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To the Chief Executive Urban Renewal Authority

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 27(4) of the *Urban Renewal Act 1994*, I have audited the financial report of Urban Renewal Authority for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Urban Renewal Authority as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, the Chief Executive and the General Manager, Corporate Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Urban Renewal Authority. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Chief Executive and the members of the Board for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity'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 entity is to be liquidated or to cease operations, or has no realistic alternative but to do so.

The members of the Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

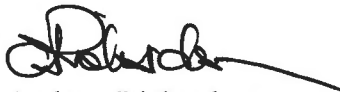
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive

- conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive and members of the Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

18 September 2018



RenewalSA



Government of
South Australia

PEOPLE PARTNERSHIPS PROGRESS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
Income			
Revenue from sales	3	87 033	70 481
Less: cost of sales	3	48 938	36 935
Gross Profit from Sales		38 095	33 546
Share of net profit/(loss) in joint ventures	4	1 110	3 002
Revenues from SA Government	5	9 111	6 750
Interest revenues	6	268	1 465
Property income	7	79 957	42 513
Other revenues	8	20 635	17 721
Net gain from changes in value of non-current assets	19, 20	2 442	-
Net gain from disposal of non-current assets	9	250	1 319
Total Other Income		113 773	72 770
Net gain from transferred functions	36	325	548
Total Income		152 193	106 864
Expenses			
Employee benefits expenses	10	31 675	31 252
Operating expenditure	13	50 875	45 320
Borrowing costs	14	39 754	28 002
Depreciation and amortisation	21	495	473
Net loss from changes in value of non-current assets	19, 20	-	20 744
Total Expenses		122 799	125 791
Profit/(Loss) Before Income Tax Equivalent		29 394	(18 927)
Income tax equivalent	16	8 819	-
Profit/(Loss) After Income Tax Equivalent		20 575	(18 927)
Total Comprehensive Result		20 575	(18 927)

The Profit/Loss After Income Tax Equivalent and Total Comprehensive Result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
Current Assets			
Cash and cash equivalents	34	42 050	11 144
Receivables	18	4 033	13 145
Inventories	19	73 837	66 504
Work in progress	22	-	-
Investment in joint ventures	4	2 736	2 492
Total Current Assets		122 656	93 285
Non-Current Assets			
Receivables	18	6 720	6 504
Inventories	19	241 230	247 654
Investment properties	20	716 160	719 505
Property, plant and equipment	21	1 874	2 061
Investment in joint ventures	4	159	168
Total Non-Current Assets		966 143	975 892
Total Assets		1 088 799	1 069 177
Current Liabilities			
Payables	24	21 375	20 760
Unearned income	27	6 287	6 149
Borrowings	25	174 218	161 280
Provisions	26, 28	5 784	125
Employee benefits	29	4 143	4 516
Other liabilities	30	458	302
Total Current Liabilities		212 265	193 132
Non-Current Liabilities			
Payables	24	7 872	545
Unearned income	27	15 530	4 846
Borrowings	25	720 102	749 621
Provisions	28	23	235
Employee benefits	29	6 701	5 917
Total Non-Current Liabilities		750 228	761 164
Total Liabilities		962 493	954 296
Net Assets		126 306	114 881
Equity			
Contributed capital		356 857	356 857
Retained earnings		(230 551)	(241 976)
Total Equity		126 306	114 881
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	31		
Contingent liabilities	32		

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2018

	Note No.	Contributed Capital '\$000	Retained Earnings '\$000	Total '\$000
Balance as at 30 June 2016		242 939	(220 990)	21 949
Total Comprehensive Result for 2016-17		-	(18 927)	(18 927)
Transactions with the SA Government in their capacity as owners:				
Equity contribution*		113 918	-	113 918
Dividends paid	17	-	(2 059)	(2 059)
Balance as at 30 June 2017		356 857	(241 976)	114 881
Total Comprehensive Result for 2017-18		-	20 575	20 575
Transactions with the SA Government in their capacity as owners:				
Equity contribution		-	-	-
Dividends paid	17	-	(9 150)	(9 150)
Balance as at 30 June 2018		356 857	(230 551)	126 306

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

*Renewal SA received an equity contribution from the SA Government of \$113.9 million during 2016-17 which was used to partly fund the acquisition of a portfolio of TAFE properties from the Department of State Development during 2016-17.

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
Cash Flows from Operating Activities			
Cash Inflows			
Receipts from sales		96 766	79 277
Receipts from SA Government		28 045	14 414
Interest received		286	1 508
Receipts from tenants (rent and recoveries)		102 160	50 601
Recoveries and sundry receipts		22 217	17 614
Funds held in trust		4	4
Receipts for paid parental leave scheme		43	53
GST recovered from the ATO		-	55 636
Cash Generated from Operations		249 521	219 107
Cash Outflows			
Payments for land purchase and development		(49 792)	(76 092)
Payments to SA Government		(4 300)	(1 272)
Land tax paid		(20 955)	(19 548)
Interest paid		(41 181)	(28 004)
Payments to suppliers		(36 399)	(29 600)
Payments for employee benefits payments		(33 826)	(33 149)
Payments for paid parental leave scheme		(46)	(54)
GST paid to the ATO		(9 052)	-
Cash Used in Operations		(195 551)	(187 719)
Net Cash Provided by Operating Activities	33	53 970	31 388
Cash Flows from Investing Activities			
Cash Inflows			
Distributions of profit by joint ventures		875	4 101
Proceeds from the sale of investment properties		2 100	33 010
Cash Generated from Investing Activities		2 975	37 111
Cash Outflows			
Purchase of investment property		-	(678 421)
Purchase of plant and equipment		(308)	(357)
Cash Used in Investing Activities		(308)	(678 778)
Net Cash provided by/(used in) Investing Activities		2 667	(641 667)
Cash Flows from Financing Activities			
Cash Inflows			
Capital contributions received from the SA Government		-	113 918
Proceeds from borrowings		144 700	516 694
Cash Generated from Financing Activities		144 700	630 612
Cash Outflows			
Repayment of borrowings		(161 281)	(124 437)
Dividends paid to SA Government		(9 150)	(2 059)
Cash Used in Financing Activities		(170 431)	(126 496)
Net Cash (Used in)/Provided by Financing Activities		(25 731)	504 116
Net Increase/(Decrease) in Cash Held		30 906	(106 163)
Cash at the beginning of the financial year		11 144	117 307
Cash at the End of the Financial Year	34	42 050	11 144

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Note 1 Objectives of the Urban Renewal Authority

The Urban Renewal Authority (trading as Renewal SA) is a statutory corporation established under the *Urban Renewal Act 1995* (the Act). In accordance with the Act, Renewal SA's Board of Management is appointed by His Excellency the Governor and comprises up to seven members, including a Presiding Member. The Presiding Member reports to the Minister for Housing and Urban Development. Renewal SA's functions contained in the Act include;

- The development of residential, commercial and industrial land in the public interest, particularly for urban renewal purposes
- The facilitation of public and private sector investment, undertaking development activities which are attractive to potential investors and participating in the development of the State
- Managing the orderly development of areas through the management and release of land
- Holding land and other property to be made available as appropriate for commercial, industrial, residential or other purposes.

In undertaking its functions, Renewal SA will make a significant contribution to creating a vibrant city, safe communities, healthy neighbourhoods, an affordable place to live, and growing advanced manufacturing. Renewal SA has the responsibility for leading and co-ordinating urban renewal activity to ensure that our future housing needs are met through better planned, affordable and vibrant mixed use (residential and commercial) urban developments located near to transport, employment, education and other services.

