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of South Australia

Report
of the
Auditor-General

February 2012

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Report on the Adelaide Oval redevelopment pursuant
to section 9 of the *Adelaide Oval Redevelopment
and Management Act 2011* for the designated
period 1 July 2011 to 31 December 2011

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Dear President and Speaker

**Report of the Auditor-General: February 2012: Report on the
Adelaide Oval redevelopment pursuant to section 9 of the
Adelaide Oval Redevelopment and Management Act 2011 for
the designated period 1 July 2011 to 31 December 2011**

Pursuant to section 9 of the *Adelaide Oval Redevelopment and Management Act 2011*, I herewith provide to each of you a copy of my 'Report of the Auditor-General: February 2012: Report on the Adelaide Oval redevelopment pursuant to section 9 of the *Adelaide Oval Redevelopment and Management Act 2011* for the designated period 1 July 2011 to 31 December 2011'.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S O'Neill'.

S O'Neill
Auditor-General

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Report on the Adelaide Oval redevelopment pursuant to section 9 of the *Adelaide Oval Redevelopment and Management Act 2011* for the designated period 1 July 2011 to 31 December 2011

1. Executive summary

1.1 Introduction

On 29 September 2011 the *Adelaide Oval Redevelopment and Management Act 2011* (the Act) came into operation. It incorporates requirements for the financial management of the Adelaide Oval Redevelopment project and requires financial supervision of the project by the Auditor-General. This is the first Report to the Parliament pursuant to section 9 of the Act.

In addition to the specific reporting obligations of the Auditor-General pursuant to section 9 of the Act, the Auditor-General must undertake certain other principal responsibilities under the Act. These include:

- pursuant to section 9(3) of the Act, to audit the accounts of the Adelaide Oval SMA Limited (SMA) and include a report on that audit in the Auditor-General's Annual Report to Parliament
- pursuant to section 6 of the Act, to audit the accounts of the sinking fund established by the SMA and report if necessary on its operations to Parliament.

The Auditor-General's obligations and responsibilities under the Act are additional to the Auditor-General's responsibilities pursuant to the *Public Finance and Audit Act 1987* (PFAA) to audit the financial operations of the public authorities that have responsibility or are involved in progressing the Adelaide Oval Redevelopment project. These public authorities include the Department of Planning, Transport and Infrastructure (DPTI), the Department of Treasury and Finance (DTF) and the South Australian Government Financing Authority (SAFA).

1.2 Structure of this Report

This first Report discusses the context of the Auditor-General's reporting obligations pursuant to section 9 of the Act. It also provides an executive summary of the matters arising from the Audit review with respect to the three reporting terms of reference provided for in the Act.

Following the executive summary, I have provided my substantive report in three sections which correspond to the three terms of reference. In addressing each term of reference I have, in the first instance, provided an overview of my understanding of and the approach taken to address each term of reference. I have then recorded the outcome of the Audit review for each term of reference and commented on matters that I consider are appropriately brought to the attention of the Parliament.

1.3 Requirements of the Act relevant to this Report

The Act incorporates provisions which limit the amount which may be made available or expended by the responsible Minister, or other entity acting on behalf of the State, on the Adelaide Oval Redevelopment project. The scope of the project is defined by the Act which limits expenditure with respect to the project to \$535 million during the period from 1 December 2009 to 1 December 2019.

Section 9 of the Act provides for financial supervision of the Adelaide Oval Redevelopment project by the Auditor-General. It requires the Auditor-General to report to the Parliament on what I consider are three terms of reference for each six month period beginning on 1 January and 1 July in each year.

As this is the first Report provided pursuant to the Act consideration is given to both the financial activity with respect to the redevelopment project in the current designated six month period ended 31 December 2011 and before the commencement of the period. This approach is necessary to determine the funds which may be made available and expended within the approved limit as at the end of the current designated period.

1.4 Comment on the terms of reference

The terms of reference for the Auditor-General's supervision and reporting of the financial management of the Adelaide Oval redevelopment incorporate certain unique provisions. In preparing this Report I have discussed each term of reference in introducing the section of the report which addresses the particular term of reference. In addition to the commentary included when addressing each term of reference, I also provide the following comments on certain matters.

The requirement of the Auditor-General to report upon the extent to which money has been made available or expended within the \$535 million limit requires analysis of this matter.

In considering this matter I note that, within the South Australian jurisdiction, public money may only be made available through an appropriation process which provides Parliamentary authorisation for the application of money from the Consolidated Account. While it is a necessary first step, the appropriation process in itself, does not make funds available to agencies. Indeed money will only be available for expenditure by agencies when agencies draw down appropriation funding from the Consolidated Account and both agencies and officers of DTF exercise some discretion in determining if and when appropriation funding is drawn down.

