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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 2026.

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 2026, 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 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member, the Chief Executive and the Executive Director, Commercial and Business 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 (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 the Urban Renewal Authority for the financial year ended 30 June 2026.

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 the 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 Blaskett
Auditor-General

22 September 2026

Urban Renewal Authority

FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

ABN: 86 832 349 553



Renewal|SA



Government
of South Australia

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STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2026

	Note No.	2026 \$'000	2025 \$'000
Income			
Revenue from sales	4	272 520	147 831
Less: Cost of sales	4	149 828	102 286
Gross Profit from Sales		122 692	45 545
Share of net profit in joint ventures	5	-	(5)
Revenues from SA Government	6	10 612	15 947
Interest revenues	7	18 203	17 022
Property income	8	42 940	41 548
Other revenues	9	1 222	1 077
Net gain from changes in value of non-current assets	23	12 398	33 220
Net gain from disposal of non-current assets	10	193	-
Total Other Income		85 568	108 809
Total Income		208 260	154 354
Expenses			
Employee benefits expenses	13	24 970	24 276
Operating expenditure	15	80 048	66 788
Bad and doubtful debts expense	19	-	2 598
Borrowing costs	16	41 298	34 191
Depreciation and amortisation	22	7 181	6 404
Net loss from disposal of non-current assets	10	-	200
Total Expenses		153 497	134 457
Profit Before Income Tax Equivalent		54 763	19 897
Less: Income tax equivalent		16 429	5 579
Total Comprehensive Result		38 334	14 318

The total comprehensive result is 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 2026

	Note No.	2026 \$'000	2025 \$'000
Current Assets			
Cash and cash equivalents	18	42 085	46 723
Receivables	19	52 406	52 235
Inventories	20	233 202	131 463
Total Current Assets		327 693	230 421
Non-Current Assets			
Receivables	19	178 703	120 697
Inventories	20	652 757	675 242
Investment properties	21	117 745	121 380
Property, plant and equipment	22	87 046	93 560
Total Non-Current Assets		1 036 251	1 010 879
Total Assets		1 363 944	1 241 300
Current Liabilities			
Payables	25	46 336	47 298
Financial liabilities	26	372 548	173 734
Unearned income	27	40 391	37 394
Provisions	28	16 560	7 074
Employee benefits	14	3 637	3 335
Other liabilities	29	865	842
Total Current Liabilities		480 337	269 677
Non-Current Liabilities			
Payables	25	7 612	7 839
Financial liabilities	26	580 408	652 147
Unearned income	27	12 712	13 017
Provisions	28	337	337
Employee benefits	14	3 091	2 969
Total Non-Current Liabilities		604 160	676 309
Total Liabilities		1 084 497	945 986
Net Assets		279 447	295 314
Equity			
Contributed capital		859 225	851 125
Retained earnings		(579 778)	(555 811)
Total Equity		279 447	295 314

The total equity is 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 CHANGES IN EQUITY

For the Year Ended 30 June 2026

	Note No.	Contributed Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 30 June 2024		838 542	(564 499)	274 043
Total Comprehensive Result for 2024-25		-	14 318	14 318
Transactions with the SA Government in their capacity as owners:				
Equity contribution		74 583	-	74 583
Equity repayment		(62 000)	-	(62 000)
Dividends paid	17	-	(5 630)	(5 630)
Balance as at 30 June 2025		851 125	(555 811)	295 314
Total Comprehensive Result for 2025-26		-	38 334	38 334
Transactions with the SA Government in their capacity as owners:				
Equity contribution		8 100	-	8 100
Equity repayment		-	-	-
Dividends paid	17	-	(62 301)	(62 301)
Balance as at 30 June 2026		859 225	(579 778)	279 447

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 2026

	Note No.	2026 \$'000	2025 \$'000
Cash Flows from Operating Activities			
Cash Inflows			
Receipts from sales		205 724	155 091
Receipts from tenants (rent)		50 658	30 887
Receipts from SA Government		10 686	8 914
Interest received		1 346	2 322
Recoveries and sundry receipts		33 951	32 492
GST recovered from the ATO		1 130	12 517
Cash Generated from Operations		303 495	242 223
Cash Outflows			
Payments for land purchase and development		(197 540)	(259 649)
Payments for operations, supplies, services and employee costs		(124 903)	(104 969)
Interest paid		(58 168)	(32 494)
Income tax equivalent paid		(5 969)	(3 725)
Cash Used in Operations		(386 580)	(400 837)
Net Cash Used in Operating Activities	30	(83 085)	(158 614)
Cash Flows from Investing Activities			
Cash Inflows			
Distributions of profit by joint ventures		-	261
Proceeds from the sale of investment properties		4 040	13 000
Cash Generated from Investing Activities		4 040	13 261
Cash Outflows			
Purchase of investment property		(943)	(3 362)
Purchase of property, plant and equipment		(449)	(290)
Cash Used in Investing Activities		(1 392)	(3 652)
Net Cash (Used in)/Generated from Investing Activities		2 648	9 609
Cash Flows from Financing Activities			
Cash Inflows			
Equity contributions received from SA Government		8 100	74 583
Proceeds from borrowings		245 000	491 751
Cash Generated from Financing Activities		253 100	566 334
Cash Outflows			
Repayment of borrowings		(115 000)	(311 751)
Equity repayments to SA Government		-	(62 000)
Dividends paid to SA Government		(62 301)	(5 630)
Cash Used in Financing Activities		(177 301)	(379 381)
Net Cash Provided by Financing Activities		75 799	186 953
Net (Decrease)/Increase in Cash Held		(4 638)	37 948
Cash at the beginning of the financial year		46 723	8 775
Cash at the End of the Financial Year	18	42 085	46 723