In performing its functions, Renewal SA provides services to other State Government agencies, including the South Australian Housing Trust and the Riverbank Authority, under service level administrative arrangements. Changes to these services will occur after reporting date – refer Note 38.

Note 2 Summary of Significant Accounting Policies

2.1 Statement of Compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

Renewal SA has applied Australian Accounting Standards that are applicable to for-profit entities, as Renewal SA is a for-profit entity.

2.2 Basis of Preparation

Renewal SA's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that have been revalued.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018 and the comparative information presented.

2.3 Rounding

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

2.4 Taxation

In accordance with *Treasurer's Instruction 22 Tax Equivalent Payments*, Renewal SA is required to pay to the SA Government an income tax equivalent. The income tax liability is based on the State Taxation Equivalent Regime, which applies the accounting profit method. This requires that the corporate income tax rate be applied to the net profit. The current income tax liability, if applicable, relates to the income tax expense outstanding for the current period (refer Note 26).

Renewal SA is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax and local government rate equivalents.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on the purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the Australian Taxation Office are classified as part of operating cash flows.

Unrecognised commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

2.5 Current and Non-Current Classification

Assets and liabilities are characterised as either current or non-current in nature. Renewal SA has a clearly identifiable operating cycle of 12 months. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle, even when they are not expected to be realised within twelve months after the reporting date, have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, Renewal SA has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

2.6 Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Acquisition and recognition of non-current assets (other than inventories)

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

All non-current tangible assets with a value equal to or in excess of \$10,000 are capitalised.

All non-current assets, having limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Depreciation is applied to tangible assets such as property, plant and equipment.

Where non-current assets are acquired at no, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the non-current assets are acquired as part of a restructuring of administrative arrangements then the non-current assets are recognised at the book value recorded by the transferor, immediately prior to transfer.

Impairment (other than inventories)

All non-current assets are tested for indications of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds its recoverable amount is recorded as an impairment loss.

Non-financial assets

In determining fair value, Renewal SA has taken into account the characteristics of the asset (for example condition and location of the asset and any restrictions on the sale or use of the asset) and the asset's highest and best use (that is physically possible, legally permissible and financially feasible).

Renewal SA's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible within the next five years.

The carrying amount of non-financial assets with a 'fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years' are deemed to approximate fair value.

Refer to Notes 20, 21 and 23 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurement for non-financial assets.

2.7 Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.8 New and Revised Accounting Standards and Policies

Renewal SA did not voluntarily change any of its accounting policies during 2017-18.

Australian Accounting Standards and interpretations that have recently been issued or amended but not yet effective, have not been adopted by Renewal SA for the period ending 30 June 2018. Renewal SA has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of Renewal SA, except as outlined below.

AASB 16 Leases will apply for the first time for the reporting period beginning 1 July 2019. This new standard introduces a single accounting model for lessees. The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset, and a lease liability representing its obligations to make lease payments. In effect, the majority of leases currently classified as operating leases will be reported on the Statement of Financial Position.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases.

This new standard is a significant change from the past accounting for leases. It will require Renewal SA to record almost all operating lease arrangements in the financial statements. Renewal SA has not yet quantified the impact of applying AASB 16 to its current operating lease arrangements on the financial statements.

AASB 15 Revenue from Contracts with Customers will apply for the first time for the reporting period beginning 1 July 2018. This new standard replaces AASB 118 and AASB 111, and introduces a five-step process for revenue recognition. The core principle of the new standard is to recognise revenue "when control of a good or service transfer to a customer". This is effectively when performance obligations have been met, rather than the current model of "where the risk and rewards of ownership reside".

The financial statements will include additional qualitative and quantitative disclosures under the revised standard.

AASB 15 allows a cumulative approach instead of a full retrospective application. Under the cumulative approach there will be no need to restate comparative information but the cumulative effect of applying the standard will be recognised as an adjustment to the opening balance of accumulated surplus at the date of initial application. The new revenue recognition requirements may impact on the timing and amount of revenue from the sale of goods and services. Renewal SA will assess the full impact of applying AASB15 during the 2018/19 financial year.

Note 3 Revenue from Sales and Cost of Sales

	2018	2017
	\$'000	\$'000
Sales revenue for the reporting period is summarised as follows:		
<i>Land sales to:</i>		
Joint ventures	7 689	9 902
Entities within the SA Government	5 085	21 465
Other - sales to general public and developers	74 259	39 114
Total Sales Revenue	87 033	70 481
<i>Cost of sales associated with:</i>		
Joint ventures	888	1 306
Entities within the SA Government	3 275	6 230
Other - sales to general public and developers	44 775	29 399
Total Cost of Sales	48 938	36 935

Sales revenue comprises revenue earned from the sale of land for residential, commercial and community purposes, including land made available for joint venture developments. Revenue for land sales is recognised when settlement is completed and legal title transfers to the purchaser.

Cost of sales comprise all direct material acquisition, development and relevant holding costs in respect of inventory sold during the reporting period. The carrying amount of inventories held for sale are expensed as cost of sales when settlement occurs. A portion of future development obligations in respect of land which has been sold is also recognised in cost of sales when settlement occurs, where applicable. Assumptions of future costs and revenues involve an element of professional judgement when estimating cost of sales for long life projects.

Note 4 Joint Ventures

Renewal SA's share of the profit from ordinary activities of joint ventures in which Renewal SA has a participating interest, is as follows:

	Northgate Stage 3 Joint Venture		Total for all Joint Ventures	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Revenues	13 603	13 474	13 603	13 575
Expenses	(12 493)	(10 573)	(12 493)	(10 573)
Profit from Ordinary Activities	1 110	2 901	1 110	3 002

Movements in Renewal SA's investment in joint ventures during the reporting period are summarised as follows:

Share of investment in joint ventures:

Carrying amount at the beginning of the period	2 660	3 759	2 660	3 759
Profit for the reporting period	1 110	2 901	1 110	3 002
Distribution of profit	(875)	(4 000)	(875)	(4 101)
Total Carrying Amount of Investment in Joint Ventures	2 895	2 660	2 895	2 660

Renewal SA's investment in joint ventures is represented by its share of assets and liabilities as follows:

	Northgate Stage 3 Joint Venture		Total for all Joint Ventures	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current assets:				
Cash	5 053	3 331	5 053	3 331
Receivables	493	522	493	522
Inventories	10 765	7 655	10 765	7 655
	16 311	11 508	16 311	11 508
Non current assets:				
Property, plant and equipment	159	168	159	168
	159	168	159	168
Total Assets	16 470	11 676	16 470	11 676
Current liabilities:				
Creditors and other payables	13 575	9 016	13 575	9 016
Total Liabilities	13 575	9 016	13 575	9 016
Net Assets	2 895	2 660	2 895	2 660
Impairment	-	-	-	-
Net Assets after Impairment	2 895	2 660	2 895	2 660

Renewal SA's interest in joint ventures is measured by applying the equity method. Renewal SA's share of the assets and liabilities of joint ventures in which it has a participating interest is included in the Statement of Financial Position as investment in joint ventures. Renewal SA's share of net profit from joint ventures is included as revenue in the Statement of Comprehensive Income as share of net profit/(loss) in joint ventures.

Joint venture income is recognised when the right to receive payment is established.

Northgate Stage 3 Joint Venture

In July 2006 documentation was executed with CIC Northgate Pty Ltd, a wholly-owned subsidiary of CIC Australia Limited, to establish a joint venture to develop the land subdivision component of Precinct One at Northgate Stage 3. The project primarily comprises the subdivision and sale of residential allotments and integrated housing sites together with the development of reserves and associated community facilities.

