Councils. Meetings between the Board and the Owners Executive Committee are scheduled quarterly and three meetings were held in the 2019-20 financial year.

Membership of the committee is as follows:

<b>Klinton Devenish</b>	Director, Place	City of Adelaide
<b>Chris Cowley</b>	Chief Executive	City of Burnside
<b>Matthew Pears</b>	Chief Executive	City of Mitcham
<b>Peter Tsokas</b>	Chief Executive	City of Unley
<b>Terry Buss</b>	Chief Executive	City of West Torrens

# 8

## Project Map





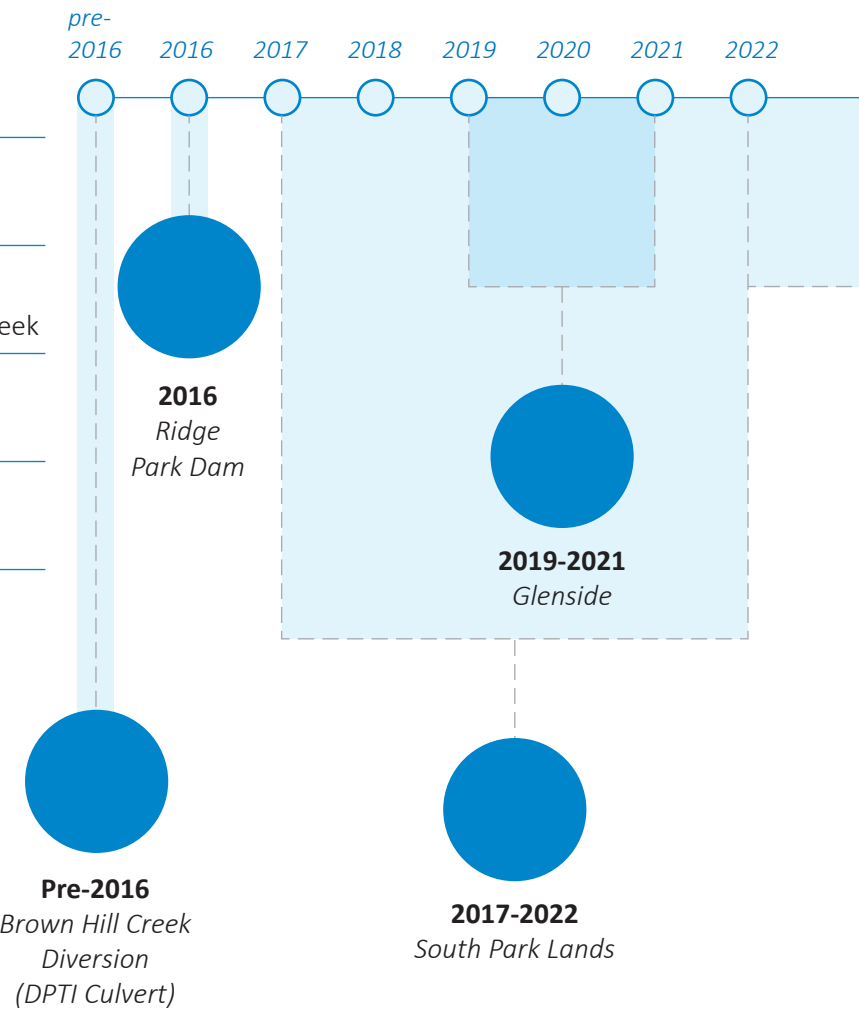
# 9

## Project Schedule

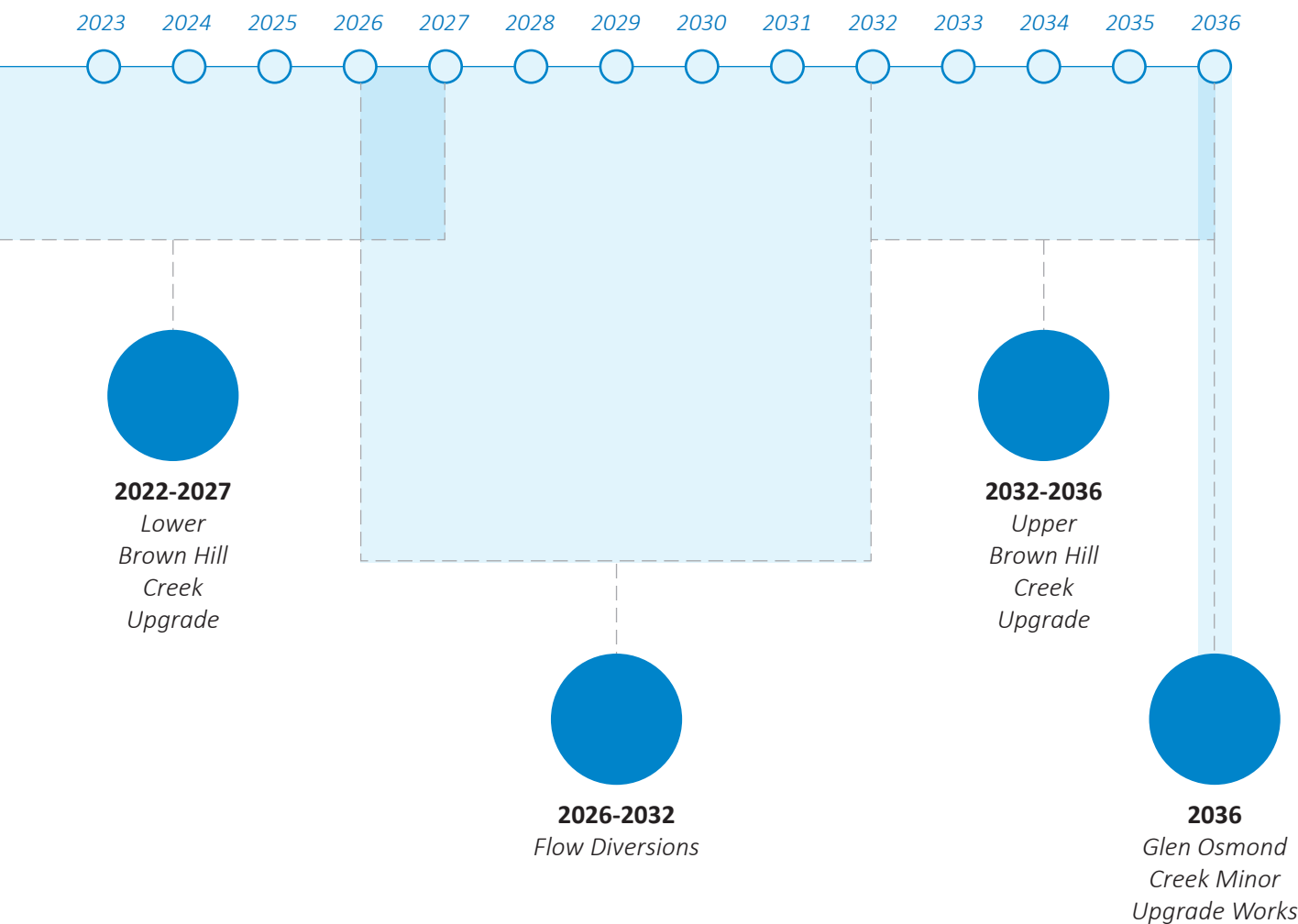
The project works required to successfully meet the objectives of the Stormwater Management Plan are best described as 8 sub-projects. There is a logical progression in which the works should be delivered, with the project stages including:

- Stage 1**  
Flood detention – Ridge Park Flood Control Dam, Glenside and South Park Lands
- Stage 2**  
Lower Brown Hill Creek Upgrade
- Stage 3**  
Flow Diversions from Keswick Creek to Brown Hill Creek
- Stage 4**  
Upper Brown Hill Creek Upgrade
- Stage 5**  
Glen Osmond Creek Minor Upgrade Works

There is an opportunity for works to be delivered out of schedule in instances where there is overwhelming justification for expedition. This justification may include access to a site that will no longer be available or contribution to the cost of works by an interested party.



# Indicative Timeline



# 10

## Current Projects

The 2019-20 financial year saw significant progress in 3 active sub-projects.

### ***Upper Brown Hill Creek, Area 1 (Everard Park)***

Comprising portion of the Upper Brown Hill Creek capacity upgrade, these works are located between Anzac Highway, Everard Park and Third Avenue, Forestville. The project involves replacement of an existing open concrete channel with an increased capacity underground covered culvert. Subsequent to installation of the culvert, the City of Unley will extend Wilberforce Walk to Anzac Highway, with a shared use path for pedestrians and cyclists traversing the culvert.

Culvert construction works commenced in April 2020 and are scheduled for completion in mid-August 2020, at which point the site will be handed over to City of Unley for the shared use path works to commence.