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 Her 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 and buildings 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
- holding land and other property to be made available as appropriate for commercial, industrial, residential or other purposes.

As the state government's property development agency, Renewal SA's role is to deliver lasting impact through property and projects for South Australia, across the environment, community and economy.

Renewal SA co-ordinates, develops and delivers projects and initiatives in line with the Government of South Australia's strategic priorities and objectives.

Key priority areas include increasing the amount and availability of affordable housing, creating connected and sustainable communities, accelerating the supply of housing in our regions, unlocking land for industrial and commercial developments, constructing and divesting residential and commercial built form, and contributing meaningfully to the elimination of carbon emissions to reach the government's target of net carbon zero by 2050.

Renewal SA is committed to delivering in partnership with the public and private sectors, to engaging with communities and stakeholders, and to reconciliation with First Nations peoples.

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.

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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 2026 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 2026 and therefore an income tax equivalent is 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. Renewal SA is also liable for guarantee fee payments as it undertakes all borrowings from SAFA to fund its business operations. Consistent with competitive neutrality principles, guarantee fees are paid to the Government of South Australia to remove any competitive advantage Renewal SA might have due to its ability to borrow under the Government of South Australia credit rating.

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;
- trade 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 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.

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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 \$0.010 million 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 (other than inventories)

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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Inventories

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 (Refer to note 20).

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.

Note 3 Significant Transactions with Government Related Entities

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

Equity contributions of \$8.100 million (2024-25: \$74.583 million) and Community Service Obligation (CSO) funding of \$34.117 million (2024-25: \$47.666 million) were received from the Department of Treasury and Finance (DTF) during the financial year.

During the financial year, the Treasurer determined that Renewal SA make a dividend payment of \$62.301 million in 2025-26 (2024-25: \$5.630 million), which is consistent with the budget position outlined in the 2026-27 State Budget.

In accordance with *Treasurer's Instruction 22 – Tax Equivalent Payments*, Renewal SA is required to pay to the SA Government an income tax equivalent \$16.429 million (2024-25: \$5.579 million).

During the financial year, Renewal SA paid land tax of \$22.636 million (2024-25: \$19.515 million) to Revenue SA in relation to land holdings held by Renewal SA.

During the financial year, Renewal SA transferred (Donated Asset) both civil and infrastructure works at 557 Womma Road, Penfield to the Department for Infrastructure and Transport (DIT) at a cost of \$3.546 million, pursuant to the Urban Renewal Act, with the effective transfer date of 24 June 2026.

During the financial year, Renewal SA sold land at Lots 104 & 243 Petherton Road, Eyre SA to the Minister for Education, Training and Skills for \$10.000 million, with the effective transfer date of 17 June 2026.

During the financial year, Renewal SA sold land at Lot 2021 How Road, Aldinga SA to the Minister for Emergency Services and Correctional Services for \$1.570 million, with the effective transfer date of 18 March 2026.

As part of the Playford Alive Affordable Rental Program, Renewal SA sold land at Lots 1-9 Peachy Road, to SA Housing Trust for \$4.129 million, with the effective transfer date of 30 April 2026.

As part of the Playford Alive Affordable Rental Program, Renewal SA sold land at Lots 1-11 Nolan Place, to SA Housing Trust for \$4.915 million, with the effective transfer date of 18 June 2026.

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During the financial year, Renewal SA transferred six (2024-25: four) Seaton Demonstration properties to the SA Housing Trust at zero cost, pursuant to the Urban Renewal Act, with the effective transfer date of 8 August 2025.

Note 4 Revenue from Sales and Cost of Sales

	2026 \$'000	2025 \$'000
Sales revenue for the reporting period is summarised as follows:		
<i>Land sales to:</i>		
Entities within the SA Government	20 614	5 606
Other - sales to non-SA Government entities	251 906	142 225
Total Sales Revenue	272 520	147 831
<i>Cost of sales associated with:</i>		
Entities within the SA Government	7 672	9
Other - sales to non-SA Government entities	142 156	102 277
Total Cost of Sales	149 828	102 286

Sales revenue comprises revenue earned from the sale of land for residential, commercial and community purposes, coupled with revenue generated in relation to the sale of completed residential and commercial built form. Revenue from land and built form 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.