Renewal SA has a 50% interest in the joint venture. Under the terms of the agreements for the joint venture, Renewal SA will make available to the joint venture land for development and receive progressive land payments as development proceeds.

Note 5 Revenues from SA Government

	2018	2017
	\$'000	\$'000
Community service obligations from SA Government	27 631	13 038
Other SA Government revenues	423	366
Gross Revenues from SA Government	28 054	13 404
Less: Revenue deferred for inventory development costs	(18 943)	(6 654)
Total Revenues from SA Government	9 111	6 750

(a) Community Service Obligations

Renewal SA is required under its Charter to provide a number of non-commercial services to the community on behalf of the SA Government. The SA Government provides Renewal SA with funding to compensate for these non-commercial activities. Non-commercial activities include the provision of infrastructure, sustainable energy development and precinct and urban planning works.

Community service obligations are recognised at their fair value where there is a reasonable assurance that the funding will be received and Renewal SA will comply with all attached conditions.

Community service obligations relating to costs are deferred and recognised in the Statement of Comprehensive Income over the period necessary to match them with the costs that they are intended to compensate. Inventory development costs funded by community service obligations are capitalised against inventories and recognised in the Statement of Comprehensive Income as cost of sales when inventory is sold during the reporting period.

(b) Other SA Government Revenues

SA Government revenues relating to costs are deferred and recognised in the Statement of Comprehensive Income over the period necessary to match them with the costs that they are intended to compensate.

Grants from SA Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and Renewal SA will comply with all attached conditions.

Note 6 Interest Revenues

	2018	2017
	\$'000	\$'000
Interest from operating accounts	268	1 465
Total Interest Revenues	268	1 465

Interest revenue includes interest received on bank term deposits, interest from investments, interest from mortgage debtor receivables, and other interest received.

Note 7 Property Income

	2018	2017
	\$'000	\$'000
Rental income	69 707	35 095
Recoveries	10 249	7 385
Other property income	1	33
Total Property Income	79 957	42 513

Property income arising from investment properties is accounted for on a straight-line basis over the lease term. Income received in advance is disclosed as unearned income to the extent that it relates to future accounting periods.

Note 8 Other Revenues

	2018	2017
	\$'000	\$'000
Consulting revenue	5 698	5 662
Employee services	11 160	10 387
Recoveries	126	456
Other revenues	3 651	1 216
Total Other Revenues	20 635	17 721

Consulting revenue represents the recovery of costs incurred by Renewal SA on a fee for service basis for services provided to various State Government entities including the South Australian Housing Trust.

Employee services revenue represents the direct recovery of employee costs from the South Australian Housing Trust.

Other revenue is derived from the provision of goods and services to the public and other SA Government agencies. This revenue is recognised upon delivery of the service or by reference to the stage of completion and is brought to account when earned.

All contributions from non-government entities are recognised as income when Renewal SA obtains control of the contribution or the right to receive the contribution and the income recognition criteria are met.

Note 9 Net Loss/Gain from Disposal of Assets

	2018 \$'000	2017 \$'000
Plant and equipment:		
Less net book value of assets disposed	-	(333)
Net Loss from Disposal of Plant and Equipment	-	(333)
Investment properties:		
Proceeds from disposal	2 100	33 010
Less net book value of assets disposed and lease incentive write off	(1 850)	(31 358)
Net Gain from Disposal of Completed Assets	250	1 652
Total Net Gain from Disposal of Assets	250	1 319

Income from the disposal of plant and equipment and investments is recognised when control of the asset has passed to the buyer and is determined by comparing proceeds with carrying amount.

Sales revenue from the disposal of investment properties is recognised when settlement is completed and legal title transfers to the purchaser.

Note 10 Employee Benefits Expenses

	2018 \$'000	2017 \$'000
Salaries and wages	27 098	25 245
Long service leave	470	986
Annual leave	1 661	2 196
Skills and experience retention leave	173	49
Employment on-costs - superannuation	2 888	2 764
Employment on-costs - other	1 656	1 677
Board and committee fees	282	283
Other employee related expenses	(176)	53
Gross Employee Benefits Expense	34 052	33 253
Less: Employee benefits capitalised to inventories	(2 377)	(2 001)
Total Employee Benefits Expenses	31 675	31 252

The superannuation employment on-cost charge represents Renewal SA's contributions to superannuation plans in respect of current services of current employees.

Targeted Voluntary Separation Packages (TVSPs)

	2018 \$'000	2017 \$'000
Amount paid to staff		
TVSPs	7	82
Leave paid to those employees	2	14
Net Cost to Renewal SA	9	96

Number of employees who received a TVSP during the reporting period was:	1	1
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Remuneration of Employees

	2018 No:	2017 No:
The number of employees whose remuneration received or receivable falls within the following bands:		
\$147 000 to \$149 000^	n/a	-
\$149 001 to \$159 000	3	3
\$159 001 to \$169 000	9	9
\$169 001 to \$179 000	3	8
\$179 001 to \$189 000	3	1
\$189 001 to \$199 000	-	1
\$199 001 to \$209 000	1	2
\$209 001 to \$219 000	4	2
\$219 001 to \$229 000	2	-
\$259 001 to \$269 000	-	2
\$269 001 to \$279 000	2	1
\$279 001 to \$289 000	-	1
\$289 001 to \$299 000	1	1
\$299 001 to \$309 000	1	-
\$399 001 to \$409 000	1	-
\$409 001 to \$419 000	-	1
Total Number of Employees	30	32

^This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2016-17.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$6.082 million (2017: \$6.324 million).

Note 11(a) Key Management Personnel

Key management personnel of Renewal SA include the Minister for Housing and Urban Development, members of the Urban Renewal Authority Board of Management, the Chief Executive and the members of the senior management team (including the Chief Executive) that have responsibility for the strategic direction and management of Renewal SA.

Key Management Personnel Compensation

The compensation detailed below excludes salaries and other benefits to the Minister for Housing and Urban Development. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (Via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

Key management personnel compensation for the period ended 30 June 2018 and 2017 is set out below.

	2018 \$'000	2017 \$'000
Salaries and other short-term employee benefits	1 708	1 680
Post-employment benefits	159	155
Total Employee Benefits	1 867	1 835

Note 11(b) Remuneration of Board and Committee Members

Board Members

The following persons held the position of governing board member during the financial year:

Hon B J Pike, Presiding Member
H M Fulcher
P A Baker
R L Boorman (resigned June 2018)
G R Knight
D J McArdle
T R Groom

Remuneration of Governing Board Members

The number of governing board members whose remuneration received or receivable falls within the following bands:

	2018	2017
	No:	No:
\$30 000 to \$39 999	6	6
\$70 000 to \$79 999	1	1
Total Number of Governing Board Members	7	7

Total remuneration received and receivable by all governing board members for the period they held office was \$0.310 million (2017: \$0.310 million) which includes superannuation contributions.

Remuneration of Committee Members

Renewal SA has not paid additional remuneration to committee members for their role on committees for the financial year ending 30 June 2018 and 30 June 2017.

Note 12 Related Party Disclosure

Related parties of Renewal SA include all key management personnel and their close family members, all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Significant Transactions with Government Related Entities

Renewal SA had the following significant transactions with South Australian Government entities:

In March 2018, the former Royal Adelaide Hospital site was transferred to the Renewal SA from the Department for Health and Wellbeing for nil consideration.

Community Service Obligation funding was received from the Department of Treasury and Finance of \$27.6 million. (refer Note 5)

Rental Income of \$53.8 million was received from the Department of State Development relating to the TAFE properties.

Quantitative information about collectively significant transactions and balances between Renewal SA and other SA Government entities are disclosed at Note 37.

