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To the Presiding Member Urban Renewal Authority

Opinion

I have audited the financial report of the Urban Renewal Authority for the financial year ended 30 June 2022.

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 2022, its financial performance and its cash flows for the year then ended in accordance with relevant 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 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Presiding Member, the Chief Executive, and the General Manager, Commercial and Corporate.

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 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 (including Independence Standards)* have been met.

I believe that the audit evidence I have 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 relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the 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 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, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 27(4) of the *Urban Renewal Act 1995*, I have audited the financial report of Urban Renewal Authority for the financial year ended 30 June 2022.

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, but not for the purpose of expressing an opinion on the effectiveness of the Urban Renewal Authority's internal control

- 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 Chief Executive'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. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease 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.

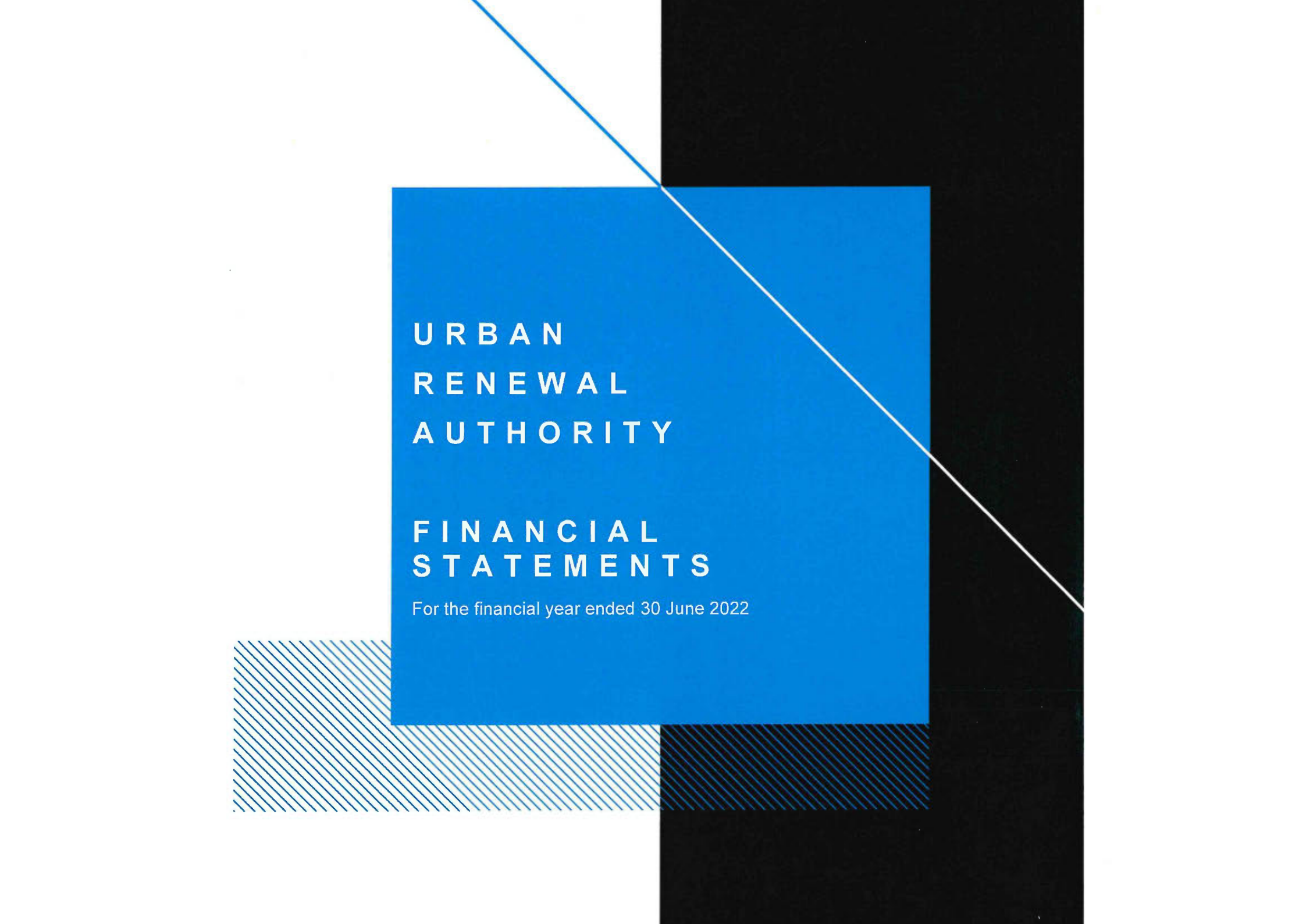
My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

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

16 September 2022



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AUTHORITY

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For the financial year ended 30 June 2022

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STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Income			
Revenue from sales	4	149 020	69 115
Less: Cost of sales	4	89 683	47 545
Gross Profit from Sales		59 337	21 570
Share of net profit in joint ventures	5	3 046	1 668
Revenues from SA Government	6	7 694	6 961
Interest revenues	7	6 877	477
Property income	8	25 753	22 872
Other revenues	9	4 956	2 670
Net gain from changes in value of non-current assets	23	16 016	4 063
Net gain from disposal of non-current assets	10	-	1
Total Other Income		64 342	38 712
Total Income		123 679	60 282
Expenses			
Employee benefits expenses	13	15 747	14 079
Operating expenditure	15	49 769	41 015
Bad and doubtful debts expense	19	(105)	(137)
Borrowing costs	16	5 651	8 928
Depreciation and amortisation	22	2 794	3 116
Net loss from disposal of non-current assets	10	2	-
Total Expenses		73 858	67 001
Profit/(Loss) Before Income Tax Equivalent		49 821	(6 719)
Less: Income tax equivalent		14 946	-
Profit/(Loss) After Income Tax Equivalent		34 875	(6 719)
Total Comprehensive Result		34 875	(6 719)

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.