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.

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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.

The Joint Venture was completed in 2024-25.

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:

	2026 \$'000	2025 \$'000
Revenues	-	-
Expenses	-	(5)
Profit from Ordinary Activities	-	(5)

Movements in Renewal SA's investment in the joint venture during the reporting period is

	2026 \$'000	2025 \$'000
Share of investment in joint ventures:		
Carrying amount at the beginning of the period	-	261
Profit for the reporting period	-	(5)
Distribution of profit	-	(256)
Total Carrying Amount of Investment in Joint Ventures	-	-

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

	2026 \$'000	2025 \$'000
Current assets:		
Cash	-	-
Receivables	-	-
Total Assets	-	-
Current liabilities:		
Creditors and other payables	-	-
Total Liabilities	-	-
Net Assets	-	-

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Note 6 Revenues from SA Government

	2026	2025
	\$'000	\$'000
Community service obligations from SA Government	19 945	17 101
Other SA Government revenues	1 267	7 769
Gross Revenues from SA Government	21 212	24 870
Less: Revenue deferred for development costs	(10 600)	(8 923)
Total Revenues from SA Government	10 612	15 947

Community Service Obligations

Renewal SA is required under its Act 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 (CSO) are provided for both capital and operating purposes.

CSO's 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.

CSO Capital Contributions are recognised in the Statement of Financial Position as equity.

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.

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Note 7 Interest Revenues

	2026	2025
	\$'000	\$'000
Interest from deferred payment arrangements	16 752	15 433
Interest from cash and cash equivalents	966	1 120
Finance debtor interest	485	469
Total Interest Revenues	18 203	17 022

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

Note 8 Property Income

	2026	2025
	\$'000	\$'000
Rental income	30 103	27 845
Recoveries	12 134	13 136
Other property income	703	567
Total Property Income	42 940	41 548

Property income arising from investment properties is recognised when invoiced. 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 \$16.022 million (2024-25: \$15.537 million).

Note 9 Other Revenues

	2026	2025
	\$'000	\$'000
Consulting revenue	156	99
Recoveries	-	22
Other revenues	1 066	956
Total Other Revenues	1 222	1 077

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 activities associated with PC114.

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

	2026 \$'000	2025 \$'000
Investment properties:		
Proceeds from disposal	4 040	13 000
Less: Net book value of assets disposed	(3 847)	(13 200)
Net Loss from Disposal of Completed Non-Current Assets	193	(200)
Total Net Gain/(Loss) from Disposal of Non-Current Assets	193	(200)

Income 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.

During the financial year, Renewal SA sold land at the New Castalloy site to Premier Property Development Pty Ltd for \$4.040 million, with the effective transfer date of 20 February 2026.

Income from the disposal of property, plant and equipment (including right-of-use assets) is recognised when control of the asset has passed to the purchaser and is determined by comparing proceeds with the carrying amount.

Note 11 Key Management Personnel

	2026 \$'000	2025 \$'000
Salaries and other short-term employee benefits	2 157	2 185
Post-employment benefits	209	221
Total Compensation	2 366	2 406

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 \$2.366 million (2024-25: \$2.406 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*.

There were no transactions with Key Management Personnel.

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Note 12 Board and Committee Members

Members during the year ended 30 June 2026 were:

Urban Renewal Authority Board of Management

S Hains (AM), Presiding Member
 K Willits
 A Moroney
 A Taylor (OAM)
 B Gallacher
 D O'Loughlin
 P Blight*

*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.

Urban Renewal Authority Finance, Risk and Audit Committee

A Taylor (OAM), Chairperson
 B Gallacher
 J Miller
 T Lebbon (appointed 1 October 2025)
 T Pavic (resigned 30 September 2025)

Board and Committee Remuneration

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

	2026	2025
	No:	No:
\$0	2	2
\$1 to \$19 999	2	2
\$20 000 to \$39 999	5	5
\$60 000 to \$79 999	1	1
Total Number of Members	10	10

Total remuneration received and receivable by all members for the period they held office was \$0.284 million (2024-25: \$0.287 million). Remuneration of members includes sitting fees and superannuation contributions.

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Note 13 Employee Benefits Expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	23 277	22 136
Targeted voluntary separation packages	-	86
Long service leave	537	541
Annual leave	2 071	1 811
Skills and experience retention leave	60	60
Employment on-costs - superannuation	3 113	2 833
Employment on-costs - other	1 648	1 558
Board and committee fees	254	258
Other employee related expenses	-	100
Gross Employee Benefits Expenses	30 960	29 383
Less: Employee benefits capitalised to inventories	(5 990)	(5 107)
Total Employee Benefits Expenses	24 970	24 276

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.