#### ***Our Project Team***

Project Manager	Inside Infrastructure
Construction Manager	Southfront
Engineering	WGA
Culvert Manufacture	Humes
Construction	Beltrame
Property Assessments	Public Private Property
Legal	Botten Levinson



*Culvert installation*



*Channel excavation*



*Base preparation*



*Artist Impression - shared use path*

## South Park Lands

The South Park Lands project comprises two areas of work aimed at reducing the peak stormwater flows through the Park Lands and into downstream areas. The project includes:

- **Victoria Park/ Pakapakanthi/ Park 16 Wetland**

Located at the southern end of Victoria Park, the wetland will include areas of permanent water, areas that become inundated during 'normal' flows, and a broader area that will only become inundated during a large flood event along with a range of features that facilitate recreational use and improved biodiversity outcomes.

- **Blue Gum Park/ Kurangga/ Park 20 Creek Works**

Works include construction of a low-level mound and the realignment of existing open channels in the southern section of the park. The mound will be constructed to the south and west of the existing playing fields and will stretch for a total distance of approximately 600metres. A shared use path will be constructed on top of the mound.

The South Park Lands project design was endorsed by the Adelaide Park Lands Authority in May 2020 and approved by the City of Adelaide in June 2020. The wetland project will be delivered first with early works including removal of a large stand of Poplars and associated earthworks in August/September 2020. Construction works for the wetland are scheduled for late 2020 with completion in late 2021 and the creek works in Blue Gum Park/ Kurangga/ Park 20 will follow.

## Our Project Team

Project & Construction Manager	ProcurePM
Design Team	Tonkin, DesignFlow and T.C.L
Stakeholder Engagement	URPS
Poplar Removal	BMD
Construction	Not yet awarded
Landscape Supply	Ecodynamics





*Artist Impression - wetland design*



*Artist Impression - wetland design*

## *Glenside*

This project involves enlargement of an existing detention basin from a capacity of 18ML to 37ML, to limit flow to the existing capacity of the culvert under the Fullarton and Greenhill Roads intersection. The detention basin, together with other works in the South Park Lands, is intended to reduce the peak stormwater flows along Park Lands Creek and further downstream.

The Glenside project works are being delivered by Cedar Woods as part of their residential development and bulk earthworks are currently underway. Excavation of approximately 25,000m<sup>3</sup> of material is required to form the detention basin and primary water quality treatment is provided via 3 new large gross pollutant traps.



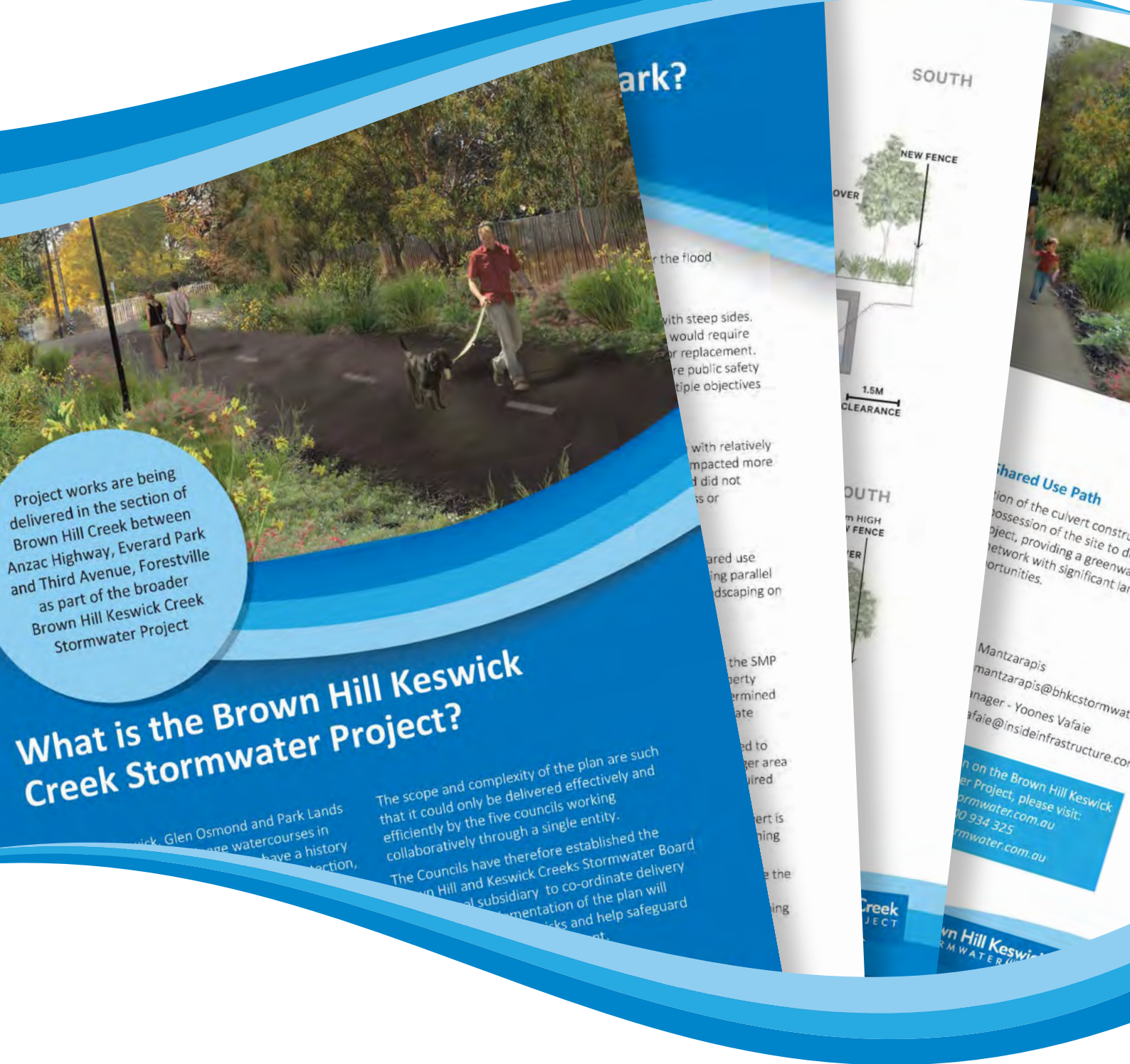




11

**Project Brochures**






Project works are being delivered in the section of Brown Hill Creek between Anzac Highway, Everard Park and Third Avenue, Forestville as part of the broader Brown Hill Keswick Creek Stormwater Project

# What is the Brown Hill Keswick Creek Stormwater Project?

The scope and complexity of the plan are such that it could only be delivered effectively and efficiently by the five councils working collaboratively through a single entity. The Councils have therefore established the Brown Hill and Keswick Creeks Stormwater Board as a joint subsidiary to co-ordinate delivery and implementation of the plan will ensure the project is successful and help safeguard the environment.



Project works are being delivered in the section of Brown Hill Creek between Anzac Highway, Everard Park and Third Avenue, Forestville as part of the broader Brown Hill Keswick Creek Stormwater Project

## What is the Brown Hill Keswick Creek Stormwater Project?

Brown Hill, Keswick, Glen Osmond and Park Lands Creeks are important drainage watercourses in metropolitan Adelaide. The creeks have a history of flooding and a low standard of flood protection, and therefore a relatively high flood risk.

Their combined catchment is mainly contained within the local government areas of Adelaide, Burnside, Mitcham, Unley and West Torrens which are home to more than 200,000 residents.

The Brown Hill Keswick Creek Stormwater Project has been a collaborative undertaking by the catchment councils to develop a Stormwater Management Plan (SMP).

The scope and complexity of the plan are such that it could only be delivered effectively and efficiently by the five councils working collaboratively through a single entity.

The Councils have therefore established the Brown Hill and Keswick Creeks Stormwater Board as a regional subsidiary to co-ordinate delivery of the SMP. Implementation of the plan will mitigate serious flood risks and help safeguard properties across the catchment.

# What's happening in Everard Park?

## Stormwater Management Plan (SMP)

The Stormwater Management Plan is designed to substantially reduce the number of properties within the catchment that would be affected by very large flood events, up to and including a 100 year ARI flood.

A 100 year ARI (Average Recurrence Interval) flood is a flood that will occur statistically on average once every 100 years, and has a 1 in 100 (1%) chance of occurring in any given year. It is the most commonly applied standard in Australia for providing an acceptable level of flood protection for the community.

The SMP, approved by the Stormwater Management Authority in February 2017, details construction of a number of flood mitigation works across the catchment, as well as non-infrastructure measures to help reduce the impact of major flooding for more than 2,000 properties during a one in 100-year storm event.

## Area 1 - Everard Park

The SMP identifies the section of Brown Hill Creek between Anzac Highway and Leah Street as portion of Area 1.

The SMP indicates that this section of creek would need to be widened to 4 to 5 metres and deepened to about 3 metres with the tops of the banks to be raised by 0.5 to 0.75 metres in places, which could be achieved as a levee or bund embankment.

More recent detailed hydraulic modelling indicates that, assuming an open channel is retained, the width of the creek bed would actually need to be widened to approximately 6 to 7 metres in order to achieve the required increase in capacity.

This increased width would result in a more significant impact on adjoining properties, both to the north and south.

## Options

Three options were considered for the flood mitigation works in Everard Park:

### Option 1: Concrete Open Channel

An engineered concrete structure with steep sides. This option was least preferred as it would require removal of all trees with no ability for replacement. The site would be fenced off to ensure public safety and this option did not meet the multiple objectives desired by the SMP.