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STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Current Assets			
Cash and cash equivalents	18	14 491	12 403
Receivables	19	19 500	8 879
Inventories	20	108 802	65 271
Investment in joint ventures	5	219	1 588
Total Current Assets		143 012	88 141
Non-Current Assets			
Receivables	19	83 048	13 129
Inventories	20	182 057	255 578
Investment properties	21	105 035	83 765
Property, plant and equipment	22	17 134	12 326
Investment in joint ventures	5	-	485
Total Non-Current Assets		387 274	365 283
Total Assets		530 286	453 424
Current Liabilities			
Payables	25	13 139	14 766
Unearned income	27	11 723	2 964
Financial liabilities	26	146 266	38 681
Provisions	28	16 694	26
Employee benefits	14	2 070	2 438
Other liabilities	29	746	896
Total Current Liabilities		190 638	59 771
Non-Current Liabilities			
Payables	25	163	1 967
Unearned income	27	13 569	13 576
Financial liabilities	26	252 296	375 411
Provisions	28	155	65
Employee benefits	14	2 418	2 559
Total Non-Current Liabilities		268 601	393 578
Total Liabilities		459 239	453 349
Net Assets		71 047	75
Equity			
Contributed capital		608 007	567 856
Retained earnings		(536 960)	(567 781)
Total Equity		71 047	75
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	31		
Contingent assets and liabilities	32		

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

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STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2022

	Note No.	Contributed Capital '\$000	Retained Earnings '\$000	Total '\$000
Balance as at 30 June 2020		509 188	(559 869)	(50 681)
Total Comprehensive Result for 2020-21		-	(6 719)	(6 719)
Transactions with the SA Government in their capacity as owners:				
Equity contribution		58 668	-	58 668
Net assets transferred from administrative restructure		-	-	-
Dividends paid	17	-	(1 193)	(1 193)
Balance as at 30 June 2021		567 856	(567 781)	75
Total Comprehensive Result for 2021-22		-	34 875	34 875
Transactions with the SA Government in their capacity as owners:				
Equity contribution		40 151	-	40 151
Dividends paid	17	-	(4 054)	(4 054)
Balance as at 30 June 2022		608 007	(536 960)	71 047

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

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

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STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Cash Flows from Operating Activities			
Cash Inflows			
Receipts from sales		74 046	69 878
Receipts from tenants (rent and recoveries)		30 136	23 986
Receipts from SA Government		9 347	6 911
Interest received		-	10
Recoveries and sundry receipts		3 515	2 420
GST recovered from the ATO		10 238	5 678
Cash Generated from Operations		127 283	108 883
Cash Outflows			
Payments for land purchase and development		(61 578)	(163 715)
Payments in the course of operations for supplies and services		(69 713)	(64 242)
Interest paid		(5 306)	(9 125)
Cash Used in Operations		(136 597)	(237 082)
Net Cash Used in Operating Activities	30	(9 314)	(128 199)
Cash Flows from Investing Activities			
Cash Inflows			
Distributions of profit by joint ventures		4 900	3 500
Proceeds from the sale of plant and equipment		-	1
Proceeds from the sale of investment properties		1 400	-
Cash Generated from Investing Activities		6 300	3 501
Cash Outflows			
Purchase of investment property		(9 019)	-
Purchase of property, plant and equipment		(1 976)	(6 610)
Cash Used in Investing Activities		(10 995)	(6 610)
Net Cash Used in Investing Activities		(4 695)	(3 109)
Cash Flows from Financing Activities			
Cash Inflows			
Equity contributions received from the SA Government		40 151	58 668
Proceeds from borrowings		6 401	348 050
Cash Generated from Financing Activities		46 552	406 718
Cash Outflows			
Repayment of borrowings		(26 401)	(273 050)
Dividends paid to SA Government		(4 054)	(1 193)
Cash Used in Financing Activities		(30 455)	(274 243)
Net Cash Provided by Financing Activities		16 097	132 475
Net Increase in Cash Held		2 088	1 167
Cash at the beginning of the financial year		12 403	11 236
Cash at the End of the Financial Year	18	14 491	12 403

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

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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 as the Minister responsible. In accordance with a Ministerial direction issued to Renewal SA, Renewal SA reports to the Premier as responsible Minister in relation to the Lot Fourteen project.

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;
- Facilitating the orderly development of areas through the management and release of land; and
- Holding land and other property to be made available as appropriate for commercial, industrial, residential or other purposes.

Renewal SA improves the lives of South Australians now and into the future by leading, supporting and driving investment and growth through property and projects. As the State Government's leading urban development agency, Renewal SA co-ordinates, develops and delivers projects and initiatives to support urban development activity to deliver on the priorities of the Government of South Australia through our people and collaborative partnerships for the benefit of South Australians.

As the delivery agency for the South Australian Government (SA Government), we provide opportunities for industrial and commercial development on designated lands to support social and economic growth and job creation.

Our focus is on property development that builds new industries, infrastructure and communities while driving economic activity, attracting investment and enhancing the livability and land values in our state.

Note 2 Basis of Preparation

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 financial statements have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer 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.

Basis of Preparation

Renewal SA's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on a going concern, 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 reporting period and are presented in Australian currency. The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2022 and the comparative information presented.

Rounding

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

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 equivalent 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.

Renewal SA reported a net profit for the reporting period ending 30 June 2022 and therefore an income tax equivalent is payable.

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Renewal SA reported an operating loss for the reporting period ending 30 June 2021 and therefore no income tax equivalent was paid/payable.

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.

The financial statements are reported 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;
- 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.

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, have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

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 a 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 historic 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 considered 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 \$1.500 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to Notes 21, 22 and 24 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurement for non-financial assets.

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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.

Impact of COVID-19 Pandemic

Renewal SA has undertaken external valuations and/or undertaken impairment tests for its property holdings as at 30 June 2022. These valuations and impairment tests incorporate known impacts from the current economic conditions on the value of the properties as at that date. Government stimulus measures have had a positive impact on the Adelaide property market, however, the future impact of the COVID-19 pandemic on property values is uncertain.

Note 3 Significant Transactions with Government Related Entities

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

Equity contributions of \$40.151 million and Community Service Obligation funding of \$5.557 million (refer Note 6) were received from the Department of Treasury and Finance during the financial year.

Renewal SA is undertaking the procurement of high voltage electricity and high-pressure gas infrastructure on behalf of the Department for Trade and Investment, to support the rebuild and expansion of the Thomas Foods facility at Murray Bridge. During the 2021-22 financial year, \$3.668 million in funding was received from the Department for Trade and Investment.

Renewal SA sold land at Tonsley Innovation District to the Commissioner of Highways for \$4.978 million for the Torrens to Darlington project.