	2026	2025
	No:	No:
The number of employees whose remuneration received or receivable falls within the following bands:		
\$171 001 to \$177 000*	N/A	3
\$177 001 to \$197 000	7	7
\$197 001 to \$217 000	7	6
\$217 001 to \$237 000	8	7
\$237 001 to \$257 000	2	4
\$257 001 to \$277 000	6	4
\$277 001 to \$297 000	2	2
\$297 001 to \$317 000	1	2
\$317 001 to \$337 000	1	-
\$337 001 to \$357 000	1	2
\$357 001 to \$377 000	1	-
\$397 001 to \$417 000	1	-
\$497 001 to \$517 000	-	1
Total	37	38

*This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2024-25.

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 \$8.905 million (2024-25: \$9.585 million).

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Note 14 Employee Benefits Liabilities

	2026 \$'000	2025 \$'000
Current		
Accrued wages and salaries	198	88
Annual leave	2 277	2 032
Employment on costs	638	554
Long service leave	467	504
Skills and experience retention leave	57	57
Other Provision	-	100
Total Current Employee Benefits	3 637	3 335
Non-Current		
Employment on costs	461	443
Long service leave	2 630	2 526
Total Non-Current Employee Benefits	3 091	2 969
Total Employee Benefits	6 728	6 304

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.

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.

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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 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.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds in 2025-26 is 4.75% (2024-25: 4.25%).

As a result of the actuarial assessment performed by the Department of Treasury and Finance, the salary inflation rate of 3.50% for the 2025-26 financial year has remained the same as the corresponding 2024-25 rate for the valuation of the long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year was immaterial. 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.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months based upon previous experience.

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.

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 44% (2024-25: 44%) and the average factor for the calculation of employer superannuation on-costs was 12.0% (2024-25: 11.5%). These rates are used in the employment on-cost calculation.

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Note 15 Operating Expenditure

	2026	2025
	\$'000	\$'000
Property expenditure	31 703	29 457
Land tax	22 636	19 515
Consultants	3 708	1 157
Contractors	2 107	2 590
Accommodation costs	1 880	902
Administration and other expenditure	14 467	13 167
Donated Asset Expense	3 547	-
Total Operating Expenditure	80 048	66 788

Audit Office of South Australia Remuneration

Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* included in administration and other expenditure total \$0.227 million (2024-25: \$0.221 million).

Note 16 Borrowing Costs

	2026	2025
	\$'000	\$'000
Borrowing costs on other loans	34 698	28 224
Borrowing costs on overdraft	1 000	177
Interest expense on lease liabilities	471	382
Guarantee fees on other loans	11 131	8 537
Guarantee fees on overdraft	293	56
Gross Borrowing Costs	47 593	37 376
Less: Borrowing costs capitalised to inventories	(6 295)	(3 185)
Total Borrowing Costs	41 298	34 191

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.

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Note 17 Dividends Paid to SA Government

	2026	2025
	\$'000	\$'000
Dividends paid	62 301	5 630
Total Dividends Paid to SA Government	62 301	5 630

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 determined that Renewal SA make a dividend payment of \$62.301 million in 2025-26, which is consistent with the budget position outlined in the 2026-27 State Budget. This payment comprised \$11.899 million relating to the 2024-25 profit being higher than the forecast profit and \$50.402 million relating to 100 per cent of Renewal SA's budgeted 2025-26 profit. The statutory profits were materially higher in 2024-25 due to positive year-end accounting adjustments made after the dividend declaration in June 2025. The statutory profit for 2025-26 ended up being lower than the budgeted amount which the current year dividend was based on and a corresponding dividend adjustment will be made in 2026-27 upon receiving direction from the Treasurer to account for this.

Renewal SA are also required to make special dividend payments associated with the annual operating profit of the Adelaide Station and Environs Redevelopment (ASER) site. This has historically been approximately \$2.0 million per annum and is included in the dividend payment of \$62.301 million highlighted above.

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Note 18 Cash and Cash Equivalents

	2026 \$'000	2025 \$'000
Current		
Deposits with the Treasurer	40 267	43 741
Cash held for Lot Fourteen Car Park	865	842
Cash at bank and on hand	953	2 140
Total Cash and Cash Equivalents	42 085	46 723

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.