### Option 2: Gabion Open Channel

An open channel for the whole section with relatively steep gabion creek banks. This option impacted more significantly on adjoining properties and did not provide adequate width for public access or landscaping.

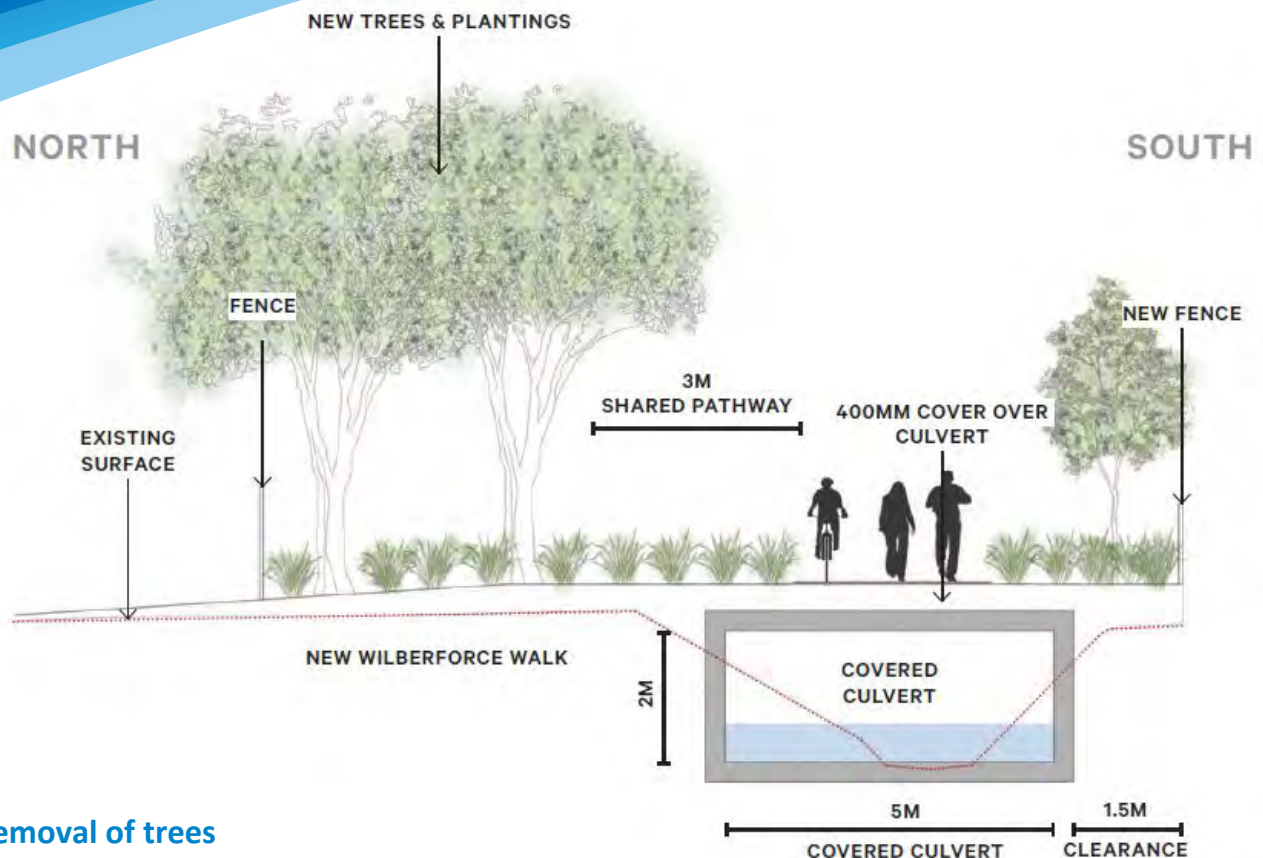
### Option 3: Covered Culvert

Installation of a covered culvert with a shared use pathway for pedestrians and cyclists running parallel to properties on the northern side and landscaping on the southern side.

## The covered culvert

Following consideration of the objectives of the SMP and consultation with directly adjoining property owners, the Board and the City of Unley determined that the covered culvert is the most appropriate outcome on the basis that:

1. The expansion of the open channel required to mitigate creek flooding would impact a larger area of privately owned land than would be required for the underground culvert;
2. Consultation indicated that the covered culvert is the preferred option of the majority of adjoining owners;
3. A covered culvert would enable Council to use the area above the culvert for other community purposes (a shared walk / cycle path, landscaping and tree planting are proposed for this area).



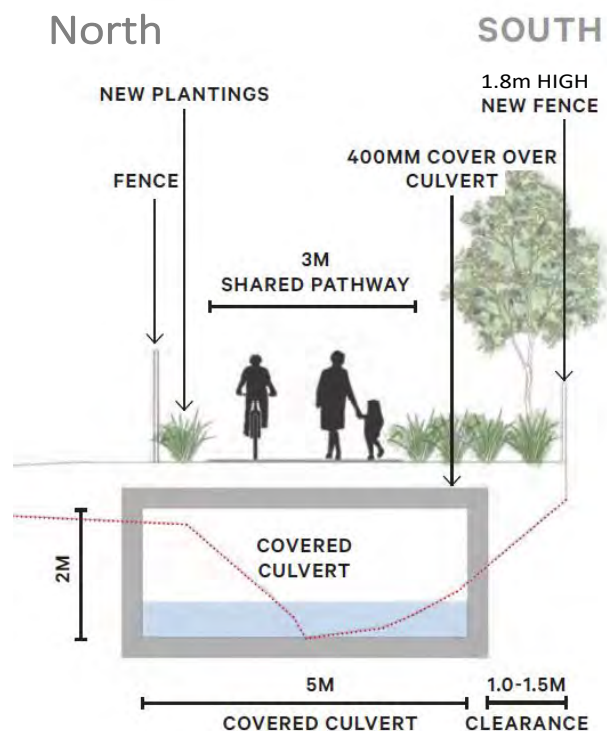
## Removal of trees

The early construction works require clearance of the creek channel including removal of the existing concrete channel and trees located within the corridor.

An arboreal assessment was conducted during the design phase of the project and concluded that the trees within the creek channel are self-seeded plants such as Desert Ash, White Cedar and Hackberry. None of the trees requiring removal are significant or regulated and, in some instances, they are considered weed species.

With reference to the arboreal advice, the project is committed to maintaining the health of two trees located in close proximity on adjoining land - a Canary Island Date Palm on Anzac Highway and a River Red Gum located within private land to the south. Monitoring will be undertaken on site during construction to ensure the protection of these trees.

Landscaping and trees will be re-established on site as part of the City of Unley shared use path project, immediately following construction of the covered culvert.





## Who owns the land?

The whole section of Brown Hill Creek between Anzac Highway and Third Avenue was held in private ownership. In most instances, the adjoining owners to the south owned the southern portion of the creek and the adjoining owners to the north owned the northern portion of the creek.

The whole of the creek corridor has now been acquired to enable construction of the covered culvert, with the acquired land being limited to the area outside of the rear fence lines of adjoining properties. No rear yard areas have been impacted by the works.

## What's next?

The construction contract has been awarded to Beltrame Civil, a highly respected and experienced South Australian business.

The first phase of the project involves removal of the existing concrete channel, trees and vegetation from the corridor. Rear fencing is removed from adjoining properties and the base of the channel is covered with stabilised pavement which will act as a protective layer in the event of flows.

The individual culvert segments are then installed in 5 substages. Following completion of backfilling activities, new fencing will be constructed to adjoining properties at the southern side and private drainage connections will be installed.

The culvert construction is due for completion in July.

## City of Unley Shared Use Path

Following completion of the culvert construction, the City of Unley will take possession of the site to deliver the shared use path project, providing a greenway and pedestrian/ cyclist network with significant landscaping and biodiversity opportunities.

## Contact

Project Director - Peta Mantzarapis

☎ 1800 934 325 ✉ [pmantzarapis@bhkcstormwater.com.au](mailto:pmantzarapis@bhkcstormwater.com.au)

Everard Park Project Manager - Yoonas Vafaie

☎ 0423 172 528 ✉ [yvafaie@insideinfrastructure.com.au](mailto:yvafaie@insideinfrastructure.com.au)

For more information on the Brown Hill Keswick Creek Stormwater Project, please visit:

[www.bhkcstormwater.com.au](http://www.bhkcstormwater.com.au)

Ph 1800 934 325

[info@bhkcstormwater.com.au](mailto:info@bhkcstormwater.com.au)

# Flood management works in the South Park Lands - Victoria Park/Pakapakanthi (Park 16) Wetland

The Brown Hill and Keswick Creeks Stormwater Board is building an important project in the South Park Lands which will help manage flooding from Park Lands Creek and within downstream residential areas. The flood management project will be undertaken in Victoria Park/Pakapakanthi (Park 16) and Blue Gum Park/Kurangga (Park 20).