In October 2021, Renewal SA took occupation of Level 16 of 11 Waymouth Street, Adelaide under a 10 year lease arrangement from the Department for Infrastructure and Transport. Renewal SA incurred lease interest and depreciation of \$0.578 million. Prior to this, Renewal SA had occupied Level 9 of the Riverside Centre, North Terrace in a holding over arrangement from the Department of Infrastructure and Transport. During the financial year, Renewal SA incurred rental expenses of \$0.264 million.

During the financial year, Renewal SA charged the Department for Innovation and Skills \$1.034 million for rental of the BioInnovation building located at 40 to 46 West Thebarton Road, Thebarton.

Renewal SA acquired 400 carparks within the Festival Plaza development via the transfer of a lease agreement for the carparks from the Premier at a cost of \$6.000 million. This was funded via an equity contribution from the Department of Treasury and Finance.

Note 4 Revenue from Sales and Cost of Sales

	2022	2021
	\$'000	\$'000
Sales revenue for the reporting period is summarised as follows:		
<i>Land sales to:</i>		
Joint ventures	3 535	7 112
Entities within the SA Government	4 978	-
Other - sales to general public and developers	140 507	62 003
Total Sales Revenue	149 020	69 115
<i>Cost of sales associated with:</i>		
Joint ventures	1 936	4 289
Entities within the SA Government	3 978	-
Other - sales to general public and developers	83 769	43 256
Total Cost of Sales	89 683	47 545

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 from land sales is recognised when Renewal SA has completed its performance obligations in terms of the contract of sale and control of the land has passed to the purchaser, irrespective of cash receipt.

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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 the sale occurs. A portion of future development obligations in respect of land which has been sold is also recognised in cost of sales when the sale 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 5 Joint Ventures

In July 2006 documentation was executed with CIC Northgate Pty Ltd, a wholly-owned subsidiary of PEET 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 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 the development proceeds.

Renewal SA's share of the profit from ordinary activities of the Northgate Stage 3 Joint Venture in which Renewal SA has a participating interest, is as follows:

	2022	2021
	\$'000	\$'000
Revenues	6 167	12 899
Expenses	(3 121)	(11 231)
Profit from Ordinary Activities	3 046	1 668

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

	2022	2021
	\$'000	\$'000
Share of investment in joint ventures:		
Carrying amount at the beginning of the period	2 073	3 905
Profit for the reporting period	3 046	1 668
Distribution of profit	(4 900)	(3 500)
Total Carrying Amount of Investment in Joint Ventures	219	2 073

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

	2022	2021
	\$'000	\$'000
Current assets:		
Cash	460	2 363
Receivables	126	164
Inventories	-	986
Total Current Assets	586	3 513
Non current assets:		
Property, plant and equipment	-	485
Total Non Current Assets	-	485
Total Assets	586	3 998
Current liabilities:		
Creditors and other payables	367	1 925
Total Liabilities	367	1 925
Net Assets	219	2 073
Net Assets after Impairment	219	2 073

Renewal SA's interest in the Northgate Stage 3 Joint Venture is measured by applying the equity method. Renewal SA's share of the assets and liabilities of the joint venture 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 the joint venture is included as revenue in the Statement of Comprehensive Income as share of net profit in joint ventures.

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

Note 6 Revenues from SA Government

	2022	2021
	\$'000	\$'000
Community service obligations from SA Government	5 557	6 199
Funding from Business & Job Support Fund	-	1 175
Other SA Government revenues	4 325	2 235
Gross Revenues from SA Government	9 882	9 609
Less: Revenue deferred for development costs	(2 188)	(2 648)
Total Revenues from SA Government	7 694	6 961

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 services obligations are provided for both capital and operating purposes.

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 capital 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.

Business and Support Fund

During 2020-21, Renewal SA received funding from the Government's Business and Support Job Fund to reimburse rent relief provided to Renewal SA's tenants that were severely impacted by the COVID-19 pandemic.

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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 7 Interest Revenues

	2022	2021
	\$'000	\$'000
Interest from deferred payment arrangements	6 403	-
Interest from cash and cash equivalents	-	8
Finance debtor interest	474	469
Total Interest Revenues	6 877	477

Interest revenue includes interest from deferred payment arrangements, interest received on bank deposits and interest from finance lease arrangements.

Note 8 Property Income

	2022	2021
	\$'000	\$'000
Rental income	19 605	18 007
Recoveries	5 942	5 906
Rent relief provided	-	(1 175)
Other property income	206	134
Total Property Income	25 753	22 872

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. Rental income from investment properties was \$12.766 million (2020-21 \$10.690 million).

In accordance with SA Government policy, Renewal SA provided rent relief of \$1.175 million in 2020-21 to tenants that were severely impacted by the COVID-19 pandemic. Funding to reimburse the rent relief was provided to Renewal SA from the Business and Jobs Support Fund (refer Note 6).

Note 9 Other Revenues

	2022	2021
	\$'000	\$'000
Consulting revenue	843	534
Recoveries	7	205
Other revenues	4 106	1 931
Total Other Revenues	4 956	2 670

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 Authority.

Recoveries represent the direct recovery of goods and services provided to external parties.

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.

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Note 10 Net Gain/(Loss) from Disposal of Assets

	2022	2021
	\$'000	\$'000
Plant and equipment:		
Proceeds from disposal	-	1
Less: Net book value of assets disposed	(2)	-
Net Gain/(Loss) from Disposal of Plant and Equipment	(2)	1
Investment properties:		
Proceeds from disposal	1 400	-
Less: Net book value of assets disposed	(1 400)	-
Net Gain/(Loss) from Disposal of Completed Non-Current Assets	-	-
Total Net Gain/(Loss) from Disposal of Non-Current Assets	(2)	1

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

Sales revenue from the disposal of investment properties is recognised when Renewal SA has completed its performance obligations in terms of the contract of sale and control of the investment property has passed to the purchaser.

Note 11 Key Management Personnel

Key management personnel of Renewal SA include the responsible Minister, 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.

Total compensation for key management personnel was \$2.056 million (2020-21: \$2.522 million). These amounts include payments to key management personnel for accrued leave entitlements where they were paid on departure from Renewal SA.

The compensation disclosed in this note excludes salaries and other benefits to the responsible Minister. 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*.

	2022	2021
	\$'000	\$'000
Salaries and other short-term employee benefits	1 612	1 578
Post-employment benefits	444	306
Other long-term employment benefits	-	83
Termination benefits	-	555
Total Compensation	2 056	2 522

Other long-term employment benefits include payments for long service leave.