Cash at Bank and on Hand

Cash at bank and on hand include 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 Renewal SA 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

	2026 \$'000	2025 \$'000
Current		
Contractual Receivables		
Trade and other receivables	14 777	11 287
Provision for doubtful debts	(2 597)	(2 598)
Lease receivables	4 754	6 759
Deferred payment arrangements	23 627	25 114
Total Contractual Receivables	40 561	40 562
Statutory Receivables		
GST receivable	-	3 385
Total Statutory Receivables	-	3 385
Prepayments	11 845	8 288
Total Current Receivables	52 406	52 235
Non-Current		
Lease receivables	8 269	8 250
Deferred payment arrangements	170 434	112 447
Total Non-Current Receivables	178 703	120 697
Total Receivables	231 109	172 932

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals, measured at amortised 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 arise from significant land sales where purchasers are granted extended payment terms. Revenue is recognised when control of the land transfers to the purchaser, with a receivable recognised at the present value of future cashflow payments. The difference between the contractual sale price and the present value of those payments represents a financing component and is recognised as interest revenue over the term of the arrangement. Some development agreements include both variable and fixed consideration. Management estimates future cash flows, including variable consideration, based on contractual terms, development forecasts and other information available at the reporting date. Variable consideration is included in the transaction price only when it is highly probable that a significant revenue reversal will not occur. Changes in estimated future payments may result in adjustments to the carrying value of deferred payment receivables and affect future revenue and interest income.

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.

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Movement in the Allowance for Doubtful Debts

An 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.

	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	2 598	29
Debts no longer being pursued	(1)	(9)
(Decrease) in the allowance	-	(3)
Increase in the allowance	-	2 581
Carrying Amount at the End of the Period	2 597	2 598
<i>Bad debts written off:</i>		
Trade debtors	-	9
<i>Transfer (from)/to provision for doubtful debts:</i>		
Trade debtors	-	2 589
Total Bad and Doubtful Debts Expense	-	2 598

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.

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Note 20 Inventories

	2026 \$'000	2025 \$'000
Current		
Land held for sale	68 513	51 182
Development projects	164 689	80 281
Total Current Inventories	233 202	131 463
Non-Current		
Land held for sale	67 248	91 374
Development projects	585 009	583 368
Licences	500	500
Total Non-Current Inventories	652 757	675 242
Total Inventories	885 959	806 705
Movements in Carrying Amounts:		
	2026 \$'000	2025 \$'000
Carrying amount at the beginning of the period	806 705	612 095
Transfer in/out from administrative restructure	(615)	3 394
Land purchases	2 329	62 743
Development costs capitalised	232 466	200 357
Capitalised CSO	(21 028)	-
Cost of sales	(149 828)	(102 286)
Transfer to finance receivable	(247)	-
Inventory write down	-	(6 790)
Reversal of inventory write down	16 177	37 192
Carrying Amount at the End of the Period	885 959	806 705

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 by management and by external valuers as at 30 June 2026 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 reversal of previous years write downs of \$16.177 million in 2025-26 is a result of the annual review of the recoverable values of inventory and future cash flows for projects.

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.

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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 down 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.

Inventory has a carrying amount of \$885.458 million. If these assets were not classified as inventory, they would require recognition at their fair value, estimated to be \$1.745 billion. The fair value was estimated using independent valuations over three years, reducing the reliability of the estimate.

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 an agreed discount rate.

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

	2026 \$'000	2025 \$'000
Freehold Land & Buildings at Fair Value:		
Current		
Independent valuation	117 745	121 380
Total Investment Properties	117 745	121 380
	2026 \$'000	2025 \$'000
Movements in Carrying Amounts		
Land & Building at fair value:		
Carrying amount at the beginning of the period	121 380	127 485
Transfer from Inventory (see Note 23)	-	1 186
Additions	-	1 000
Capitalised grants received	(3)	(292)
Capitalised expenditure	943	2 362
Disposals	(3 846)	(13 200)
Net gain on fair value adjustments - Land	-	1 089
Net gain on fair value adjustments - Building	(729)	1 750
Carrying Amount at the End of the Period	117 745	121 380
Total Carrying Amount at the End of the Period	117 745	121 380
Amounts Recognised in the Statement of Comprehensive Income		
	2026 \$'000	2025 \$'000
Property Income (refer to Note 8)	16 022	15 537
Direct operating expenses arising from investment properties that generated rental income	(13 264)	(12 623)
Direct operating expenses arising from investment properties that did not generate rental income	-	(342)
Total Amount Recognised in the Statement of Comprehensive Income	2 758	2 572

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, when invoiced.

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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.

Valuation Basis

An independent valuation of all Renewal SA's investment properties was conducted as at 30 June 2026. 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 or capitalisation of net income.