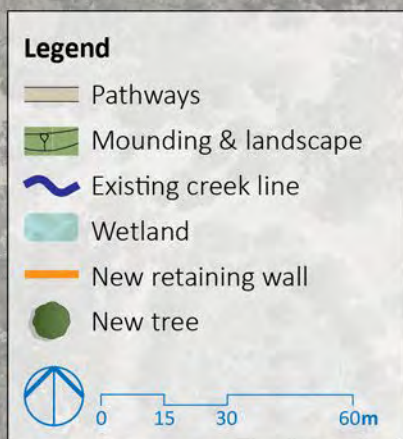
The project in Victoria Park/Pakapakanthi (Park 16) involves constructing a wetland at the southern end of the Park Lands. In addition to aiding the management of flooding in Park Lands Creek and downstream residential areas, the wetland will deliver a range of

benefits including improving water quality, enhancing the biodiversity of the area and creating amenity for park users, such as spaces to picnic, rest and to watch sport.

For more information about the Victoria Park/Pakapakanthi (Park 16) wetland, please visit [www.bhkcstormwater.com.au](http://www.bhkcstormwater.com.au) and the Frequently Asked Questions.

If you would like to know more about the Blue Gum Park/Kurangga (Park 20) works, view the information brochure at [www.bhkcstormwater.com.au](http://www.bhkcstormwater.com.au)





Artist Impression May 2020

### What will the wetland look like?

The design of the wetland includes areas of permanent water, areas that become inundated with stormwater during 'normal' flows and a broader area that will only become inundated during a large flood event.

The wetland will have a range of features that enhance the amenity and facilitate recreational use of the area such as footpaths and walking trails that connect to the existing path network. New trees, shrubs and grassland areas will be planted, including aquatic species to create the wetland biodiversity and ecology.

The design maintains large trees as part of the layout, and includes mounding ('berms') on the western, northern and south eastern sections of the site to help contain water during a flood event. Board walks and picnic areas are key features, as well as a look-out point for viewing the entire wetland.





Remnant  
vegetation  
area

New pathways  
(connect  
to existing)

Existing large  
trees to remain

Recreation  
amphitheatre

Existing Butterfly  
Conservation Area  
(Chequered  
Copper Butterfly)

Mound (to 3.0m high)  
& Lookout Point

Wetlands

Viewing  
area

Rock-lined  
weir

Timber  
boardwalk

Timber  
boardwalk

Rock-lined  
overflow weir

Existing Creek  
(northern bank  
to be reshaped)

Mound (up to 1.5m high)

Existing pathway realigned

Low flow  
bypass pipe

Informal  
rock crossing

Rock-lined  
weir

Inlet sediment  
catchment basin

Maintenance  
access road

FULLARTON ROAD



### Construction of the wetland

The construction of the wetland is scheduled to commence in November 2020 and will take approximately 12 months (weather permitting).

Signage will be displayed on site to make sure the general community using the South Park Lands know what is happening and how to navigate around the construction site.

The construction techniques required to build the wetland will involve managing noise and dust.

As construction progresses, regular updates will be provided.

### How can I stay in touch with what is happening with the wetland?

To stay in touch with project updates please provide your email address to [info@southparklands.com.au](mailto:info@southparklands.com.au)

For more information about the project including Frequently Asked Questions visit [www.bhkcstormwater.com.au](http://www.bhkcstormwater.com.au)

To provide feedback or make an enquiry at any time while the project is underway email [info@southparklands.com.au](mailto:info@southparklands.com.au) or call 1300 281 235



[www.bhkcstormwater.com.au](http://www.bhkcstormwater.com.au)



[info@southparklands.com.au](mailto:info@southparklands.com.au)



1300 281 235

# Flood management works in the South Park Lands - Blue Gum Park / Kurangga (Park 20)

The Brown Hill and Keswick Creeks Stormwater Board is building an important project in the South Park Lands which will help manage flooding from Park Lands Creek and within downstream residential areas. The flood management project will be undertaken in Victoria Park/Pakapakanthi (Park 16) and Blue Gum Park/Kurangga (Park 20).

The project in Blue Gum Park/Kurangga (Park 20) involves realignment of the existing creek lines to better manage flooding and also includes rehabilitation works and landscaping.

For more information about the Blue Gum Park/Kurangga (Park 20) works, please visit [www.bhkcstormwater.com.au](http://www.bhkcstormwater.com.au) and the Frequently Asked Questions.

If you would like to know more about the Victoria Park/Pakapakanthi (Park 16) wetland, view the information brochure at [www.bhkcstormwater.com.au](http://www.bhkcstormwater.com.au)





Elevated mound  
(up to 1.0m)

PEACOCK ROAD

Harris Oval

New shared-use  
paths (connect to  
existing)

New bridge  
crossing

New culvert

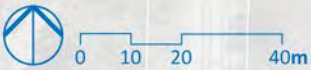
Tennis  
Courts

Adelaide  
Hockey Club

New pipe to connect  
to existing pipes  
at Greenhill Road

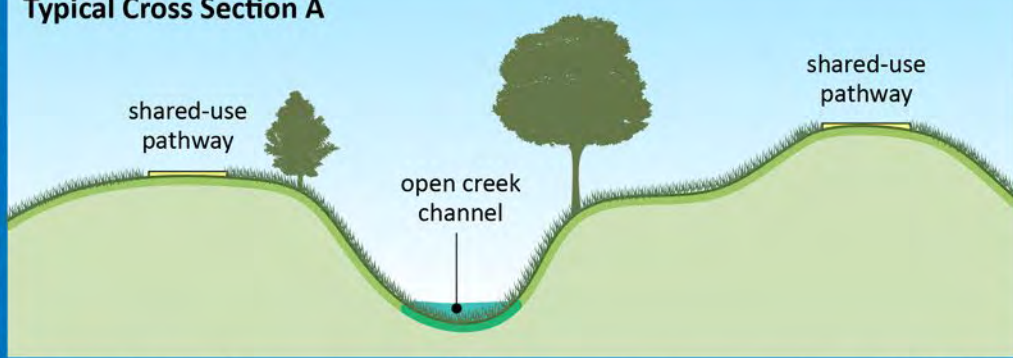
### Legend

- Pathways
- Mounding
- Existing creek
- Existing creek line to be backfilled
- New tree
- New retaining wall
- New culvert
- New open creek channel



Artist Impression May 2020

### Typical Cross Section A



## What is going to happen in Blue Gum Park/Kurangga (Park 20)?

These works involve the construction of a low-level mound (typically up to 1 metre high) generally in an east west direction and the realignment of existing creek lines in the southern section of the park. The mound will be constructed to the south and west of the existing playing fields and will stretch for a total distance of approximately 600 metres.

Two new open drainage channels will bring together the existing creeks to a common point behind the mound (northern side) which will enable controlled flows to be discharged under Greenhill Road and downstream. The existing shared use paths will be

re-constructed to suit the new layout and the new drainage works will enable part of the existing creek alignment to be backfilled to support tree health. This section of the creek is in poor condition, and the red gums are vulnerable due to creek erosion.





### How will the works help manage flooding issues?

The existing creeks will be realigned to a single convergence at the northern side of the new mound. An existing culvert beneath the mound will restrict peak flows into a new open drainage channel on the southern side of the new mound. When large flows exceed the capacity of the culvert, water will build up and be contained behind the mound and temporarily inundate parts of Blue Gum Park/Kurangga (Park 20) until it subsides. This will limit the outflows of water from Blue Gum Park/Kurangga (Park 20) towards Greenhill Road and further downstream.

### Construction of the Works

The construction of the Blue Gum Park/Kurangga (Park 20) works is subject to funding and will follow the Victoria Park/Pakapakanthi (Park 16) wetland work. Once commenced, the works are expected to take about 6 months.

### How can I stay in touch with what is happening with the project?

To stay in touch with project updates please provide your email address to [info@southparklands.com.au](mailto:info@southparklands.com.au)

For more information about the project including Frequently Asked Questions visit [www.bhkcstormwater.com.au](http://www.bhkcstormwater.com.au)

To provide feedback or make an enquiry at any time email [info@southparklands.com.au](mailto:info@southparklands.com.au) or call 1300 281 235



[www.bhkcstormwater.com.au](http://www.bhkcstormwater.com.au)



[info@southparklands.com.au](mailto:info@southparklands.com.au)



1300 281 235

# 12

## Financial Snapshot

The activities of the Board are funded by the five Constituent Councils and the Stormwater Management Authority.

Operational expenditure is funded equally by the Constituent Councils.

### 2019/20 Operational Funding

City of Adelaide	20%	\$77,731
City of Burnside	20%	\$77,731
City of Mitcham	20%	\$77,731
City of Unley	20%	\$77,731
City of West Torrens	20%	\$77,731

<b>Total</b>		<b>\$388,655</b>
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50% of Capital expenditure is provided by Constituent Councils and 50% is provided by the Stormwater Management Authority. Constituent Councils provide funding biannually in advance while SMA funding has, historically, been provided biannually in arrears. As we move into the 2020/21 financial year, an agreement has been reached for SMA funds to be provided annually in advance.