Transactions with Key Management Personnel and Other Related Parties

There were no reportable transactions between Renewal SA and any Key Management Personnel and other related parties during the financial year.

Remuneration of Key Management Personnel is described in Note 11(a).

Note 13 Operating Expenditure

	2018	2017
	\$'000	\$'000
Property expenditure	14 369	14 212
Land tax	20 955	19 548
Contractors and consultants	2 155	1 342
Accommodation costs	1 769	1 389
Administration and other expenditure	13 749	12 221
Gross Supplies and Service Expenditure	52 997	48 712
Less: Land tax capitalised to inventories	(2 122)	(3 392)
Total Operating Expenditure	50 875	45 320

External Consultants

The number and dollar amount of consultancies paid/payable (included in operating expenditure) that fell within the following bands:

	2018 Number	2018 \$'000	2017 Number	2017 \$'000
Below \$10 000	7	28	37	119
Above \$10 000	8	503	15	429
Total Paid/Payable to the Consultants Engaged	15	531	52	548

Note 14 Borrowing Costs

	2018	2017
	\$'000	\$'000
Borrowing costs on Premises SA Scheme loans	467	725
Borrowing costs on other loans	26 706	17 837
Borrowing costs on overdraft	10	586
Guarantee fees on Premises SA Scheme loans	116	284
Guarantee fees on other loans	14 349	9 999
Guarantee fees on overdraft	10	481
Gross Borrowing Costs	41 658	29 912
Less: Borrowing costs capitalised to inventories	(1 904)	(1 910)
Total Finance Costs	39 754	28 002

Borrowing costs include interest expense and guarantee fees paid to the South Australian Government.

In accordance with *Accounting Policy Framework II General Purpose Financial Statements Framework* and AASB 123 *Borrowing Costs*, borrowing costs attributable to the construction of a qualifying asset are capitalised if they are expected to result in a future economic benefit. Borrowing costs are expensed where it is expected that the costs incurred will not be recovered. All other borrowing costs are expensed when incurred.

A qualifying asset is an asset that takes a substantial period of time to be ready for its intended use or sale.

Note 15 Auditors Remuneration

	2018	2017
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	345	212
Total Audit Fees	345	212

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1997 were \$0.345 million (2017: \$0.212 million). Included in the fees is \$0.196m for the financial statements audit and \$0.149m paid for other reviews.

Note 16 Income Tax Equivalent

	2018	2017
	\$'000	\$'000
Income tax equivalent	8 819	-
Total Income Tax Equivalent	8 819	-

In accordance with Treasurer's Instructions issued under the *Public Finance and Audit Act 1987*, Renewal SA is required to pay to the SA Government an income tax equivalent. The income tax liability is based on the Treasurer's accounting profit method, which requires that the corporate income tax rate (presently 30.0%) be applied to the profit for the reporting period.

Renewal SA reported a financial loss for the year ended 30 June 2017 and therefore no income tax equivalent was payable in that reporting period.

Note 17 Dividends Paid to SA Government

	2018	2017
	\$'000	\$'000
Dividends paid	9 150	2 059
Total Dividends Paid to SA Government	9 150	2 059

Pursuant to the *Urban Renewal Act 1995*, Renewal SA must make a recommendation to the Minister before the end of each year regarding the payment of a dividend for that financial year. In 2017-18 the Minister approved a dividend payment of \$7.588 million relating to an operating dividend of 90% on Renewal SA's forecast after-tax profit for 2017-18. Renewal SA did not pay an annual dividend in 2016-17 due to a loss in that financial year.

Renewal SA is required to make special dividend payments associated with the Adelaide Station and Environs Redevelopment (ASER) site. In 2017-18 the Minister approved a dividend payment of \$1.562 million in relation to the year ended 30 June 2018. In 2016-17 the Minister approved a dividend payment of \$2.059 million.

Note 18 Receivables

	2018 \$'000	2017 \$'000
Current		
Trade and other receivables	2 013	6 328
Operating lease receivables	4 152	4 418
Employee related services recoverable	1 650	1 404
Provision for doubtful debts	(3 794)	(3 469)
Prepayments	12	4 464
Total Current Receivables	4 033	13 145
Non-Current		
Operating lease receivables	3 874	4 035
Employee related services recoverable	2 846	2 469
Total Non-Current Receivables	6 720	6 504
Total Receivables	10 753	19 649

Movement in the Allowance for Doubtful Debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. An allowance for impairment loss has been recognised for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2018 \$'000	2017 \$'000
Carrying amount at the beginning of the period	3 469	2 674
Increase in the allowance	325	795
Carrying Amount at the End of the Period	3 794	3 469
<i>Bad debts written off:</i>		
Trade debtors	-	56
<i>Transfer to provision for doubtful debts:</i>		
Trade debtors	325	795
Total Bad and Doubtful Debts Expense	325	851

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals, measured at historical cost.

Receivables arise in the normal course of selling goods and services to the public and other SA Government agencies. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that Renewal SA will not be able to collect the debt. Bad debts are written off when identified.

Interest Rate and Credit Risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Categorisation and Maturity Analysis of Financial Instruments

Refer to table in Note 35.

Ageing Analysis of Financial Assets

Refer to table in Note 35.

Risk Exposure Information

Refer to table in Note 35.

Note 19 Inventories

	2018 \$'000	2017 \$'000
Current		
Land held for sale	28 860	26 386
Development projects	44 977	40 118
Total Current Inventories	73 837	66 504
Non-Current		
Land held for sale	179 388	182 568
Development projects	61 842	65 086
Total Non-Current Inventories	241 230	247 654
Total Inventories	315 067	314 158

Movements in Carrying Amounts:

	2018 \$'000	2017 \$'000
Carrying amount at the beginning of the period	314 158	306 225
Land purchases	9 487	722
Development costs capitalised	55 367	53 298
Community service obligations for development costs	(18 943)	(6 654)
Cost of sales	(48 938)	(36 935)
Inventory write down	(4 754)	(17 900)
Reversal of inventories write down	8 690	15 402
Carrying Amount at the End of the Period	315 067	314 158

Inventories were reviewed at 30 June 2018 to ensure they are carried at the lower of cost and net realisable value (NRV).

The write-downs of \$4.754 million and reversal of previous write downs of \$8.69 million in 2017-18 are as a result of the annual review of the recoverable values of inventory and future cash flows for projects.

Inventories include land and other property held for sale in the ordinary course of business. It excludes depreciating assets and investment properties.

Inventories are measured at the lower of cost or their net realisable value. Net realisable value is determined using the estimated sales proceeds less costs incurred in producing, marketing and selling to customers. Net realisable value (NRV) is determined on each individual asset/project by independent valuation or via an internal cash flow valuation.

The amount of any inventory write-down to NRV or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction.

In March 2018, the former Royal Adelaide Hospital site was transferred to Renewal SA from the Department for Health and Wellbeing for nil consideration.

The following are specific recognition criteria:

Land held for sale

Land held for sale is carried at the lower of cost or NRV. Costs comprise all direct material acquisition, development and holding costs offset by deferred Government grants relating to these costs. NRV is the estimated selling price in the ordinary course of business less both the estimated costs of completion and the estimated cost necessary to make the sale. Renewal SA reviews its inventory balances at balance date and writes off inventory where the NRV is less than the carrying amount. The NRV for land holdings at risk of being carried in excess of NRV was determined by an independent valuation of its market value less selling costs.

All land inventory is classified as a non-current asset unless its value is anticipated to be realised through sale within 12 months.

Where inventory was acquired at no or nominal consideration as part of a restructuring of administrative arrangements, the inventory was recorded at the value recorded by the transferor, immediately prior to transfer or fair value.