Note 22 Property, Plant and Equipment

	2026 \$'000	2025 \$'000
Right-of-use Buildings		
At cost	14 257	14 103
Accumulated amortisation	(11 578)	(9 469)
Total Right-of-use Buildings	2 679	4 634
Property		
At cost	14 192	14 026
Total Property	14 192	14 026
Accommodation and Leasehold Improvements		
At cost	1 409	1 409
Right-of-use asset at cost	10 366	10 238
Accumulated depreciation	(3 900)	(2 791)
Total Accommodation and Leasehold Improvements	7 875	8 856
Plant and Equipment		
At cost	70 798	70 727
Right-of-use asset at cost	-	64
Accumulated depreciation	(8 498)	(4 747)
Total Plant and Equipment	62 300	66 044
Total property, plant and equipment at cost	86 399	86 162
Total right-of-use assets at cost	24 623	24 405
Total accumulated depreciation	(23 976)	(17 007)
Total Property, Plant and Equipment	87 046	93 560

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Movements in Carrying Amounts

	2026 \$'000	2025 \$'000
Right-of-use Buildings:		
Carrying amount at the beginning of the period	4 634	6 543
Right of use asset - remeasurement	154	137
Amortisation	(2 109)	(2 046)
Carrying Amount at the End of the Period	2 679	4 634
Property:		
Carrying amount at the beginning of the period	14 026	14 026
Additions	166	-
Carrying Amount at the End of the Period	14 192	14 026
Accommodation and Leasehold Improvements:		
Carrying amount at the beginning of the period	8 856	4 750
Disposals	-	98
Right of use asset - additions	276	4 943
Depreciation	(1 257)	(935)
Carrying Amount at the End of the Period	7 875	8 856
Plant and Equipment:		
Carrying amount at the beginning of the period	66 044	61 443
Additions	71	8 060
Right of use asset - additions	-	(36)
Depreciation	(3 815)	(3 423)
Carrying Amount at the End of the Period	62 300	66 044
Total Property, Plant and Equipment	87 046	93 560

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 buildings, property, 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.

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Depreciation of \$7.181 million (2024-25: \$6.404 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
Computer equipment	Straight Line	5 years
Furniture and fittings	Straight Line	5 - 10 years
Leasehold improvements	Straight Line	Life of lease
Plant and equipment	Straight Line	5 - 19 years

Impairment

There were no indications of impairment of buildings, leasehold improvements or plant and equipment as at 30 June 2026. 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 leases located in the Adelaide CBD.
- A lease over a car park on Lot Fourteen in the Adelaide CBD.
- Accommodation leases located in Playford.
- Accommodation leases located in Christies Beach (Noarlunga Sales Centre)

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

	Note	2026 \$'000	2025 \$'000
Inventories			
Inventory write down	20	-	(6 790)
Reversal of inventory write down	20	16 177	37 192
Total Gain/(loss) from Changes in Value of Inventories		16 177	30 402
Investment Property			
Net gain/(loss) on freehold land fair value adjustments	21	-	1 089
Net gain/(loss) on building fair value adjustments	21	(729)	1 750
Total Gain from Changes in Value of Investment Property		(729)	2 839
Deferred Payment Arrangement			
Net (loss)/gain on deferred payment arrangement		(3 050)	(21)
Total (Loss)/Gain from Changes in Value of Deferred Payment		(3 050)	(21)
Total Net (Loss)/Gain from Changes in Value of Non-Current Assets		12 398	33 220

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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 2026

	2026 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring Fair Value Measurement				
Investment properties (Note 21)	117 745	-	117 745	-
Property (Note 22)	14 192	-	14 192	-
Leasehold improvements (Note 22)	902	-	-	902
Plant and equipment (Note 22)	62 300	-	-	62 300
Total Recurring Fair Value Measurements	195 139	-	131 937	63 202

Fair Value Measurements at 30 June 2025

	2025 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring Fair Value Measurement				
Investment properties (Note 21)	121 380	-	121 380	-
Property (Note 22)	14 026	-	14 026	-
Leasehold improvements (Note 22)	1 065	-	-	1 065
Plant and equipment (Note 22)	66 044	-	-	66 044
Total Recurring Fair Value Measurements	202 515	-	135 406	67 109

Renewal SA's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

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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 2025-26 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.

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 2026

	Leasehold Improvements \$'000	Plant & Equipment \$'000
Opening Balance at the Beginning of the Period	1 065	66 044
Acquisitions	-	71
Depreciation and amortisation expenses	(163)	(3 815)
Carrying Amount at the End of the Period	902	62 300

Reconciliation of Level 3 Recurring Fair Value Measurements as at 30 June 2025

	Leasehold Improvements \$'000	Plant & Equipment \$'000
Opening Balance at the Beginning of the Period	1 120	61 375
Acquisitions	-	8 060
Disposals	98	-
Depreciation and amortisation expenses	(153)	(3 391)
Carrying Amount at the End of the Period	1 065	66 044

Financial Statements

Note 25 Payables

	2026 \$'000	2025 \$'000
Current		
Contractual Payables		
Trade creditors	-	1 478
Sundry creditors and accrued expenses	42 139	45 817
Total Contractual Payables	42 139	47 295
Statutory Payables		
GST payable	4,187	-
Parental leave scheme	10	3
Total Statutory Payables	4 197	3
Total Current Payables	46 336	47 298
Non-Current		
Sundry creditors and accrued expenses	7 612	7 839
Total Non-Current Payables	7 612	7 839
Total Payables	53 948	55 137

Payables include creditors and accrued expenses.