### 2019/20 Capital Funding

City of Adelaide	8%	\$184,165
City of Burnside	12%	\$276,248
City of Mitcham	10%	\$230,206
City of Unley	21%	\$483,433
City of West Torrens	49%	\$1,128,012
Stormwater Management Authority		\$1,696,766
NWM Water Sustainability Grant		\$65,000

<b>Total</b>		<b>\$4,063,930</b>
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# 13

## Audited Financial Statements

# **BROWN HILL & KESWICK CREEKS STORMWATER BOARD**

**Financial Statements**

**For the Year Ended 30 June 2020**

# **BROWN HILL & KESWICK CREEKS STORMWATER BOARD**

## **Contents**

**For the Year Ended 30 June 2020**

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**BROWN HILL & KESWICK CREEKS STORMWATER BOARD**

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2020**

		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Contributions	4	<b>388,655</b>	618,195
Investment income	4	<b>24,737</b>	15,826
Employee Costs	5	<b>(270,290)</b>	(234,663)
Materials, contracts and other expenses	5	<b>(151,631)</b>	(181,510)
Depreciation	5	<b>(36,646)</b>	(2,180)
Finance costs	5	<b>(198)</b>	(192)
<b>Operating surplus / (deficit)</b>		<b>(45,373)</b>	215,476
Capital funding / grants	4	<b>1,761,766</b>	-
<b>Total surplus</b>		<b>1,716,393</b>	215,476
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>1,716,393</b>	215,476

The accompanying notes form part of these financial statements.

# BROWN HILL & KESWICK CREEKS STORMWATER BOARD

## Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	5,002,849	3,966,683
Trade and other receivables	7	325,122	2,024,173
<b>TOTAL CURRENT ASSETS</b>		<b>5,327,971</b>	<b>5,990,856</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	6,410,219	3,209,193
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,410,219</b>	<b>3,209,193</b>
<b>TOTAL ASSETS</b>		<b>11,738,190</b>	<b>9,200,049</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	1,568,187	3,052,742
Employee benefits	10	10,739	6,500
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,578,926</b>	<b>3,059,242</b>
<b>TOTAL LIABILITIES</b>		<b>1,578,926</b>	<b>3,059,242</b>
<b>NET ASSETS</b>		<b>10,159,264</b>	<b>6,140,807</b>
<b>EQUITY</b>			
Capital contributions	11	8,231,343	5,929,279
Capital funding / grants		1,761,766	-
Retained earnings		166,155	211,528
<b>TOTAL EQUITY</b>		<b>10,159,264</b>	<b>6,140,807</b>

The accompanying notes form part of these financial statements.

# BROWN HILL & KESWICK CREEKS STORMWATER BOARD

## Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Note	Capital Contributions of Councils \$	Capital Funding and Grants \$	Accumulated Surplus \$	Total \$
Balance at 1 July 2019		5,929,279	-	211,528	6,140,807
Surplus for the year		-	-	1,716,393	1,716,393
Capital contributions of Councils		2,302,064	-	-	2,302,064
Transfer capital funding / grants		-	1,761,766	(1,761,766)	-
Balance at 30 June 2020		8,231,343	1,761,766	166,155	10,159,264

2019

	Note	Capital Contributions of Councils \$	Capital Funding and Grants \$	Accumulated Surplus \$	Total \$
Balance at 1 July 2018		246,870	-	(3,948)	242,922
Surplus for the year		-	-	215,476	215,476
Capital contributions of Councils		5,682,409	-	-	5,682,409
Balance at 30 June 2019		5,929,279	-	211,528	6,140,807

The accompanying notes form part of these financial statements.

# BROWN HILL & KESWICK CREEKS STORMWATER BOARD

## Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating receipts from constituent councils	394,922	1,246,839
Payments to employees	(266,051)	(228,163)
Payments to suppliers	(1,810,552)	(502,539)
Interest received	24,539	15,634
Net cash provided by / (used in) operating activities	12 <u>(1,657,142)</u>	<u>531,771</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	<u>(3,237,673)</u>	(223,324)
Net cash provided used in investing activities	<u>(3,237,673)</u>	<u>(223,324)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contributions from Constituent Councils	4,169,214	3,658,236
SMA Funding	1,696,767	-
NRM Board Water Sustainability Funding	65,000	-
Net cash provided by financing activities	<u>5,930,981</u>	<u>3,658,236</u>
Net increase in cash and cash equivalents held	1,036,166	3,966,683
Cash and cash equivalents at beginning of year	<u>3,966,683</u>	-
Cash and cash equivalents at end of financial year	6 <u><u>5,002,849</u></u>	<u><u>3,966,683</u></u>

The accompanying notes form part of these financial statements.

# **BROWN HILL & KESWICK CREEKS STORMWATER BOARD**

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

### **1 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group Interpretations (UIGs) and relevant South Australian Legislation. These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Brown Hill and Keswick Creeks Stormwater Board (the Board) is a Local Government Regional Subsidiary established under Section 43 of and Schedule 2 to the Local Government Act 1999. The Regional Subsidiary is under the control of City of Adelaide, City of Burnside, City of Unley, City of Mitcham and City of West Torrens.

The Board was established by a Gazettal dated 27 February 2018. The Board has been established to implement the construction and maintenance of infrastructure and other measures for the purposes of a stormwater management plan prepared by the constituent councils and approved by the Stormwater Management Authority.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been applied consistently unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs. The amount presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on September 2020 by the members of the Board.

### **2 Summary of Significant Accounting Policies**

#### **(a) Revenue and other income**

##### **Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Board expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Board have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

# **BROWN HILL & KESWICK CREEKS STORMWATER BOARD**

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

### **2 Summary of Significant Accounting Policies**

#### **(a) Revenue and other income**

##### **Revenue from contracts with customers**

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

##### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Board are:

##### **Operating revenue from constituent councils**

Operating revenue from constituent councils is recognised as income as and when the Board becomes entitled to receive the funds. This is outlined within the Boards Annual Business Plan which is agreed with all constituent councils.

##### **Interest revenue**

Interest revenue is recognised using the effective interest method, which for all floating rate financial assets is inherent in the instrument.

##### **Other income**

Other income is recognised on an accruals basis when the Board is entitled to it.

#### **(b) Equity**

##### **Capital contributions**

Capital contributions received from constituent councils are recognised as capital contributions by owners and recognised directly in equity.

#### **(c) Income Tax**

The activities of the Board are exempt from taxation under the Income Tax Assessment Act.

#### **(d) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(e) Property, plant and equipment**

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

## BROWN HILL & KESWICK CREEKS STORMWATER BOARD

### Notes to the Financial Statements

For the Year Ended 30 June 2020

#### 2 Summary of Significant Accounting Policies

##### (e) Property, plant and equipment

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, engineering design costs and all other costs incurred.

The cost of non-current assets constructed by the Board includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

The Board considers that it controls the infrastructure assets in accordance with its Charter. The constructed infrastructure assets may be located on land owned by constituent councils.

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds the materiality thresholds set by the Board within the capitalisation policy. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Current thresholds applicable to Board assets are as follows:

Stormwater infrastructure - \$10,000

Computer equipment - \$5,000

Office equipment - \$1,000

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Board, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Stormwater infrastructure	1% - 2%
Freehold Land	0%
Land improvements	1% - 10%
Office equipment	10%
Computer Equipment	10% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### (f) Financial instruments

Financial instruments are recognised initially on the date that the Board becomes party to the contractual provisions of the instrument.

## BROWN HILL & KESWICK CREEKS STORMWATER BOARD

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 2 Summary of Significant Accounting Policies

##### (f) Financial instruments

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Board classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Board changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Board's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

## BROWN HILL & KESWICK CREEKS STORMWATER BOARD

### Notes to the Financial Statements

For the Year Ended 30 June 2020

#### 2 Summary of Significant Accounting Policies

##### (f) Financial instruments

###### *Impairment of trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Board has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

###### **Financial liabilities**

The Board measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Board comprise trade payables.

##### (g) Impairment

At the end of each reporting period the Board assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

##### (h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### (i) Trade and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Board during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

## **BROWN HILL & KESWICK CREEKS STORMWATER BOARD**

### **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies**

##### **(i) Trade and other receivables**

These include amounts due from owner councils for capital contributions, the ATO and accrued interest on deposits in financial institutions. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

##### **(j) Employee benefits**

Provision is made for the Board's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on government bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

No accrual is made for sick leave. The Board does not make payment for untaken sick leave.

##### **Superannuation**

All superannuation schemes to which the Board makes contributions on behalf of employees 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 Board.

##### **(k) Adoption of new and revised accounting standards**

The Board has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Board.

##### **(l) Economic dependence**

Brown Hill and Keswick Creeks Stormwater Board is dependent on its constituent councils and other funding bodies for the majority of its revenue used to achieve its objectives. At the date of this report, the Board believe that the Member Councils and other bodies will continue to support the Board.

#### **3 Critical Accounting Estimates and Judgments**

The Board makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

# BROWN HILL & KESWICK CREEKS STORMWATER BOARD

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 3 Critical Accounting Estimates and Judgments

#### Key estimates - impairment of property, plant and equipment

The Board assesses impairment at the end of each reporting period by evaluating conditions specific to the Board that may be indicative of impairment triggers.