Transactions with Key Management Personnel and Other Related Parties

A Director is an employee of a company that Renewal SA leased space from. During the year, the company sold the building which the space was in. The rental and recoveries paid to the company up to the date of sale was \$0.090 million.

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Note 12 Board and Committee Members

Members during the year ended 30 June 2022 were:

Urban Renewal Authority Board of Management

C Tragakis, Presiding Member
 H M Fulcher
 A Skipper
 J P Rundle
 K Willits
 D Hughes
 N Reade* (resigned 1 April 2022)

S Hains was appointed Presiding Member on 31 July 2022

Urban Renewal Authority Finance, Risk and Audit Committee

H M Fulcher, Chair (Chair to 22 September 2021, resigned 22 September 2021)
 C Tragakis
 D Hughes (member for the full year, appointed by the Board as Chair 22 September 2021)

Urban Renewal Authority People and Culture Sub-Committee

A Skipper
 K Willits

*In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and Committee Remuneration

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

	2022	2021
	No:	No:
\$0 to \$19 999	1	2
\$20 000 to \$39 999	1	5
\$40 000 to \$59 999	4	-
\$60 000 to \$89 999	1	1
Total Number of Members	7	8

Total remuneration received and receivable by all members for the period they held office was \$0.279 million (2020-21: \$0.251 million). Remuneration of members includes sitting fees and superannuation contributions.

Note 13 Employee Benefits Expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	14 175	13 270
Long service leave	(60)	(182)
Annual leave	1 236	1 154
Skills and experience retention leave	72	35
Employment on-costs - superannuation	2 104	1 761
Employment on-costs - other	1 051	709
Board and committee fees	274	274
Other employee related expenses	106	48
Gross Employee Benefits Expenses	18 958	17 069
Less: Employee benefits capitalised to inventories	(3 211)	(2 990)
Total Employee Benefits Expenses	15 747	14 079

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Employment on-costs - superannuation

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

	2022 No:	2021 No:
The number of employees whose remuneration received or receivable falls within the following bands:		
\$154 001 to \$157 000*	n/a	1
\$157 001 to \$177 000	6	9
\$177 001 to \$197 000	8	5
\$197 001 to \$217 000	4	1
\$217 001 to \$237 000	4	5
\$237 001 to \$257 000	2	2
\$257 001 to \$277 000	1	1
\$277 001 to \$297 000	1	-
\$297 001 to \$317 000	1	1
\$317 001 to \$337 000	1	-
\$417 001 to \$437 000	-	1
\$437 001 to \$457 000	1	-
\$497 001 to \$517 000	-	1
\$537 001 to \$557 000	-	1
Total Number of Employees	29	28

*This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2020-21.

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 \$6.541 million (2020-21: \$6.424 million).

Note 14 Employee Benefits Liabilities

	2022 \$'000	2021 \$'000
Current		
Accrued wages and salaries	-	425
Annual leave	1 799	1 649
Long service leave	193	309
Skills and experience retention leave	78	55
Total Current Employee Benefits	2 070	2 438
Non-Current		
Long service leave	2 418	2 559
Total Non-Current Employee Benefits	2 418	2 559
Total Employee Benefits	4 488	4 997

Employee benefits accrue 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 (SERL) and Sick Leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date. In 2021-22 the final payroll payment occurred on 30 June 2022 and resulted in a prepayment of wages and salaries (refer Note 19).

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The annual leave liability and the SERL 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.

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and period of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on high quality corporate or government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased to 3.50% in 2021-22 from 1.25% in 2020-21.

As a result of the actuarial assessment performed by the Department of Treasury and Finance, the salary inflation rate of 2.5% for the 2021-22 financial year remained unchanged from the 2020-21 financial year for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$0.465 million and employee benefits expense of \$0.537 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions, including the long-term discount rate.

The unconditional portion of the long service leave provision is classified as current as Renewal SA does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

Employee Benefit On-Costs

Employee benefit on-costs (payroll tax and superannuation) are recognised separately in Payables (refer Note 25).

Note 15 Operating Expenditure

	2022	2021
	\$'000	\$'000
Property expenditure	18 138	16 843
Land tax	10 533	10 933
Contractors and consultants	7 940	3 021
Accommodation costs	1 467	2 052
Administration and other expenditure	12 030	9 198
Gross Operating Expenditure	50 108	42 047
Less: Land tax capitalised to inventories	(339)	(1 032)
Total Operating Expenditure	49 769	41 015

External Consultants

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

	2022	2022	2021	2021
	Number	\$'000	Number	\$'000
Below \$10 000	31	118	26	109
Above \$10 000	20	971	29	1 202
Total Paid/Payable to the Consultants Engaged	51	1 089	55	1 311

Auditor General Remuneration

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* included in administration and other expenditure total \$0.199 million (2020-21 \$0.199 million).

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Note 16 Borrowing Costs

	2022	2021
	\$'000	\$'000
Borrowing costs on Premises SA Scheme loan	24	88
Borrowing costs on other loans	1 645	4 595
Borrowing costs on overdraft	129	28
Interest expense on lease liabilities	351	266
Guarantee fees on Premises SA Scheme loan	54	64
Guarantee fees on other loans	3 215	4 018
Guarantee fees on overdraft	233	43
Gross Borrowing Costs	5 651	9 102
Less: Borrowing costs capitalised to inventories	-	(174)
Total Borrowing Costs	5 651	8 928

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

In accordance with 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 17 Dividends Paid to SA Government

	2022	2021
	\$'000	\$'000
Dividends paid	4 054	1 193
Total Dividends Paid to SA Government	4 054	1 193

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. The Minister may, in consultation with the Treasurer, approve the recommendation or determine that a specified dividend be paid as the Minister and the Treasurer consider appropriate.

The Treasurer has determined that Renewal SA will pay a dividend on the profits from its 2021-22 general activities as part of the 2022-23 dividend declaration process.

Renewal SA are also required to make special dividend payments associated with the Adelaide Station and Environs Redevelopment (ASER) site and Festival Plaza. In 2021-22 the Minister and Treasurer approved a dividend payment of \$4.054 million. This amount is after a decrease in the payment amount by \$0.072 million relating to an adjustment of the 2020-21 ASER dividend. In 2020-21 the Minister and Treasurer approved a dividend payment of \$1.193 million for the ASER site only.