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 15 days from the date of the invoice or date the invoice is first received.

Interest Rate and Credit Risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 15 days. 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.

Financial Statements

Note 26 Financial Liabilities

	2026 \$'000	2025 \$'000
Current		
Loans - South Australian Government Financing Authority	368 399	170 000
Lease liabilities	4 149	3 734
Total Current Borrowings	372 548	173 734
Non-Current		
Loans - South Australian Government Financing Authority	566 601	635 000
Lease liabilities	13 807	17 147
Total Non-Current Borrowings	580 408	652 147
Total Borrowings	952 956	825 881

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.

Borrowings are recognised at cost and have fixed maturity dates. The interest rate is determined by the Treasurer. The interest rate varied between 3.51% and 4.61% in 2025-26 (2024-25: 3.51% and 4.39%). In addition, the government guarantee fee rate on new and refinanced borrowings was 1.22% (2024-25: 1.51%). Guarantee fees are paid to the Government of South Australia to remove any competitive advantage Renewal SA might have due to its ability to borrow under the Government of South Australia credit rating.

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

Financial Statements

Note 27 Unearned Income

	2026 \$'000	2025 \$'000
Current		
Unearned income	40 391	37 394
Total Current Unearned Income	40 391	37 394
Non-Current		
Unearned income	12 712	13 017
Total Non-Current Unearned Income	12 712	13 017
Total Unearned Income	53 103	50 411
Movements in Carrying Amounts		
	2026 \$'000	2025 \$'000
Carrying amount at the beginning of the period	50 411	19 202
Received during the year	30 294	42 818
Recognised in the statement of comprehensive income	(27 602)	(11 609)
Carrying Amount at the End of the Period	53 103	50 411

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. As per AASB 120, paragraph 12, 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 lease income of \$39.544 million (2024-25: \$36.351 million), revenues from SA Government of \$13.485 million (2024-25: \$13.578 million) and sales and other revenue of \$0.073 million (2024-25: \$0.481 million mainly consisted of revenue from sales of property rights that had not transferred to the buyer at 30 June 2025).

Financial Statements



Note 28 Provisions

	2026 \$'000	2025 \$'000
Current		
Provision for workers compensation	81	81
Provision for income tax equivalent	16 429	5 969
Provision for contractual claims	50	1 024
Total Current Provisions	16 560	7 074
Non-Current		
Provision for workers compensation	337	337
Total Non-Current Provisions	337	337
Total Provisions	16 897	7 411
Movements in Carrying Amounts		
	2026 \$'000	2025 \$'000
Provision for workers compensation		
Carrying amount at the beginning of the period	418	417
Increase in provisions recognised	-	1
Carrying Amount at the End of the Period	418	418
Provision for income tax equivalent		
Carrying amount at the beginning of the period	5 969	4 115
Increase in provisions recognised	16 429	5 969
Reductions arising from payments	(5 969)	(4 115)
Carrying Amount at the End of the Period	16 429	5 969
Provision for future development expenditure and contractual claims		
Carrying amount at the beginning of the period	1 024	5 821
Reductions arising from payments for contractual claims	-	(4 776)
Decrease in provision for potential contractual claims	(974)	(21)
Carrying Amount at the End of the Period	50	1 024
Total Provisions	16 897	7 411

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.

Financial Statements

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 2026 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. 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.

A provision has been recognised for contractual claims relating to various contractual arrangements which Renewal SA is party to. These contracts are with various counterparties.

Note 29 Other Liabilities

	2026 \$'000	2025 \$'000
Current		
Funds held in trust	865	842
Total Current Other Liabilities	865	842
Total Other Liabilities	865	842

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

Financial Statements

Note 30 Cash Flow Reconciliation

	2026 \$'000	2025 \$'000
Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period:		
Statement of Cash Flows	42 085	46 723
Statement of Financial Position	42 085	46 723
Reconciliation of total comprehensive result to net cash used in operating activities:		
Total comprehensive result	38 334	14 318
Add/Less Non Cash Items		
Inventories write down	-	6 790
Adjustments from administrative restructure	-	1 186
Depreciation and amortisation	7 181	6 404
Provision for doubtful debts	-	2 581
Donated Assets	3 547	(7 769)
Share of net profits of joint ventures	-	5
Net loss on disposal of investment property	193	(200)
Reversal of inventories write-down	(16 177)	(37 192)
Net gain on Investment property fair value adjustments	729	(2 839)
	(4 527)	(31 034)
Movements in Assets / Liabilities		
(Increase)/Decrease in other receivables	(55 207)	(28 582)
Increase in prepayments	(3 557)	(404)
Increase in inventories	(63 077)	(164 207)
Increase in payables	3 218	23 165
Increase/(Decrease) in unearned income	2 692	31 209
Increase in provisions	(974)	(2 942)
Increase in employee benefits	(10)	(188)
Increase in other liabilities	23	51
	(116 892)	(141 898)
Net Cash Used in Operating Activities	(83 085)	(158 614)