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

### 4 Income

	2020 \$	2019 \$
<b>Operating Contributions</b>		
- City of Mitcham	77,731	123,639
- City of Burnside	77,731	123,639
- City of West Torrens	77,731	123,639
- The Corporation of the City of Adelaide	77,731	123,639
- The Corporation of the City of Unley	77,731	123,639
<b>Total Operating Contributions</b>	<b>388,655</b>	<b>618,195</b>
<b>Other Income</b>		
- Bank Interest	24,737	15,826
<b>Total Other Income</b>	<b>24,737</b>	<b>15,826</b>
<b>Capital Funding / Grants</b>		
- Stormwater Management Authority	1,696,766	-
- NRM Water Sustainability Grant	65,000	-
<b>Total Capital Funding / Grants</b>	<b>1,761,766</b>	<b>-</b>
<b>Total Income</b>	<b>2,175,158</b>	<b>634,021</b>

In accordance with the Charter of the Brown Hill and Keswick Creek Stormwater Board Schedule 1, operating contributions are received equally from each of the constituent councils at an agreed rate. The total value of operating contributions to be received is agreed in the annual business plan prepared by the Board.

# BROWN HILL & KESWICK CREEKS STORM WATER BOARD

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 5 Expenses

	2020	2019
	\$	\$
<b>Employee Costs</b>		
Salaries and Wages - Board	83,500	60,000
Salaries and Wages - Employee	162,282	155,595
Reimbursements Board	-	5,207
Superannuation contributions	22,947	12,619
Workers compensation	1,561	1,242
<b>Total Employee Costs</b>	<b>270,290</b>	<b>234,663</b>
Total Number of Employees	1	1
<b>Materials, Contracts &amp; Other Expenses</b>		
Prescribed Expenses - Audit Remuneration	5,000	3,870
Administration	16,788	30,360
Entertainment & Catering	4,400	4,298
Contractor & Consultant Services	19,160	28,720
Human Resources	-	12,800
Insurance - Mutual Liability Scheme	43,458	52,784
IT Expenses	3,671	7,047
Legal Expenses	10,031	10,853
Professional Services	48,788	30,532
Sundry	335	246
<b>Total Materials, Contracts &amp; Other Expenses</b>	<b>151,631</b>	<b>181,510</b>
<b>Depreciation</b>		
Depreciation - Office Equipment	2,313	2,180
Depreciation - Hawthorn Reserve Creek Upgrade	34,333	-
<b>Total Depreciation</b>	<b>36,646</b>	<b>2,180</b>
<b>Finance Costs</b>		
Bank Fees	161	174
Interest Expense	37	18
<b>Total Finance Costs</b>	<b>198</b>	<b>192</b>
<b>Total Expenses</b>	<b>458,765</b>	<b>418,545</b>

# BROWN HILL & KESWICK CREEKS STORMWATER BOARD

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 6 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	5,002,849	3,966,683
	<u>5,002,849</u>	<u>3,966,683</u>

As at 30 June 2020 cash held includes an amount of \$3,416,019 (2019: \$2,722,399) which is restricted for the purpose of approved capital development projects.

### 7 Trade and Other Receivables

CURRENT		
Trade receivables	71,500	1,938,650
GST receivable	253,622	85,523
<b>Total current trade and other receivables</b>	<u>325,122</u>	<u>2,024,173</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 8 Property, plant and equipment

#### Capital Works in Progress

South Parklands Stormwater (Victoria Park)	829,633	183,335
Upper Brown Hill Creek - Area 1 Creek Works	2,243,546	101,195
Upper Brown Hill Creek - Area 1 Land Acquisition	349,276	30,065
Hawthorn Reserve Creek Upgrade	-	2,884,985
Upper Brown Hill Creek - Area 3 Millswood	8,500	-
Discretionary Projects	7,300	7,300
<b>Total Capital Works in Progress</b>	<u>3,438,255</u>	<u>3,206,880</u>

#### Infrastructure and Land Improvements

Hawthorn Reserve Creek Upgrade at Cost	3,006,297	-
Accumulated Depreciation	(34,333)	-
<b>Total Infrastructure and Land Improvements</b>	<u>2,971,964</u>	<u>-</u>

#### Office Equipment

At cost	4,493	4,493
Accumulated depreciation	(4,493)	(2,180)
<b>Total Office Equipment</b>	<u>-</u>	<u>2,313</u>

#### Total Property, Plant and Equipment

<u>6,410,219</u>	<u>3,209,193</u>
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# BROWN HILL & KESWICK CREEKS STORMWATER BOARD

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 8 Property, plant and equipment

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital Works in Progress \$	Infrastructure and Land Improvements \$	Office Equipment \$	Total \$
<b>Year ended 30 June 2020</b>				
Balance at the beginning of year	3,206,880	-	2,313	3,209,193
Additions	3,237,672	-	-	3,237,672
Transfers	(3,006,297)	3,006,297	-	-
Depreciation Expense	-	(34,333)	(2,313)	(36,646)
<b>Balance at the end of the year</b>	<b>3,438,255</b>	<b>2,971,964</b>	<b>-</b>	<b>6,410,219</b>

	Capital Works in Progress \$	Infrastructure and Land Improvements \$	Office Equipment \$	Total \$
<b>Year ended 30 June 2019</b>				
Balance at the beginning of year	249,189	-	-	249,189
Additions	2,957,691	-	4,493	2,962,184
Depreciation Expense	-	-	(2,180)	(2,180)
<b>Balance at the end of the year</b>	<b>3,206,880</b>	<b>-</b>	<b>2,313</b>	<b>3,209,193</b>

### 9 Trade and Other Payables

	2020 \$	2019 \$
<b>CURRENT</b>		
Trade payables	1,556,813	3,045,090
Credit Card	366	257
PAYG Payable	4,576	5,665
Superannuation Payable	5,800	1,730
Wages Payable	632	-
	<b>1,568,187</b>	<b>3,052,742</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short term nature of the balances.

# BROWN HILL & KESWICK CREEKS STORMWATER BOARD

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 10 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Provision for employee benefits	10,739	6,500
	<u>10,739</u>	<u>6,500</u>

### 11 Capital Contributions of Constituent Councils

#### Contributions by Owners

City of Mitcham	823,134	592,928
City of Burnside	987,761	711,513
City of West Torrens	4,033,358	2,905,346
The Corporation of the City of Adelaide	658,508	474,343
Corporation of the City of Unley	1,728,582	1,245,149
<b>Total Contributions by Owners</b>	<u>8,231,343</u>	<u>5,929,279</u>

#### City of Mitcham Movement Table

Opening balance	592,928	24,687
Contributions	230,206	568,241
<b>Closing balance</b>	<u>823,134</u>	<u>592,928</u>

#### City of Burnside Movement Table

Opening balance	711,513	29,624
Contributions	276,248	681,889
<b>Closing balance</b>	<u>987,761</u>	<u>711,513</u>

#### City of West Torrens Movement Table

Opening balance	2,905,346	120,966
Contributions	1,128,012	2,784,380
<b>Closing balance</b>	<u>4,033,358</u>	<u>2,905,346</u>

# BROWN HILL & KESWICK CREEKS STORMWATER BOARD

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 11 Capital Contributions of Constituent Councils

	2020 \$	2019 \$
<b>The Corporation of the City of Adelaide Movement Table</b>		
Opening balance	474,343	19,750
Contributions	184,165	454,593
<b>Closing balance</b>	<b>658,508</b>	<b>474,343</b>
<b>Corporation of the City of Unley Movement Table</b>		
Opening balance	1,245,149	51,843
Contributions	483,433	1,193,306
<b>Closing balance</b>	<b>1,728,582</b>	<b>1,245,149</b>

Capital contributions of Constituent Councils are payments received for investing in infrastructure. The rates of contributions are agreed in the Charter of the Board.

### 12 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Surplus / (Deficit) for the year	1,716,394	215,476
Cash flows excluded from profit attributable to operating activities		
Capital funding / grants	(1,761,767)	-
Non-cash flows in profit:		
- depreciation	36,646	2,180
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	1,699,051	-
- increase/(decrease) in trade and other payables	(1,484,555)	307,615
- increase/(decrease) in employee benefits	4,239	6,500
Cashflows from operations	<b>(1,657,142)</b>	<b>531,771</b>

### 13 Financial Risk Management

The Board is exposed to a variety of financial risks through its use of financial instruments. The most significant financial risks to which the Board is exposed to are described below:

#### Specific risks

- Liquidity risk
- Credit risk

## BROWN HILL & KESWICK CREEKS STORMWATER BOARD

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 13 Financial Risk Management

##### Financial instruments used

The principal categories of financial instrument used by the Board are:

- Trade receivables
- Cash at bank
- Trade and other payables

##### Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Board's financial risk management framework. This includes the development of policies covering specific areas such as liquidity risk, credit risk and market risk.

Details of significant accounting policies and methods adopted including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instruments are disclosed in Note 2 Summary of Significant Accounting Policies.