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Note 18 Cash and Cash Equivalents

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer	9 715	9 372
Short-term deposits with SAFA	203	203
Cash held for Lot Fourteen Car Park	746	746
Cash at bank and on hand	3 827	2 082
Total Cash and Cash Equivalents	14 491	12 403

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, cash held in term deposit for the Lot Fourteen Car Park and cash held by property managers on behalf of Renewal SA as a working capital float to assist with management of RSA rental properties.

Interest Rate Risk

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

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Note 19 Receivables

	2022	2021
	\$'000	\$'000
Current		
Trade and other receivables	4 824	2 782
Lease receivables	1 673	6 340
Deferred payment arrangements	12 756	-
GST receivable	1 088	5 257
Provision for doubtful debts	(1 053)	(5 516)
Prepayments	212	16
Total Current Receivables	19 500	8 879
Non-Current		
Lease receivables	13 295	13 129
Deferred payment arrangements	69 753	-
Total Non-Current Receivables	83 048	13 129
Total Receivables	102 548	22 008

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

Lease receivables include receivables from property leases and finance leases. Finance lease receivables are measured at the present value of minimum lease payments.

Deferred payment arrangements are receivables from purchasers to whom deferred payment terms have been granted for land sales. Control of the land has passed to the purchaser for the purpose of revenue recognition and the full transaction price has not been paid.

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 may not be able to collect the debt. Bad debts are written off when identified.

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 customer debtors and customer debtors assessed on a collective basis for which such evidence exists.

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	5 516	5 699
Debts no longer being pursued	(4 357)	(46)
(Decrease) in the allowance	(106)	(137)
Carrying Amount at the End of the Period	1 053	5 516
<i>Bad debts written off:</i>		
Trade debtors	11	(46)
Lease receivables	4 346	46
<i>Transfer (from)/to provision for doubtful debts:</i>		
Trade debtors	(116)	22
Lease receivables	(4 346)	(159)
Total Bad and Doubtful Debts Expense	(105)	(137)

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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 33.

Ageing Analysis of Financial Assets

Refer to table in Note 33.

Risk Exposure Information

Refer to table in Note 33.

Note 20 Inventories

	2022	2021
	\$'000	\$'000
Current		
Land held for sale	29 413	26 254
Development projects	79 389	39 017
Total Current Inventories	108 802	65 271
Non-Current		
Land held for sale	126 428	138 284
Development projects	55 629	117 294
Total Non-Current Inventories	182 057	255 578
Total Inventories	290 859	320 849

Movements in Carrying Amounts:

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	320 849	236 704
Land purchases	4 711	80 964
Development costs capitalised	54 755	50 370
Capitalised grant funding repaid/(received)	50	(1 281)
Cost of sales	(89 683)	(47 545)
Inventory write down	-	(3 264)
Reversal of inventory write down	177	4 901
Carrying Amount at the End of the Period	290 859	320 849

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 (NRV). NRV is determined using the estimated sales proceeds less costs incurred in producing, marketing and selling to customers. NRV is determined on each individual asset/project by independent valuation or via an internal cash flow valuation.

Inventories were reviewed at 30 June 2022 to ensure they are carried at the lower of cost and NRV.

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

The reversals of previous write downs of \$0.177 million in 2021-22 is a result of the annual review of the recoverable values of inventory and future cash flows for projects.

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Renewal SA uses a discounted cash flow methodology to value its inventory balances associated with the Bowden, Lot Fourteen, Playford Alive, Prospect and Tonsley projects.

Equity contributions are not included in the discounted cash flow valuation as the nature of the payment is of the form of an owner's contribution to the organisation as a whole rather than being of the nature of funding to offset the capital cost of the particular project.

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 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 a 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.

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Note 21 Investment Properties

	2022	2021
	\$'000	\$'000
Freehold Land at Fair Value:		
Independent valuation	70 544	56 845
Total Freehold land at Fair Value	70 544	56 845
Buildings at Fair Value:		
Independent valuation	34 491	26 920
Total Buildings at Fair Value	34 491	26 920
Total Investment Properties	105 035	83 765

Movements in Carrying Amounts

	2022	2021
	\$'000	\$'000
Freehold land at fair value:		
Carrying amount at the beginning of the period	56 845	55 473
Disposals	(1 400)	-
Net gain on fair value adjustments	15 099	1 372
Carrying Amount at the End of the Period	70 544	56 845
Buildings at fair value:		
Carrying amount at the beginning of the period	26 920	22 117
Additions	6 000	-
Capitalised grants received	(2 188)	(2 648)
Capitalised expenditure	3 019	6 397
Net gain on fair value adjustments	740	1 054
Carrying Amount at the End of the Period	34 491	26 920
Total Carrying Amount at the End of the Period	105 035	83 765

Amounts Recognised in the Statement of Comprehensive Income

	2022	2021
	\$'000	\$'000
Property Income (refer to Note 8)	12 766	10 690
Direct operating expenses arising from investment properties that generated rental income (refer Note 15)	(4 935)	(6 387)
Direct operating expenses arising from investment properties that did not generate rental income (refer Note 15)	(318)	(180)
Total Amount Recognised in the Statement of Comprehensive Income	7 513	4 123

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.

During the financial year, Renewal SA acquired the rights to a carpark building asset for \$6.000 million. The carpark is held for the purpose of income generation and is classified as an investment property right of use asset.

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.

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Any gains or losses on the sale of investment property are recognised in the Statement of Comprehensive Income in the year of sale. Net gain on fair value adjustments primarily relates to an increase in reported land value at ASER by \$4.348 million, an increase in land value at Northern LeFevre Peninsula by \$4.313 million and an increase in land value at Technology Park by \$6.510 million.

Valuation Basis

An independent valuation of all Renewal SA's investment properties was conducted as at 30 June 2022. 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, or discounted cash flow approach.