Financial Statements

Note 31 Unrecognised Contractual Commitments

	2026 \$'000	2025 \$'000
Operating Lease Receivables		
Future minimum rental revenues under non-cancellable operating property leases held but not provided for:		
Due within one year	21 850	21 526
Due later than one year not longer than five years	59 842	56 978
Due later than five years	484 930	471 459
Total Operating Lease Receivables	566 622	549 963

These amounts are comprised 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.

	2026 \$'000	2025 \$'000
Capital and Operating Expenditure Commitments		
Payable within one year	113 801	158 373
Payable later than one year not longer than five years	30 874	24 739
Payable later than five years	4 049	4 479
Total Capital and Operating Expenditure Commitments:	148 724	187 591

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value. The majority of the decrease in Capital and Operating Expenditure commitments relates to the completion of works in the construction contract executed to construct the Deeper Maintenance and Modification Facility at Edinburgh Parks.

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

There are no contingent assets or contingent liabilities to report.

Financial Statements



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*.

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 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 15 days from the date of the invoice or the date the invoice is first received. In the event of a dispute, payment is made 15 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.

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:

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	Gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	5 514	0.9	47
Loss Allowance	5 514		47

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 \$0.047 million there are expected losses of \$2.597 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.

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.

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2026	Note	Carrying	2026 Contractual Maturities			Amortised
		Amount	< 1 year	1-5 years	> 5 years	Cost
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:						
Cash and cash equivalents	18	42 085	42 085	-	-	42 085
Financial assets at amortised cost:						
Receivables	19	221 861	43 158	87 150	91 553	221 861
Allowance for doubtful debts	19	(2 597)	(2 597)	-	-	(2 597)
Total Financial Assets		261 349	82 646	87 150	91 553	261 349

Financial Liabilities:

Financial liabilities at cost:

Payables	25	49 751	42 139	7 612	-	49 751
Borrowings	26	935 000	325 995	512 071	-	838 066
Lease Liabilities	26	17 956	4 149	11 036	2 771	17 956
Total Financial Liabilities		1 002 707	372 283	530 719	2 771	905 773
Net Financial Liabilities		(741 358)	(289 637)	(443 569)	88 782	(644 424)

2025	Note	Carrying Amount \$'000	2025 Contractual Maturities			Amortised Cost \$'000
			< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	
Financial Assets:						
Cash and cash equivalents	18	46,723	46,723	-	-	46,723
Financial assets at amortised cost:						
Receivables	19	163,857	43,160	51,417	69,280	163,857
Allowance for doubtful debts	19	(2 598)	(2 598)	-	-	(2 598)
Total Financial Assets		207 982	87 285	51 417	69 280	207 982

Financial Liabilities:

Financial liabilities at cost:

Payables	25	55,136	47,297	5,760	2,080	55,137
Borrowings	26	805,000	169,981	587,786	-	757,767
Lease Liabilities	26	20,881	3,734	11,996	4,751	20,481
Total Financial Liabilities		881 017	221 012	605 542	6 831	833 385
Net Financial Liabilities		(673 035)	(133 727)	(554 125)	62 449	(625 403)

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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).

Contractual receivables do not include prepayments as these are not financial instruments.

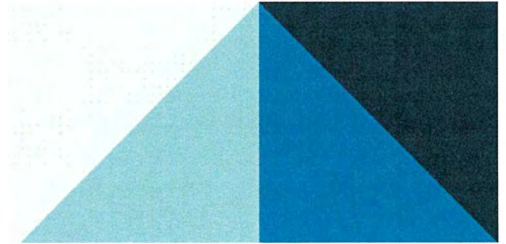
Note 34 Impact of Standards not yet Effective

Renewal SA has assessed the impact of new and changed Australian Accounting Standards Board standards and interpretations not yet effective. No Australian Accounting Standards have been early adopted.

Note 35 Events after the Reporting Period

No events have occurred since the reporting period requiring disclosure.

Financial Statements



CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

- 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 Finance and 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 2026 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 Board of Management.


S WINGARD
CHIEF EXECUTIVE
M WOOD
EXECUTIVE DIRECTOR
COMMERCIAL AND
BUSINESS SERVICES
S HAINS
PRESIDING MEMBER

15 Sep 2026

15 Sep 2026

15 Sep 2026

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