Mitigation strategies for specific risks faced are described below:

##### Liquidity risk

Liquidity risk arises from the Board's management of working capital. It is the risk that the Board will encounter difficulty in meeting its financial obligations as they fall due.

The Board manages this risk by preparing and monitoring budgets, only investing surplus cash with major financial institutions and proactively monitoring the recovery of unpaid debts.

At the reporting date, the Board has sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The following table depicts the categorisation of financial instruments held by the Board, noting that due to the nature of the balances held, carrying value is equal to fair value:

	2020 \$	2019 \$
<b>Financial assets</b>		
Held at amortised cost		
Cash and cash equivalents	5,002,849	3,966,683
Trade and other receivables	325,122	2,024,173
<b>Total financial assets</b>	<b>5,327,971</b>	<b>5,990,856</b>
<b>Financial liabilities</b>		
Held at amortised cost		
Trade and other payables	1,568,187	3,052,742
<b>Total financial liabilities</b>	<b>1,568,187</b>	<b>3,052,742</b>

# BROWN HILL & KESWICK CREEKS STORMWATER BOARD

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 13 Financial Risk Management

#### Objectives, policies and processes

The table below reflects the undiscounted contractual maturity analysis for financial liabilities

	Weighted average		Within 1 Year		1 to 5 Years	
	Interest rate					
	2020	2019	2020	2019	2020	2019
	%	%	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>						
Trade and other payables (excluding estimated annual leave)	-	-	1,568,187	3,052,742	-	-
			Over 5 Years		Total	
			2020	2019	2020	2019
			\$	\$	\$	\$
<b>Financial liabilities due for payment</b>						
Trade and other payables (excluding estimated annual leave)			-	-	1,568,187	3,052,742

The timing of expected outflows is not expected to be materially different from contracted cashflows.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Board.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Credit risk is managed through maintaining procedures to regularly monitor the financial stability of customers and counterparties. There is no collateral held by the Board securing trade and other receivables.

# BROWN HILL & KESWICK CREEKS STORMWATER BOARD

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 14 Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the Board is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report at 30 June 2020 (30 June 2019: None).

### 15 Commitments for Expenditure

	2020	2019
	\$	\$
(a) Capital Commitments		
Contracted Commitments		
South Park Lands		
Project Management	280,107	-
Design Contract	7,997	-
	<u>288,104</u>	<u>-</u>
Upper Brown Hill Creek - Area 1		
Construction Contract	763,585	169,000
Project Management Contract	76,492	-
	<u>840,077</u>	<u>169,000</u>
Total Contracted Commitments	<u>1,128,181</u>	<u>169,000</u>

All contracted commitments noted above are expected to be paid within the next twelve months.

### 16 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Board, the results of those operations, or the state of affairs of the Board in future financial years

### 17 Related Parties

Key management personnel of the Board include the Project Director and members of the Board appointed under section 112 of the Local Government Act 1999.

Payments made to key management personnel were as follows:

Salaries and Wages for the year ending 30 June 2020 \$245,782 (2019: \$221,714)

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members. There were no transactions with other related parties for the year ending 30 June 2020 (2019: Nil).

### 18 Statutory Information

The registered office and principal place of business of the Board is:

Brown Hill & Keswick Creeks Stormwater Board  
PO Box 124 Unley SA 5061

## BROWN HILL & KESWICK CREEKS STORM WATER BOARD

### CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

In the opinion of the committee, the Financial Statements comprising of the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Members' Funds, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents a true and fair view of the financial position of Brown Hill and Keswick Creeks Stormwater Board as at 30 June 2020 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. At the date of this statement, there are reasonable grounds to believe that Brown Hill and Keswick Creeks Stormwater Board will be able to pay its debts as and when they fall due.

The Board is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

*Judy Choate*

Judy Choate (Sep 17, 2020 16:58 GMT+9.5)

Name: Judith Choate  
Position: Chairperson  
  
Date: September 2020  
Sep 17, 2020

*G T Vogt*

G T Vogt (Sep 17, 2020 11:35 GMT+9.5)

Name: G T Vogt  
Position: Board Member  
  
Date: September 2020  
Sep 17, 2020

## BROWN HILL & KESWICK CREEKS STORM WATER BOARD

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Brown Hill and Keswick creeks Stormwater Board for the year ended 30 June 2020, the Board's Auditor, Galpins 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*

*Judy Choate*

Judy Choate (Sep 17, 2020 16:58 GMT+9.5)

Name: Judith Choate  
Position: Chairperson  
  
Date: September 2020  
Sep 17, 2020

*G T Vogt*

G T Vogt (Sep 17, 2020 11:35 GMT+9.5)

Name: G T Vogt  
Position: Board Member  
  
Date: September 2020  
Sep 17, 2020









# For Signature - 20200908 BHKCSB Draft Financial statements

Final Audit Report

2020-09-17

Created:	2020-09-17
By:	Patricia Coonan (patricia@thinkpurple.com.au)
Status:	Signed
Transaction ID:	CBJCHBCAABAAhOVx_6PwvP9VJ4lxLAOzZkOb6H8ZjE71

## "For Signature - 20200908 BHKCSB Draft Financial statements" History

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-  Agreement completed.  
2020-09-17 - 7:28:01 AM GMT

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**COUNCIL SOLUTIONS REGIONAL AUTHORITY  
GENERAL PURPOSE FINANCIAL REPORTS  
for the period 1 July 2019 to 28 February 2020**

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**COUNCIL SOLUTIONS REGIONAL AUTHORITY  
CERTIFICATION OF FINANCIAL STATEMENTS  
for the period 1 July 2019 to 28 February 2020**

I have been authorised by the Council Solutions Regional Authority Board to certify the financial statements of the Council Solutions Regional Authority in their final form. In my opinion:

- The accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- The financial statements present a true and fair view of the Council Solutions Regional Authority's financial position at 28 February 2020 and the results of its operations and cash flows for the period 1 July 2019 to 28 February 2020.
- Internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Council Solutions Regional Authority's accounting and other records.



.....  
Jeff Tate  
**Chair of The Board**

Date: 17 February 2020

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the period 1 July 2019 to 28 February 2020

	Notes	2020 \$'000	2019 \$'000
<b>INCOME</b>			
Investment Income	2	2	7
Management Fees	2	218	1,056
Other Income	2	81	270
<b>Total Income</b>		<b>301</b>	<b>1,333</b>
<b>EXPENSES</b>			
Materials, contracts & other expenses	3	386	960
<b>Total Expenses</b>		<b>386</b>	<b>960</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(86)</b>	<b>373</b>
<b>NET SURPLUS / (DEFICIT)</b>		<b>(86)</b>	<b>373</b>
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(86)</b>	<b>373</b>

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

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**BALANCE SHEET**  
as at 28 February 2020

	Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	-	539
Receivables	4	743	342
<b>Total Current Assets</b>	4,7	<b>743</b>	<b>881</b>
<b>Total Assets</b>		<b>743</b>	<b>881</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables		743	37
Other Current Liabilities		-	15
<b>Total Current Liabilities</b>	5,7	<b>743</b>	<b>52</b>
<b>Total Liabilities</b>	5,7	<b>743</b>	<b>52</b>
<b>NET ASSETS</b>		<b>-</b>	<b>829</b>
<b>EQUITY</b>			
Accumulated Surplus		-	686
Share Capital		-	143
<b>TOTAL EQUITY</b>		<b>-</b>	<b>829</b>

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

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**STATEMENT OF CHANGES IN EQUITY**  
for the period 1 July 2019 to 28 February 2020

	Initial Contribution by Owners \$'000	Accumulated Surplus \$'000	Total \$'000
<b>2020</b>			
Opening Balance	143	686	<b>829</b>
Net Surplus for Year	-	(86)	<b>(86)</b>
Distribution of Capital on winding up	(143)	(600)	<b>(743)</b>
Balance at end of period	-	-	-
	Initial Contribution by Owners \$'000	Accumulated Surplus \$'000	Total \$'000
<b>2019</b>			
Opening Balance	143	313	<b>456</b>
Net Surplus for Year	-	373	<b>373</b>
Balance at end of period	<b>143</b>	<b>686</b>	<b>829</b>

## COUNCIL SOLUTIONS REGIONAL AUTHORITY

### Notes to and forming part of the Financial Statements for the period 1 July 2019 to 28 February 2020

#### Note 1 - Significant Accounting Policies

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

Council Solutions Regional Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective share of equity are as follows:

Constituent Council	Equity Share
Adelaide City Council	16.67%
City of Charles Sturt	16.67%
City of Marion	16.67%
City of Onkaparinga	16.67%
City of Salisbury	16.67%
City of Tea Tree Gully	16.67%

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

#### 1 Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs. All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

#### 2 Income recognition

Management Fee Income is recognised when the Constituent Councils enter into the purchase of a good or service from a Supplier contracted to provide the Authority (or in the case of some prior contracts that were created jointly between the six constituent Council) with a Management Fee.

#### 3 Cash, Cash Equivalents and other Financial Instruments

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

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

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

#### 4 Infrastructure, Property, Plant & Equipment

The Authority did not procure any non-current assets during the reporting period and does not hold any non-current assets as at the reporting date.