Note 22 Property, Plant and Equipment

	2022	2021
	\$'000	\$'000
Right-of-use Buildings		
At cost	13 063	13 756
Accumulated depreciation	(3 489)	(3 010)
Total Buildings	9 574	10 746
Accommodation and Leasehold Improvements		
At cost (deemed fair value)	1 295	3 264
Right-of-use asset at cost	7 458	2 428
Accumulated depreciation	(2 420)	(5 144)
Total Accommodation and Leasehold Improvements	6 333	548
Plant and Equipment		
At cost (deemed fair value)	2 271	2 151
Right-of-use asset at cost	16	16
Accumulated depreciation	(1 060)	(1 135)
Total Plant and Equipment	1 227	1 032
Total property, plant and equipment at cost (deemed fair value)	3 566	5 415
Total property, plant and equipment at cost	20 537	16 200
Total accumulated depreciation	(6 969)	(9 289)
Total Property, Plant and Equipment	17 134	12 326

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Movements in Carrying Amounts

	2022 \$'000	2021 \$'000
Buildings:		
Carrying amount at the beginning of the period	10 746	13 472
Right of use asset - remeasurement	598	(1 047)
Depreciation	(1 770)	(1 679)
Carrying Amount at the End of the Period	9 574	10 746
Accommodation and Leasehold Improvements:		
Carrying amount at the beginning of the period	548	1 383
Additions	1 505	-
Right of use asset - additions	5 030	378
Right of use asset - remeasurement	-	(96)
Depreciation	(750)	(1 117)
Carrying Amount at the End of the Period	6 333	548
Plant and Equipment:		
Carrying amount at the beginning of the period	1 032	925
Additions	473	427
Disposals	(4)	-
Depreciation	(274)	(320)
Carrying Amount at the End of the Period	1 227	1 032
Total Property, Plant and Equipment	17 134	12 326

Carrying Amount of Leasehold Improvements and Plant and Equipment

The carrying value of these items are deemed to approximate fair value unless otherwise specified. 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 of \$2.794 million (2020-21 \$3.116 million) 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)
Buildings	Straight Line	Life of lease
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

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Impairment

There were no indications of impairment of buildings, leasehold improvements or plant and equipment as at 30 June 2022. Property, plant and equipment leased by Renewal SA are recorded at cost.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$0.015 million are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in Note 15.

Renewal SA has a limited number of leases:

- Accommodation lease in the Adelaide CBD.
- A lease over a car park on Lot Fourteen in the Adelaide CBD.
- Two leases for accommodation located in Bowden.
- A lease for accommodation located in Port Adelaide.
- A motor vehicle lease with the South Australian Government Financing Authority (SAFA).

Note 23 Net Gain/(Loss) from Changes in Value of Non-Current Assets

A reconciliation of the net gain/(loss) from changes in the values of non-current assets as follows:

	Note	2022 \$'000	2021 \$'000
Inventories			
Inventory write down	20	-	(3 264)
Reversal of inventory write down	20	177	4 901
Total Gain/(Loss) from Changes in Value of Inventories		177	1 637
Investment property			
Net gain on freehold land fair value adjustments	21	15 099	1 372
Net gain on building fair value adjustments	21	740	1 054
Total Gain from Changes in Value of Investment Property		15 839	2 426
Total Net Gain from Changes in Value of Non-Current Assets		16 016	4 063

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Note 24 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 2022

	2022 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring Fair Value Measurement			
Investment properties (Note 21)	105 035	105 035	-
Leasehold improvements (Note 22)	1 405	-	1 405
Plant and equipment (Note 22)	1 227	-	1 227
Total Recurring Fair Value Measurements	107 667	105 035	2 632

Fair Value Measurements at 30 June 2021

	2021 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring Fair Value Measurement			
Investment properties (Note 21)	83 765	83 765	-
Leasehold improvements (Note 22)	-	-	-
Plant and equipment (Note 22)	1 028	-	1 028
Total Recurring Fair Value Measurements	84 793	83 765	1 028

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 2021-22, Renewal SA had no assets 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 21 and 22 for valuation techniques and inputs used to derive Level 2 and 3 fair values. During 2021-22 there were no changes in valuation techniques. 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.

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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 2022

	Leasehold Improvements	Plant & Equipment
	\$'000	\$'000
Opening Balance at the Beginning of the Period	-	1 028
Acquisitions	1 505	473
Disposals	-	(4)
Depreciation and amortisation expenses	(100)	(270)
Carrying Amount at the End of the Period	1 405	1 227

Reconciliation of Level 3 Recurring Fair Value Measurements as at 30 June 2021

	Leasehold Improvements	Plant & Equipment
	\$'000	\$'000
Opening Balance at the Beginning of the Period	481	915
Acquisitions	-	427
Depreciation and amortisation expenses	(481)	(314)
Carrying Amount at the End of the Period	-	1 028

Note 25 Payables

	2022	2021
	\$'000	\$'000
Current		
Trade creditors	2 763	2 134
Sundry creditors and accrued expenses	9 943	12 265
Employment on costs	433	367
Total Current Payables	13 139	14 766
Non-Current		
Sundry creditors and accrued expenses	-	1 800
Employment on costs	163	167
Total Non-Current Payables	163	1 967
Total Payables	13 302	16 733

Payables include creditors, accrued expenses and employment on-costs.

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.

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.

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged.

FINANCIAL STATEMENTS

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 reporting date relates to any contributions due but not yet paid to various superannuation schemes.

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 42% (2020-21: 42%) and the average factor for the calculation of employer superannuation on-costs was 10.6% (2020-21: 10.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a negligible increase in the employment on-cost and employee benefits expense.

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. As a result, interest and credit risk are limited.

Categorisation of Financial Instruments and Maturity Analysis of Payables

Refer to table in Note 33.

Risk Exposure Information

Refer to table in Note 33.

Note 26 Financial Liabilities

	2022	2021
	\$'000	\$'000
Current		
Loans - South Australian Government Financing Authority (a)	6 401	6 401
Loans - South Australian Government Financing Authority (b)	136 851	30 000
Lease Liabilities	3 014	2 280
Total Current Borrowings	146 266	38 681
Non-Current		
Loans - South Australian Government Financing Authority (b)	238 050	364 901
Lease Liabilities	14 246	10 510
Total Non-Current Borrowings	252 296	375 411
Total Borrowings	398 562	414 092

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.

Borrowings from SA Government

These are unsecured loans which bear interest. The terms of the loans were agreed by the Minister/Governing body at the time the loan was provided.

(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 0.18% and 0.91% in 2021-22 (2020-21: 0.20% and 1.08%). In addition, the government guarantee fee rate on new and refinanced borrowings was 0.85% (2020-21: 0.99%).

FINANCIAL STATEMENTS

Categorisation of Financial Instruments and Maturity Analysis of Borrowings

Refer to table in Note 33.

Risk Exposure Information

Refer to Note 33.