Development Projects

Development Projects are large projects that require significant capital investment in order to realise sales revenue over an extended period of time. Development Projects are carried at the lower of cost or NRV. Costs comprise all direct material acquisition, development and holding costs offset by deferred Government grants relating to these costs. NRV is the estimated selling price in the ordinary course of business less both the estimated costs of completion and the estimated cost necessary to make the sale. Renewal SA reviews its inventory balances at balance date and writes off inventory where the NRV is less than the carrying amount. The NRV for land holdings at risk of being carried in excess of net realisable value was determined by an internal cash flow valuation based on the current delivery strategy for each project.

In determining the NRV via an internal valuation, the expected net cash flows from the development and sale of land, buildings and improvements in the ordinary course of business are discounted to their present values using a risk-adjusted discount rate. The rate is assessed annually having regard to appropriate risk factors.

The ordinary course of business delivery method and assumptions for each project could change due to market conditions or a change in policy or project strategy which could change the NRV. Where the NRV of a project is below the current inventory value, the difference is recognised as write down of inventory and an expense in the Statement of Comprehensive Income.

All development projects are classified as a non-current asset unless its value is anticipated to be realised through sale within 12 months.

Note 20 Investment Properties

	2018	2017
	\$'000	\$'000
Freehold Land at Fair Value:		
Independent valuation	193 739	198 099
Total Freehold land at Fair Value	193 739	198 099
Buildings at Fair Value:		
Independent valuation	522 421	521 406
Total Buildings at Fair Value	522 421	521 406
Total Investment Properties	716 160	719 505

Movements in Carrying Amounts

	2018 \$'000	2017 \$'000
<i>Freehold land at fair value:</i>		
Carrying amount at the beginning of the period	198 099	73 554
Transfer from buildings	-	293
Additions	-	137 750
Disposals	(850)	(6 479)
Net loss on fair value adjustments	(3 510)	(7 019)
Carrying Amount at the End of the Period	193 739	198 099
<i>Buildings at fair value:</i>		
Carrying amount at the beginning of the period	521 406	73 026
Additions	-	481 534
Transfer to freehold land	-	(293)
Disposals	(1 000)	(21 634)
Net gain / (loss) on fair value adjustments	2 015	(11 227)
Carrying Amount at the End of the Period	522 421	521 406
Total Carrying Amount at the End of the Period	716 160	719 505

Amounts Recognised in the Statement of Comprehensive Income

Property Income (refer to Note 7)	68 912	31 386
Direct operating expenses arising from investment properties that generated rental income (refer Note 13)	(4 529)	(4 583)
Direct operating expenses arising from investment properties that did not generate rental income (refer Note 13)	(11)	(48)
Total Amount Recognised in the Statement of Comprehensive Income	64 372	26 755

Investment properties are held to earn rentals and/or for capital appreciation purposes.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to Renewal SA.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as income or expense in the period that they arise. Investment properties are not depreciated.

Rental income from the leasing of investment properties is recognised in the Statement of Comprehensive Income as part of property income, on a straight-line basis over the lease term.

Any gains or losses on the sale of investment property are recognised in the Statement of Comprehensive Income in the year of sale.

Where investment property was acquired at no or nominal consideration as part of a restructuring of administrative arrangements, the investment property was recorded at the value recorded by the transferor, immediately prior to transfer.

Valuation Basis

An independent valuation of all Renewal SA's investment properties was conducted as at 30 June 2018. Valuations of all investment properties were undertaken by qualified Certified Practising Valuers with extensive experience in the local market with equivalent properties. Valuations were carried out in accordance with the relevant provisions of the *Australian Property Institute of Australia and New Zealand's Valuation and Property Standards* and as per *AASB 140 Investment Property*. The valuer arrived at fair value using either the direct comparison, capitalisation of net income, depreciated replacement cost or discounted cash flow approach.

Note 21 Property, Plant and Equipment

	2018 \$'000	2017 \$'000
Leasehold Improvements		
At cost (deemed fair value)	3 162	3 162
Accumulated amortisation	(2 107)	(1 770)
Total Leasehold Improvements	1 055	1 392
Plant and Equipment		
At cost (deemed fair value)	1 277	969
Accumulated depreciation	(458)	(300)
Total Plant and Equipment	819	669
 Total property, plant and equipment at cost (deemed fair value)	 4 439	 4 131
Total accumulated depreciation	(2 565)	(2 070)
Total Property, Plant and Equipment	1 874	2 061

Carrying Amount of Leasehold Improvements and Plant and Equipment

The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3, of the fair value hierarchy, as there has been no subsequent adjustments to their value, except for management assumptions about the assets' condition and remaining useful life.

All plant and equipment, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to assets such as leasehold improvements, while depreciation is applied to tangible assets such as plant and equipment.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

Depreciation/Amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of Asset	Depreciation Method	Useful Life (Years)
Leasehold improvements	Straight Line	Life of lease
Plant and equipment	Straight Line	5 - 10 years
Furniture and fittings	Straight Line	5 - 10 years
Computer equipment	Straight Line	5 years

Impairment

There were no indications of impairment of leasehold improvements or plant and equipment as at 30 June 2018.

Movements in Carrying Amounts

	2018 \$'000	2017 \$'000
<i>Leasehold Improvements:</i>		
Carrying amount at the beginning of the period	1 392	1 729
Amortisation	(337)	(337)
Carrying Amount at the End of the Period	1 055	1 392
<i>Plant and Equipment:</i>		
Carrying amount at the beginning of the period	669	687
Additions	308	357
Transfers from work in progress (see Note 22)	-	94
Disposals	-	(333)
Depreciation	(158)	(136)
Carrying Amount at the End of the Period	819	669
Total Property, Plant and Equipment	1 874	2 061

Plant and equipment includes \$0.183m (2017: \$0.164m) of fully depreciated assets still in use.

Note 22 Work in Progress

	2018 \$'000	2017 \$'000
Construction projects in progress	-	-
Total Work in Progress	-	-

Movements in Carrying Amounts:

	2018 \$'000	2017 \$'000
Carrying amount at the beginning of the period	-	94
Transfers to property plant and equipment (see Note 21)	-	(94)
Carrying Amount at the End of the Period	-	-

Expenditure associated with the construction of investment properties held for operational purposes is capitalised as work in progress as incurred. When a project of this nature reaches practical completion (which generally coincides with the commencement of the building defects liability period), the accumulated costs are transferred from work in progress to investment properties.

Note 23 Fair Value Measurement

AASB 13 *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Renewal SA classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 - not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 - not traded in an active market and are derived from unobservable inputs.

Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition, measurement and disclosure purposes. Renewal SA categorises non-financial assets measured at fair value into a hierarchy based on the level of inputs used in measurement as follows:

Fair Value Measurements at 30 June 2018

	2018 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring Fair Value Measurement			
Investment properties (Note 20)	716 160	716 160	-
Leasehold improvements (Note 21)	1 055	-	1 055
Plant and equipment (Note 21)	819	-	819
Total Recurring Fair Value Measurements	718 034	716 160	1 874

Fair Value Measurements at 30 June 2017

	2017 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring Fair Value Measurement			
Investment properties (Note 20)	719 505	719 505	-
Leasehold improvements (Note 21)	1 392	-	1 392
Plant and equipment (Note 21)	669	-	669
Total Recurring Fair Value Measurements	721 566	719 505	2 061

Renewal SA's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2017 and 2018, Renewal SA had no valuations categorised into level 1 and there were no transfers of assets between level 1 and 2 fair value hierarchy levels during the financial year.