#### 5 Employee Benefits

All employees are employed through Adelaide City Council, one of the Constituent Councils. Those employees are then contracted to the Authority.

## **COUNCIL SOLUTIONS REGIONAL AUTHORITY**

### **Notes to and forming part of the Financial Statements for the year ending 28 February 2020**

#### **Note 1 - Significant Accounting Policies, con't**

##### **6 GST Implications**

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

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

##### **7 Comparative Information**

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

##### **8 Critical Accounting Estimates and Judgements**

The Authority evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the authority.

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

##### **9 Pending Accounting Standards**

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

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

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability.

At 28 February 2020, Council has no leases to which this treatment will need to be applied.

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the period 1 July 2019 to 28 February 2020

**Note 2 - INCOME**

	2020 \$'000	2019 \$'000
<b>INVESTMENTS</b>		
Interest Income	2	7
	<u>2</u>	<u>7</u>
<b>REBATES</b>		
Management Fees	218	1,056
	<u>218</u>	<u>1,056</u>
<b>OTHER INCOME</b>		
Reimbursements	81	270
	<u>81</u>	<u>270</u>

**Note 3 - EXPENSES**

	2020 \$'000	2019 \$'000
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>		
Advertising	-	-
Audit Fees	2	4
Catering	0	1
Contractors	24	40
Consultant Fees	1	92
Insurance	11	28
IT Expenses	-	23
Legal Fees	24	35
Membership Fees & Subscriptions	32	5
Motor Vehicle	2	2
Reimbursements - Salary & Wages	247	665
Rent	25	27
Sitting Fees	14	19
Sundry	0	13
Telephone	2	2
Training and Development	2	4
	<u>386</u>	<u>960</u>

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the period 1 July 2019 to 28 February 2020

**Note 4 - CURRENT ASSETS**

	2020 \$'000	2019 \$'000
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash at Bank	-	539
	-	539
<b>RECEIVABLES</b>		
Accounts Receivables	33	226
Accrued Income	-	116
City of Adelaide	710	-
	743	342
<b>TOTAL CURRENT ASSETS</b>	743	881

**Note 5 - LIABILITIES**

	2020 \$'000	2019 \$'000
<b>TRADE &amp; OTHER PAYABLES</b>		
Creditors	743	28
Expenses Accrued	-	9
	743	37
<b>OTHER CURRENT LIABILITIES</b>		
Payable to Adelaide City Council	-	15
	-	15
<b>TOTAL LIABILITIES</b>	743	52

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the period 1 July 2019 to 28 February 2020

**Note 6 - RECONCILIATION TO CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

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

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at Bank	-	<b>539</b>
<b>Balances per Cash Flow Statement</b>	<b>-</b>	<b>539</b>

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

Net Surplus	<b>(86)</b>	<b>373</b>
Net (increase)/decrease in Receivables	<b>(401)</b>	<b>222</b>
Net increase/(decrease) in Current Liabilities	<b>(52)</b>	<b>(230)</b>
<b>Net Cash provided by (or used in) operations</b>	<b>(539)</b>	<b>365</b>

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the period 1 July 2019 to 28 February 2020**

**Note 7 - FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

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

<b>2019-20</b>	<b>Weighted Average Interest Rate</b>	<b>Fair Value of Variable Interest Rate Instruments</b>	<b>Fair Value of Fixed Interest rate instruments maturing within One Year</b>	<b>Fair Value of Fixed Interest rate instruments maturing Due &gt; 1 less 5 Yrs</b>	<b>Fair Value of Fixed Interest rate instruments maturing Due &gt; 5 Yrs</b>	<b>Fair Value of Non-Interest Bearing Instruments</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets:</b>						
<b>Cash</b>	<b>1.9%</b>	-	-	-	-	-
<b>Receivables</b>	<b>0.0%</b>	-	-	-	-	<b>743</b>
<b>Total Financial Assets</b>		-	-	-	-	<b>743</b>
<b>Financial Liabilities:</b>						
<b>Creditors and Provisions</b>	<b>0.0%</b>	-	-	-	-	<b>743</b>
<b>Total Financial Liabilities</b>		-	-	-	-	<b>743</b>

<b>2018-19</b>	<b>Weighted Average Interest Rate</b>	<b>Fair Value of Variable Interest Rate Instruments</b>	<b>Fair Value of Fixed Interest rate instruments maturing within One Year</b>	<b>Fair Value of Fixed Interest rate instruments maturing Due &gt; 1 less 5 Yrs</b>	<b>Fair Value of Fixed Interest rate instruments maturing Due &gt; 5 Yrs</b>	<b>Fair Value of Non-Interest Bearing Instruments</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets:</b>						
<b>Cash</b>	<b>1.9%</b>	<b>539</b>	-	-	-	<b>539</b>
<b>Receivables</b>	<b>0.0%</b>	-	-	-	-	<b>342</b>
<b>Total Financial Assets</b>		<b>539</b>	-	-	-	<b>881</b>
<b>Financial Liabilities:</b>						
<b>Creditors and Provisions</b>	<b>0.0%</b>	-	-	-	-	<b>52</b>
<b>Total Financial Liabilities</b>		-	-	-	-	<b>52</b>

**(b) Credit Risk**

Credit Risk represents the loss that would be recognised if other entities failed to perform as contracted.

The Authority's exposure to credit risk is summarised as follows;

Receivables - the Authority's maximum exposure is disclosed in the financial statements net of any provision for doubtful debts

**(c) Net Fair Value**

The net fair value of a financial instrument is defined as its value net of all costs to settle the asset and liability

The financial assets and liabilities as stated or referred to in notes (a) and (b) above, are stated at their face value (less provision for doubtful debts if applicable).

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

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the period 1 July 2019 to 28 February 2020**

**Note 8 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

The Key Management Personnel of the Council include the Chair of the Board, the Board, Independent Members of the Audit Committee and the General Manager.

Salaries, allowances & other short term benefits paid by Council Solutions to KMP were \$49k (2018-19) and \$232k (2018-19)

The following qualifying related party disclosures have been identified:

<b>Related Party Entity</b>	<b>Amounts received from related parties during the period 1 July 2019 to 28 February 2020</b>	<b>Amounts outstanding from related parties as at 28 February 2020</b>	<b>Amounts outstanding to related parties as at 28 February 2020</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
City of Adelaide	22	-	-
City of Charles Sturt	22	-	-
City of Marion	22	-	-
City of Salisbury	-	-	-
City of Tea Tree Gully	-	-	-
City of Onkaparinga	-	-	-

The above amounts received represent reimbursements of designated project costs paid by the above listed Constituent Councils to Council Solutions at various times throughout the year. These amounts have been approved by the Board and reported on as part of the ongoing annual budget setting and budget review process.

Council Solutions provides procurement services to the above listed entities.

## Council Solutions Regional Authority

### Certification Of Auditor Independence for the period 1 July 2019 to 28 February 2020

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Council Solutions Regional Authority for the period 1 July 2019 to 28 February 2020, the Council's Auditor, Ian G McDonald FCA, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

.....  
**Jeff Tate**  
**CHAIR - Council Solutions**

Date: 17 February 2020

.....  
**Kirk Richardson**  
**ACTING CHIEF EXECUTIVE OFFICER**  
**City of Onkaparinga**

Date: 28/01/2020

.....  
**Paul Sutton**  
**CHIEF EXECUTIVE OFFICER**  
**City of Charles Sturt**

Date: 24/01/2020

.....  
**John Harry**  
**CHIEF EXECUTIVE OFFICER**  
**City of Salisbury**

Date: 3/2/2020

.....  
**Tanya Johnston**  
**Presiding Member of Audit Committee**

Date: 06 FEB 2020

.....  
**Mark Goldstone**  
**CHIEF EXECUTIVE OFFICER**  
**Adelaide City Council**

Date: 29/1/2020

.....  
**Adrian Skull**  
**CHIEF EXECUTIVE OFFICER**  
**City of Marion**

Date: 24 January 2020

.....  
**John Moyle**  
**CHIEF EXECUTIVE OFFICER**  
**Tea Tree Gully Council**

Date: 24<sup>th</sup> January 2020

## Council Solutions Regional Authority

### ANNUAL FINANCIAL STATEMENTS For the period 1/7/2019 to 28/2/2019

#### STATEMENT BY AUDITOR

We confirm that, for the audit of the financial statements of the Council Solutions Regional Authority for the period ended 28 February 2020, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



**Ian G McDonald FCA**

Dated this 4th day of February 2020

## Council Solutions Regional Authority Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of Council Solutions Regional Authority for the period 1/7/2019 to 28/2/2020.

### Opinion

In our opinion, the financial statements of the Authority are properly drawn up:

- a) to present fairly the financial position of the Authority as at the 28 February 2020 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

### Basis for Opinion

For the audit of the Authority we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the authority to meet the requirements of Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

### Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011 and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Audit of the Financial Report

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

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

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



Ian G McDonald FCA  
Registered Company Auditor

Dated at Grange this 18<sup>th</sup> day of February 2020



**Adelaide.  
Designed for Life.**

**City of Adelaide**

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Adelaide SA 5000

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