Defaults and Breaches

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

Lease Liabilities

Lease liabilities are finance and operating leases and have been recognised in accordance with AASB 16. All material cash flows are reflected in the lease liabilities disclosed above.

Note 27 Unearned Income

	2022	2021
	\$'000	\$'000
Current		
Unearned income	11 723	2 964
Total Current Unearned Income	11 723	2 964
Non-Current		
Unearned income	13 569	13 576
Total Non-Current Unearned Income	13 569	13 576
Total Unearned Income	25 292	16 540

Movements in Carrying Amounts

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	16 540	17 682
Received during the year	14 234	3 139
Recognised in the statement of comprehensive income	(5 482)	(4 281)
Carrying Amount at the End of the Period	25 292	16 540

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 or a constant periodic rate of return. 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 and finance lease interest income of \$13.926 million (2020-21: \$14.628 million), revenues from SA Government of \$2.234 million (2020-21: \$1.912 million) and sales and other revenue of \$8.662 million (2020-21: nil) received in advance and mainly consist of revenue from sales of property rights that had not transferred to the buyer at 30 June 2022.

FINANCIAL STATEMENTS

Note 28 Provisions

	2022	2021
	\$'000	\$'000
Current		
Provision for workers compensation	48	26
Provision for income tax equivalent	14 946	-
Provision for contractual claims	1 700	-
Total Current Provisions	16 694	26
Non-Current		
Provision for workers compensation	155	65
Total Non-Current Provisions	155	65
Total Provisions	16 849	91
Movements in Carrying Amounts		
	2022	2021
	\$'000	\$'000
Provision for workers compensation		
Carrying amount at the beginning of the period	91	71
Increase in provisions recognised	112	20
Carrying Amount at the End of the Period	203	91
Provision for income tax equivalent		
Increase in provisions recognised	14 946	-
Carrying Amount at the End of the Period	14 946	-
Provision for future development expenditure and contractual claims		
Carrying amount at the beginning of the period	-	27 114
Decrease arising from payments for development expenditure	-	(27 114)
Increase in provision for contractual claims	1 700	-
Carrying Amount at the End of the Period	1 700	-
Total Provisions	16 849	91

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 provision has been recognised to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment (a division of the Department Treasury and Finance). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

A provision has been recognised for the income tax equivalents. 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 equivalent liability is based on the State Taxation Equivalent Regime, which applies the accounting profit method. This requires that the corporate income tax rate (Currently 30%) be applied to the net profit. The provision for income tax equivalent relates to the income tax expense outstanding for the current period.

FINANCIAL STATEMENTS

Note 29 Other Liabilities

	2022	2021
	\$'000	\$'000
Current		
Funds held in trust	746	744
Security deposits	-	152
Total Current Other Liabilities	746	896
Total Other Liabilities	746	896

Funds held in trust relate to the Lot Fourteen Car Park Insurance and Capital Reserve monies.

Security deposits are cash bonds held relating to property leases.

Note 30 Cash Flow Reconciliation

	2022	2021
	\$'000	\$'000
Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period:		
Statement of Cash Flows	14 491	12 403
Statement of Financial Position	14 491	12 403
Reconciliation of profit/(loss) after income tax equivalent to net cash provided by/(used in) operating activities:		
Profit/(Loss) after income tax equivalent	34 875	(6 719)
Add/Less Non Cash Items		
Inventories write down	-	3 264
Depreciation and amortisation	2 794	3 116
Net gain on disposal of plant and equipment	2	-
Provision for doubtful debts	(106)	(137)
Share of net profits of joint ventures	(3 046)	(1 668)
Reversal of inventories write-down	(177)	(4 901)
Net gain on Investment property fair value adjustments	(15 839)	(2 426)
	(16 372)	(2 752)
Movements in Assets / Liabilities		
(Increase)/Decrease in other receivables	(80 244)	(3 909)
(Increase)/Decrease in prepayments	(196)	100
Decrease/(Increase) in inventories	30 167	(82 508)
(Decrease)/Increase in payables	(3 369)	(4 053)
Increase/(Decrease) in unearned income	8 752	(1 142)
Increase/(Decrease) in provisions	16 646	(27 114)
Increase/(Decrease) in employee benefits	425	(846)
Increase/(Decrease) in other liabilities	2	744
	(27 817)	(118 728)
Net Cash (Used in)/Provided by Operating Activities	(9 314)	(128 199)

FINANCIAL STATEMENTS

Note 31 Unrecognised Contractual Commitments

	2022	2021
	\$'000	\$'000
Operating Lease Receivables		
Future minimum rental revenues under non-cancellable operating property leases held but not provided for:		
Due within one year	19 674	16 813
Due later than one year not longer than five years	41 463	43 950
Due later than five years	362 220	336 899
Total Operating Lease Receivables	423 357	397 662

These amounts comprise of property leases. The property leases are non-cancellable over varying terms up to eighty-five years, with rent payable monthly in advance. The non-cancellable period includes periods covered by an option to extend the lease where Renewal SA is reasonably certain the lessee will exercise that option. A factor considered in determining the reasonable certainty of the option being exercised is the significant leasehold improvements made by the lessee.

Capital and Operating Expenditure Commitments

Payable within one year	59 494	30 327
Payable later than one year not longer than five years	7 833	9 246
Payable later than five years	96	4 538
Total Capital and Operating Expenditure Commitments:	67 423	44 111

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

Commitments include operating, capital and outsourcing arrangements 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 Assets and Liabilities**Contingents Assets**

The Department for Infrastructure and Transport has constructed Festival Plaza public realm assets. Further work is required to split the responsibility for the public realm assets between the Department of the Premier and Cabinet, the Adelaide Festival Centre Trust and Renewal SA. Further work is also required to confirm the accounting treatment which will be applied to these assets and the resulting value which will be recognised. It is expected this will be finalised in 2022-23.

Contingent Liabilities

Renewal SA has a potential liability to a developer of up to \$0.200 million (being maximum of \$0.100 million for each of the two remaining stages of the three-stage development) for soil disposal costs if the soil on site is discovered to be unsuitable for the Renewal SA Soil Bank.

Note 33 Financial Instruments Disclosure and Financial Risk Management**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*. Renewal SA's borrowings are guaranteed by the Treasurer in accordance with Section 24(3) of the *Urban Renewal Act 1995*.

FINANCIAL STATEMENTS

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 interest bearing 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 the 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.