Valuation Techniques and Inputs

Refer to Notes 20 and 21 for valuation techniques and inputs used to derive level 2 and 3 fair values. During 2017 and 2018 there were no changes in valuation techniques during the financial year. Although unobservable inputs were used in determining fair value, and are subjective, Renewal SA considers that the overall valuation would not be materially affected by changes to the existing assumptions. The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

Reconciliation of Level 3 Recurring Fair Value Measurements as at 30 June 2018

	Leasehold Improvements	Plant & Equipment
	\$'000	\$'000
Opening Balance at the Beginning of the Period	1 392	669
Acquisitions	-	308
Total gains (losses) for the period recognised in net result:		
Depreciation and amortisation expenses	(337)	(158)
Carrying Amount at the End of the Period	1 055	819

Reconciliation of Level 3 Recurring Fair Value Measurements as at 30 June 2017

	Leasehold Improvements	Plant & Equipment
	\$'000	\$'000
Opening Balance at the Beginning of the Period	1 729	687
Acquisitions	-	357
Transfers from work in progress (see Note 22)	-	94
Disposals	-	(333)
Total gains (losses) for the period recognised in net result:		
Depreciation and amortisation expenses	(337)	(136)
Carrying Amount at the End of the Period	1 392	669

Note 24 Payables

	2018	2017
	\$'000	\$'000
Current		
Trade creditors	5 470	6 517
Sundry creditors and accrued expenses	11 741	11 311
GST payable	3 455	2 174
Parental leave scheme	-	3
Employment on costs	709	755
Total Current Payables	21 375	20 760
Non-Current		
Employment on costs	617	545
Sundry creditors and accrued expenses	7 255	-
Total Non-Current Payables	7 872	545
Total Payables	29 247	21 305

Payables include creditors, accrued expenses, employment on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of Renewal SA.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

The Paid Parental Leave Scheme payable represents amounts which Renewal SA has received from the Commonwealth Government to forward onto eligible employees via Renewal SA's standard payroll processes. That is, Renewal SA is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefits on-costs include payroll tax, Return to Work SA levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave was 41% (2017: 40%) and the average factor for the calculation of employer superannuation costs on-cost has changed from the 2017 rate (10.1%) to 9.9%. These rates are used in the employment on-cost calculation. The net financial effect of the change in the current financial year is an increase in the employment on-cost and employee benefits expense of \$0.062 million.

Renewal SA makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at balance date relates to any contributions due but not yet paid to various superannuation schemes.

Interest Rate and Credit Risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

Categorisation of Financial Instruments and Maturity Analysis of Payables

Refer to table in Note 35.

Risk Exposure Information

Refer to table in Note 35.

Note 25 Borrowings

	2018 \$'000	2017 \$'000
Current		
Loans - South Australian Government Financing Authority (a)	618	580
Loans - South Australian Government Financing Authority (b)	173 600	160 700
Total Current Borrowings	174 218	161 280
Non-Current		
Loans - South Australian Government Financing Authority (a)	6 401	7 020
Loans - South Australian Government Financing Authority (b)	713 701	742 601
Total Non-Current Borrowings	720 102	749 621
Total Borrowings	894 320	910 901

Renewal SA measures financial liabilities including borrowings/debt at historical cost. Financial liabilities that are due to mature within 12 months after the reporting date have been classified as current liabilities. All other financial liabilities are classified as non-current.

(a) Comprises borrowings from the South Australian Government Financing Authority (SAFA) in respect of funding for industrial and commercial construction projects under the Premises SA Scheme.

(b) Comprises borrowings from SAFA in respect of other activities of Renewal SA.

Borrowings are recognised at cost and have fixed maturity dates. The interest rate is determined by the Treasurer. The interest rate varied between 1.9% and 6.2% in 2018. (1.9% and 6.2% in 2017).

Categorisation of Financial Instruments and Maturity Analysis of Borrowings

Refer to table in Note 35.

Risk Exposure Information

Refer to Note 35.

Defaults and Breaches

There were no defaults or breaches on any of the above borrowings during the year.

Note 26 Tax Liabilities

	2018	2017
	\$'000	\$'000
Provision for income tax equivalent	4 519	-
Total Tax Liabilities	4 519	-

In accordance with Treasurer's Instructions issued under the Public Finance and Audit Act 1987, Renewal SA is required to pay to the SA Government an income tax equivalent. The income tax liability is based on the Treasurer's accounting profit method, which requires that the corporate income tax rate (presently 30.0%) be applied to the profit for the reporting period.

Renewal SA made a financial loss for the year ended 30 June 2017 and therefore no income tax equivalent was payable in that reporting period.

Note 27 Unearned Income

	2018	2017
	\$'000	\$'000
Current		
Unearned income	6 287	6 149
Total Current Unearned Income	6 287	6 149
Non-Current		
Unearned income	15 530	4 846
Total Non-Current Unearned Income	15 530	4 846
Total Unearned Income	21 817	10 995

Unearned income includes rental income and revenues from SA Government received in advance. Rental income from the leasing of inventories and investment properties is recognised in the Statement of Comprehensive Income as part of property income, on a straight-line basis over the lease term. Government grants relating to costs are deferred and recognised in the Statement of Comprehensive Income over the period necessary to match them with the costs that they are intended to compensate.

Unearned income includes rental income of \$21.554 million (2017: \$10.964 million) and revenues from SA Government of \$0.263 million (2017: \$0.031 million) received in advance.

Movements in Carrying Amounts

	2018	2017
	\$'000	\$'000
Carrying amount at the beginning of the period	10 995	8 998
Received during the year	16 844	5 017
Recognised in the statement of comprehensive income	(6 022)	(3 020)
Carrying Amount at the End of the Period	21 817	10 995

Note 28 Provisions

	2018	2017
	\$'000	\$'000
Current		
Provision for workers compensation	15	125
Provision for expenditure	1 250	-
Total Current Provisions	1 265	125
Non-Current		
Provision for workers compensation	23	235
Total Non-Current Provisions	23	235
Total Provisions	1 288	360

Movements in Carrying Amounts

	2018	2017
	\$'000	\$'000
<i>Provision for workers compensation</i>		
Carrying amount at the beginning of the period	360	383
Increase/(Decrease) in provisions recognised	(266)	138
Reductions arising from payments	(56)	(161)
Carrying Amount at the End of the Period	38	360
<i>Provision for land acquisition costs</i>		
Carrying amount at the beginning of the period	-	20 525
Increase/(Decrease) in provisions recognised	-	(20 525)
Carrying Amount at the End of the Period	-	-
<i>Provision for expenditure</i>		
Increase/(Decrease) in provisions recognised	1 250	-
Carrying Amount at the End of the Period	1 250	-
Total Provisions	1 288	360

Provisions are recognised when Renewal SA has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2018 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

Renewal SA has recognised a provision of \$1.25 million being for potential settlement of a legal claim.

Note 29 Employee Benefits

	2018 \$'000	2017 \$'000
Current		
Accrued wages and salaries	505	603
Annual leave	2 940	2 859
Long service leave	544	935
Skills and experience retention leave	154	119
Total Current Employee Benefits	4 143	4 516
Non-Current		
Long service leave	6 701	5 917
Total Non-Current Employee Benefits	6 701	5 917
Total Employee Benefits	10 844	10 433

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave and sick leave

Liabilities for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date. The annual leave liability and skills and experience retention leave liability are expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

Long service leave

The liability for long service leave is measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data for SA Government entities. Expected future payments are discounted using government bond market yields at the end of the reporting period with a maturity that matches, as closely as possible, the estimated future cash outflows.

The portion of the long service leave liability classified as current represents the amount that may be expected to be paid as leave taken or paid on termination of employment during Renewal SA's normal operating cycle.