Renewal SA undertakes all its borrowings from SAFA therefore its market and liquidity risk for new and maturing borrowings is aligned to that of the SA Government.

Renewal SA's borrowings are guaranteed by the Treasurer in accordance with Section 24(3) of the *Urban Renewal Act 1995*.

Market Risk

Renewal SA does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. Market risk for Renewal SA is primarily through price risk.

Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. Renewal SA's borrowings are managed through the SAFA and any movement in interest rates are monitored daily. There is no exposure to foreign currency or other price risks.

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. No collateral is held as security and no credit enhancements relate to financial assets held by Renewal SA.

Impairment of Financial Assets

Loss allowances for receivables are measured at an amount equal to the lifetime expected credit loss using the simplified approach in AASB 9.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which Renewal SA is exposed to credit risk. The expected credit loss of government debtors is nil based on the external credit ratings and nature of the counterparties.

The following table discloses information about the exposure to credit risk and expected credit losses for non-government debtors:

	Gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	1 236	0.6	7
1 - 30 days past due	1 147	0.6	6
31 - 60 days past due	297	0.6	2
61 - 90 days past due	146	0.6	1
Loss Allowance	2 826		16

Loss rates are based on actual history of credit loss. These rates have been adjusted to reflect the differences between previous economic conditions, current economic conditions, and Renewal SA's view on the forecast economic conditions over the expected life of the receivable.

Impairment losses are presented as net impairment losses with subsequent recoveries of amounts previously written off credited against the same line item. In addition to the expected loss of \$0.016 million there are expected losses of \$1.037 million for specifically identified customers.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter a payment plan and failure to make contractual payments.

Renewal SA considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

FINANCIAL STATEMENTS

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.

Renewal SA does not recognise any financial assets or financial liabilities at fair value but does disclose fair value in the notes. All the resulting fair value estimates are included in Level 2 as all significant inputs required are observable.

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to their short-term nature.

Borrowings are initially recognised at fair value plus any transaction costs attributable to the borrowings, and subsequently held at amortised cost. For the majority of borrowings, their fair values are not materially different from their carrying amounts, since the interest payable on these borrowings is either close to current market rates or the borrowings are of a short-term nature.

Renewal SA measures all financial instruments at amortised cost.

	Note	Carrying Amount \$'000	2022 Contractual Maturities			Fair Value \$'000
			< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	
2022						
Financial Assets:						
Cash and cash equivalents	18	14 491	14 491	-	-	14 491
Loans and receivables:						
Receivables	19	103 601	18 803	25 848	57 200	101 851
Allowance for doubtful debts	19	(1 053)	(1 053)	-	-	(1 053)
Total Financial Assets		117 039	32 241	25 848	57 200	115 289
Financial Liabilities:						
Financial liabilities at cost:						
Payables	25	12 503	12 503	-	-	12 503
Borrowings	26	381 302	142 427	224 030	-	366 457
Lease Liabilities	26	17 295	3 021	10 636	3 638	17 295
Total Financial Liabilities		411 100	157 951	234 666	3 638	396 255
Net Financial Assets/(Liabilities)		(294 061)	(125 710)	(208 818)	53 562	(280 966)

	Note	Carrying Amount \$'000	2021 Contractual Maturities			Fair Value \$'000
			< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	
2021						
Financial Assets:						
Cash and cash equivalents	18	12 403	12 403	-	-	12 403
Loans and receivables:						
Receivables	19	22 250	9 122	4 509	8 619	22 250
Allowance for doubtful debts	19	(5 516)	(5 516)	-	-	(5 516)
Total Financial Assets		29 137	16 009	4 509	8 619	29 137
Financial Liabilities:						
Financial liabilities at cost:						
Payables	25	15 999	14 131	1 868	-	15 999
Borrowings	26	401 302	36 401	360 733	-	397 134
Lease Liabilities	26	12 790	2 049	8 178	2 563	12 790
Total Financial Liabilities		430 091	52 581	370 779	2 563	425 923
Net Financial Assets/(Liabilities)		(400 954)	(36 572)	(366 270)	6 056	(396 786)

FINANCIAL STATEMENTS

Receivables and Payables

The 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 and equivalents, 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).

Note 34 Impact of Standards and Statements not yet Effective

Renewal SA has assessed the impact of new and changed Australian Accounting Standards Board standards and interpretations not yet effective. Renewal SA has early-adopted *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates*. The main requirements of this standard amend requirements and guidance relating to what accounting policy information is disclosed and clarifies the distinction between changes in accounting policy and changes in accounting estimates.

Note 35 COVID-19 Pandemic Outlook

The COVID-19 pandemic is likely to continue to impact the Adelaide property market in 2022-23. To the date of reporting, the various financial arrangements provided to businesses by the State and Commonwealth Governments has resulted in minimal adverse impacts on Renewal SA's rental income and property sales income as a result of the COVID-19 pandemic.

Note 36 Events after the Reporting Period

There are no events to report.

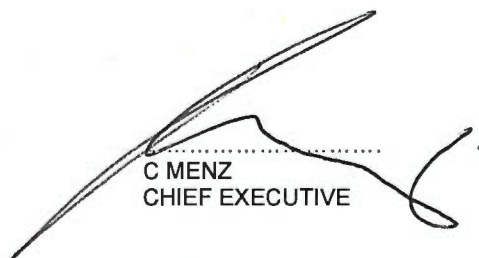
FINANCIAL STATEMENTS

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached general purpose financial statements for the Urban Renewal Authority (trading as Renewal SA):

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public and Finance Audit Act 1987*, and relevant Australian Accounting Standards;
 - are in accordance with the accounts and records of the Urban Renewal Authority; and
 - present a true and fair view of the financial position of the Urban Renewal Authority as at 30 June 2022 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 Finance, Risk and Audit Committee.



C MENZ
CHIEF EXECUTIVE

15 September 2022



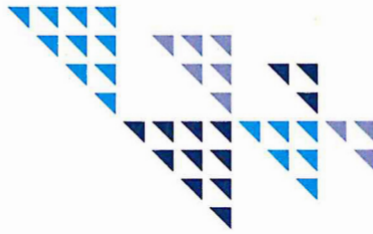
M WOOD
GENERAL MANAGER,
COMMERCIAL AND
CORPORATE

13TH September 2022



S HAINS
PRESIDING MEMBER

13 September 2022



RenewalSA