AASB 119 *Employee Benefits* describes the calculation methodology for long service liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave liability. AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service liability. The yield on long term Commonwealth Government bonds remains unchanged at 2.5%. As a result, there is no net financial effect resulting from changes in the yield on long term Commonwealth Bonds.

The net financial effect of the changes in actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$0.076 million and employee benefits expense of \$0.022 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service liability and 3% annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

Employee benefit on-costs

Employee benefit on-costs (payroll tax and superannuation) are recognised separately in payables. (Note 24)

Note 30 Other Liabilities

	2018 \$'000	2017 \$'000
Current		
Funds held in trust	306	302
Security deposits	152	-
Total Current Other Liabilities	458	302
Total Other Liabilities	458	302

These funds are being held in trust on behalf of the Minister for Housing and Urban Development. The funds are to be disbursed by Renewal SA to the developer of the land formerly occupied by the Cheltenham racecourse upon achievement of key deliverables related to affordable housing and the development of open spaces.

Security deposits are cash bonds held relating to property leases.

Note 31 Unrecognised Contractual Commitments

	2018 \$'000	2017 \$'000
Operating Lease Receivables		
Future minimum rental revenues under non-cancellable operating property leases held at balance date but not provided for in the accounts:		
Due within one year	64 326	62 113
Due later than one year not longer than five years	257 391	254 688
Due later than five years	567 300	622 127
Total Operating Lease Receivables	889 017	938 928

Operating Lease Payables

Non-cancellable operating leases contracted for at balance date but not provided for in the accounts:

Payable within one year	1 462	1 340
Payable later than one year not longer than five years	2 417	3 229
Payable later than five years	-	-
Total Operating Lease Payables	3 879	4 569

These amounts comprise of property leases and leases for motor vehicles. The property leases are non-cancellable and will expire on 31 December 2020, with rent payable monthly in advance. Motor vehicles are leased over varying terms up to three years.

Total Capital Expenditure Commitments

Payable within one year	14 371	11 443
Payable later than one year not longer than five years	340	11 324
Payable later than five years	2 793	1 166
Total Capital Expenditure Commitments:	17 504	23 933

Commitments include operating, capital and outsourcing commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

Note 32 Contingent Liabilities

Legal Claim

Renewal SA is in dispute with a party who has asserted a legal claim against it for \$5 million. Renewal SA disputes liability for this claim and has engaged the Crown Solicitors Office in relation to this matter.

Note 33 Cash Flow Reconciliation

	2018 \$'000	2017 \$'000
Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period:		
Statement of Cash Flows	42 050	11 144
Statement of Financial Position	42 050	11 144
Reconciliation of profit/(loss) after income tax equivalent to net cash provided by/(used in) operating activities:		
Profit/(loss) after income tax equivalent	20 575	(18 927)
	20 575	(18 927)
Add/Less Non Cash Items		
Inventories write down	4 754	17 899
Net gain from administrative restructure	(325)	(548)
Depreciation and amortisation	495	473
Net loss on disposal of plant and equipment	-	333
Provision for doubtful debts	325	795
Share of net profits of joint ventures	(1 110)	(3 002)
Provision adjustment	5 503	(20 387)
Net gain on disposal of investment property	(250)	(1 652)
Reversal of inventories write-down	(8 690)	(15 402)
Investment property net loss on fair value adjustments	1 495	18 246
	2 197	(3 245)
Movements in Assets / Liabilities		
(Increase)/Decrease in other receivables	4 119	4 486
(Increase)/Decrease in prepayments	4 452	(3 836)
(Increase)/Decrease in inventories	3 352	(9 882)
(Increase)/Decrease in investment properties	-	55 892
Increase/(Decrease) in payables	7 942	5 234
Increase/(Decrease) in unearned income	10 822	1 997
Increase/(Decrease) in provisions	(56)	(161)
Increase/(Decrease) in employee benefits	411	8
Increase/(Decrease) in other liabilities	156	(178)
	31 198	53 560
Net Cash Provided by/(Used in) Operating Activities	53 970	31 388

Note 34 Cash and Cash Equivalents

	2018	2017
	\$'000	\$'000
Current		
Deposits with the Treasurer	21 372	8 524
Short-term deposits with SAFA	18 097	335
Cash held in Cheltenham trust account	306	302
Cash at bank and on hand	2 275	1 983
Total Cash and Cash Equivalents	42 050	11 144

Cash assets include short-term highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and equivalents consists of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Deposits with the Treasurer

Includes funds held in Renewal SA's operating account.

Short-term Deposits

Short-term deposits are made for varying periods of between one day and three months. These deposits are lodged with SAFA and earn the respective short-term deposit rates.

Cash at Bank and on Hand

Cash at bank and on hand include petty cash and cash received from property managers for net rental income on Renewal SA properties.

Interest Rate Risk

Cash at bank and on hand is non-interest bearing. Deposits at call and with the Treasurer, and cash held in the Cheltenham Trust Account, earn a floating interest rate based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Note 35 Financial Instruments Disclosure/Financial Risk Management

35.1 Financial Risk Management

Renewal SA is exposed to a variety of financial risks, i.e. market risk, credit risk and liquidity risk. There have been no changes to risk exposure since the last reporting period, and due to the nature of financial instruments held, the financial risks are low.

Renewal SA's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

35.2 Categorisation of Financial Instruments

Details of the significant accounting policies and methods adopted including the criteria for 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 instrument are disclosed in respective notes.

Refer to Note 35.3 for the carrying amounts of each of the following categories of financial assets and liabilities: loan and receivables; and financial liabilities measured at cost.

Renewal SA does not recognise any financial assets or financial liabilities at fair value but does disclose fair value in the Notes.

All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable. Refer to Note 23 for information on Renewal SA's fair value measurement hierarchy.

- the carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to their short-term nature (refer Notes 18 and 24).
- borrowings are recognised at historical cost, plus any transaction costs directly attributable to the borrowings. The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant (refer Note 25).

35.3 Categorisation and Maturity Analysis of Financial Assets and Liabilities

		Carrying Amount \$'000	2018 Contractual Maturities			Fair Value \$'000
	Note		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	
2018						
Financial Assets:						
Cash and cash equivalents	34	42 050	42 050	-	-	42 050
Loans and receivables:						
Receivables (a) (b)	18	10 040	6 165	697	3 178	9 406
Allowance for doubtful debts	18	(3 794)	(3 794)	-	-	(3 794)
Total Financial Assets		48 296	44 421	697	3 178	47 662
Financial Liabilities:						
Financial liabilities at cost:						
Payables (a)	24	24 268	17 013	7 255	-	24 268
Borrowings	25	894 320	174 218	370 102	350 000	758 775
Total Financial Liabilities		918 588	191 231	377 357	350 000	783 043
Net Financial Assets/(Liabilities)		(870 292)	(146 810)	(376 660)	(346 822)	(735 381)

		Carrying Amount \$'000	2017 Contractual Maturities			Fair Value \$'000
	Note		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	
2017						
Financial Assets:						
Cash and cash equivalents	34	11 144	11 144	-	-	11 144
Loans and receivables:						
Receivables (a) (b)	18	14 781	10 746	4 035	-	14 282
Allowance for doubtful debts	18	(3 469)	(3 469)	-	-	(3 469)
Total Financial Assets		22 456	18 421	4 035	-	21 957
Financial Liabilities:						
Financial liabilities at cost:						
Payables (a)	24	17 640	17 640	-	-	17 640
Borrowings	25	910 901	161 281	399 620	350 000	757 202
Total Financial Liabilities		928 541	178 921	399 620	350 000	774 842
Net Financial Assets/(Liabilities)		(906 085)	(160 500)	(395 585)	(350 000)	(752 885)

(a) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(b) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 18 as receivables in accordance with paragraph 78(b) of *AASB 101 Presentation of Financial Statements*. However, prepayments are not financial assets as defined in *AASB 132 Financial Instruments: Presentation* as the future economic benefits of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

35.4 Liquidity Risk

Renewal SA has non-interest bearing assets (cash on hand and receivables) and liabilities (payables) and interest bearing assets (deposits with the Treasurer and SAFA and mortgage debtor receivables) and liabilities (borrowings from the SA Government).

Liquidity risk arises from the possibility that Renewal SA is unable to meet its financial obligations as they fall due. Renewal SA settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

Renewal SA's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount of financial liabilities recorded in the table of Note 35.3 represents Renewal SA's maximum exposure to financial liabilities.

35.5 Credit Risk

Renewal SA has no significant concentration of credit risk. Renewal SA has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Credit risk arises when there is the possibility of Renewal SA's debtors defaulting on their contractual obligations resulting in financial loss to Renewal SA. Renewal SA measures credit risk on a fair value basis and monitors risk on a regular basis.

The carrying amount of financial assets as detailed in Note 35.3 represents Renewal SA's maximum exposure to credit risk.

Renewal SA manages its credit risk and has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. Renewal SA does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by Renewal SA.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to Note 18 for information on the allowance for impairment in relation to receivables.

35.6 Ageing Analysis of Receivables

The following table discloses the ageing of financial assets, past due, including impaired assets past due:

	Overdue < 30 Days \$'000	Overdue 30 - 60 Days \$'000	Overdue > 60 Days \$'000	Carrying Amount \$'000
2018				
Not impaired:				
Receivables	664	9	296	969
Impaired:				
Receivables	86	2	3 664	3 752
Receivables at 30 June 2018	750	11	3 960	4 721
2017				
Not impaired:				
Receivables	121	311	424	856
Impaired:				
Receivables	66	83	3 254	3 403
Receivables at 30 June 2017	187	394	3 678	4 259

35.7 Market Risk

Market risk for Renewal SA is primarily through price risk. Prices for residential, industrial and commercial property have been depressed as a consequence of slow market conditions within the local South Australian and Adelaide markets. Renewal SA also has exposure to interest rate risk arising through its borrowings. Renewal SA's borrowings are managed through SAFA and any movement in interest rates are monitored regularly. There is no exposure to foreign currency risks.

35.8 Sensitivity Analysis

A sensitivity analysis has been undertaken for the interest rate risk of Renewal SA and it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial over a 5 year period. The impact of property price movements on the financial results is impractical to estimate as the analysis would be overly assumptive.

Note 36 Transferred Functions

Transfer of assets from the South Australian Housing Trust

Pursuant to the provisions of section 23 of the *South Australian Housing Trust Act 1995*, the Minister for Housing and Urban Development, with the concurrence of the Treasurer, gazetted on 21 November 2017 the transfer of assets from the South Australian Housing Trust to Renewal SA.

	2018 \$'000	2017 \$'000
Renewal SA recognised the following income upon the transfer of these assets from the South Australian Housing Trust:		
Net gain from transferred functions	325	548
Net Result	325	548

Renewal SA recognised the assets transferred from the South Australian Housing Trust in the Statements of Financial Position as follows:

	2018 \$'000	2017 \$'000
Inventories	325	548
Total Assets Transferred	325	548

Note 37 Transactions with SA Government

	SA Government		Non-SA Government		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Income						
Revenue from sales	5 085	21 465	81 948	49 016	87 033	70 481
Less: cost of sales	(3 274)	(6 230)	(45 664)	(30 705)	(48 938)	(36 935)
Gross Profit from Sales	1 811	15 235	36 284	18 311	38 095	33 546
Share of net profit/(loss) in joint ventures	-	-	1 110	3 002	1 110	3 002
Revenues from Commonwealth and SA Government	9 111	6 720	-	30	9 111	6 750
Interest revenues	268	1 464	-	1	268	1 465
Property income	65 360	24 843	14 597	17 670	79 957	42 513
Other revenues	16 962	16 380	3 673	1 341	20 635	17 721
Net gain from changes in value of non-current assets	-	-	2 442	-	2 442	-
Net gain from disposal of non-current assets	-	-	250	1 319	250	1 319
Net gain from administrative restructures	325	548	-	-	325	548
Total Income	93 837	65 190	58 356	41 674	152 193	106 864
Expenses						
Employee benefits expenses	1 806	1 748	29 869	29 504	31 675	31 252
Operating expenditure	28 360	28 697	22 515	16 623	50 875	45 320
Borrowing costs	39 754	28 002	-	-	39 754	28 002
Depreciation and amortisation	-	-	495	473	495	473
Net loss from changes in value of non-current assets	-	-	-	20 744	-	20 744
Total Expenses	69 920	58 447	52 879	67 344	122 799	125 791
Financial Assets						
Receivables	348	6 905	9 692	8 758	10 040	15 663
Allowance for doubtful debts	-	-	(3 794)	(3 469)	(3 794)	(3 469)
Total Financial Assets	348	6 905	5 898	5 289	6 246	12 194
Financial Liabilities						
Payables	8 333	5 824	15 935	11 816	24 268	17 640
Borrowings	894 320	910 901	-	-	894 320	910 901
Total Financial Liabilities	902 653	916 725	15 935	11 816	918 588	928 541

Note 38 Events after the Reporting Period

Events between 30 June 2018 and the date the financial statements are authorised that may have a material impact on the results of subsequent years are set out below.

Machinery of Government Changes

As part of machinery of government changes, on 1 July 2018, 165 Renewal SA employees were transferred to the employment of the Chief Executive, South Australian Housing Trust (SAHT) on the same basis of engagement as applied before the transfer.

Transfer of Assets from the Riverbank Authority

On 19 July 2018, the abolishment of the Riverbank Authority, established by the Housing and Urban Development (Administrative Arrangements) (Riverbank Authority) Regulations 2014 was gazetted. The assets, rights and liabilities of the Riverbank Authority immediately before its dissolution are to be transferred to the Urban Renewal Authority. The net value of these assets as at 30 June 2018 is \$1.8 million

TAFE SA Campus Closure

The 2018-19 State Budget was tabled in the South Australian Parliament on 4 September 2018. The State Budget included the announcement of the planned closure of several TAFE SA campuses, including the Tea Tree Gully, Port Adelaide and Cooper Pedy campuses which are owned by Renewal SA and leased to the Department of State Development and then sub-leased to TAFE SA. Renewal SA is working with the State Government to determine the future strategy for the three properties and the impact of their closure on Renewal SA.

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

- Attached general purpose financial statements for the Urban Renewal Authority (trading as Renewal SA):
 - are in accordance with the accounts and records of the Urban Renewal Authority; and
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant Australian Accounting Standards; and
 - present a true and fair view of the financial position of the Urban Renewal Authority as at 30 June 2018 and the results of its operations and cash flows for the financial year.
- Internal controls employed by the Urban Renewal Authority for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the financial year and there are reasonable grounds to believe the Urban Renewal Authority will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Urban Renewal Authority Audit and Risk Committee.



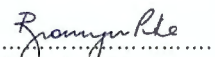
J F HANLON
CHIEF EXECUTIVE

12 September 2018



D DE LUCA
GENERAL MANAGER,
CORPORATE SERVICES

12 September 2018



HON B J PIKE
PRESIDING MEMBER

12 September 2018



RenewalSA

people partnerships progress

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