For this reason, in considering and reporting on this matter, money has been recognised as made available when it has been paid from the Consolidated Account to relevant agencies' Special Deposit Accounts. Money has been considered to be expended when the entity holding the money has disbursed the money and not on an accrual basis. This basis of recognising money expended reflects a common definition of expended as paid out, disbursed or spent.

The terms of reference are also unusual because they require the Auditor-General to both prepare and review financial information, for relevant reporting, from financial and accounting records maintained by agencies and other entities. This contrasts with the established audit process reflected in the PFAA which requires agencies to prepare financial reports, which conform with the Treasurer's Accounting Policy Statements and Australian Accounting Standards, and requires the Auditor-General to perform audits and provide Independent Auditor's Reports with respect to the agencies' financial reports.

The Auditor-General's capacity to respond to the requirements of the Act is supported by the provisions of the PFAA which empower the Auditor-General to require parties to provide information and explanations and oblige those parties to respond to the Auditor-General's requests. Notwithstanding these powers it is important to emphasise that in preparing the

financial information for this Report the Auditor-General places reliance on financial systems and records which are designed and managed by agencies for their own purposes and which may not, in all respects, align with the Auditor-General’s requirements in responding to the Act. It is also important to acknowledge that Audit is not engaged in the day-to-day management of the Adelaide Oval redevelopment and, consequently, is not able to bring the immediate level of corporate knowledge that agency staff bring to the preparation of financial information for audit.

1.5 Approach to the review and preparing this Report

In preparing this Report required by section 9 of the Act the approach taken by Audit has sought to identify relevant documentation and other information and subject this documentation and other information to review. Where appropriate, and as required, further documentation and information has been sought to enable Audit to address the requirements of the Act.

It is important to acknowledge that, consistent with established audit practice, this review has considered a sample of transactions and associated documentation and other information. The matters addressed in this first Report, reflect Audit’s understanding of the documentation and other information considered at the time of preparation of this Report. I further note that subsequent reviews will both build on the knowledge and understanding gained in preparing this Report and the follow up of matters arising from this first Report.

1.6 Executive summary of response to the terms of reference

With respect to the first term of reference, on the basis of information obtained and reviewed to date, the money made available and expended against the authorised limit of \$535 million was:

	01.12.09 to 30.06.11 \$’000	01.07.11 to 31.12.11 \$’000	Total to 31.12.11 \$’000
Money made available	19 970	147 041	167 011
Money expended	14 891	130 716	145 067

With respect to the second term of reference, on the basis of information obtained and reviewed to date, except for the matter detailed in section 3.2.1 of this Report, the state of the public accounts that are relevant to the redevelopment of Adelaide Oval envisaged by the Act was satisfactory.

With respect to the third term of reference, on the basis of information obtained and reviewed to date, except for the matter detailed in section 4.2.2 of this Report, Audit have not identified any other matters that would indicate the public money made available and expended for the purpose of and in connection with the redevelopment of Adelaide Oval envisaged by the Act were not managed and used properly and efficiently.

2. Term of reference one

Section 9 (1) (a) of the Act requires the Auditor-General to report upon:

the extent to which money has been made available or expended within the \$535 million limit specified by this Part during the designated period

This term of reference requires the Auditor-General to obtain information from the financial records and accounts of both public authorities and other entities with respect to the Adelaide Oval redevelopment. When read in the context of section 8 of the Act the term of reference requires consideration of whether public money, which in the context of the South Australian public sector is money, appropriated from the Consolidated Account, has been made available or expended on the redevelopment of Adelaide Oval.

For the reasons discussed in the introduction to this Report money is considered to be made available when it has been appropriated and has been drawn down from the Consolidated Account. Money has been considered to be expended when the entity holding the money has disbursed the money and not on an accrual basis. This basis of recognising money expended reflects a common definition of expended as paid out, disbursed or spent.

2.1 Approach to preparing information for the Report

When preparing the financial information required to respond to this term of reference consideration was given to authoritative documentation including the Treasurer’s budget papers, Cabinet submissions and relevant agencies’ financial records and accounts.

Audit has also considered the audited financial statements of the SMA for the year ended 30 June 2011 and financial information prepared by the SMA for the period from 1 July 2011 to 31 December 2011. The Auditor-General assumed responsibility for the audit of the SMA on proclamation of the Act. In effect, the Auditor-General is responsible for the audit of the operations and accounts of the SMA from 1 July 2011.

Information prepared by Audit was subject to review and/or confirmation with relevant agencies.

2.2 Summary of money made available and expended within the \$535 million limit to 31 December 2011

With respect to the first term of reference, on the basis of information obtained and reviewed to date, the money made available and expended against the authorised limit of \$535 million was:

	01.12.09 to 30.06.11 \$’000	01.07.11 to 31.12.11 \$’000	Total to 31.12.11 \$’000
Money made available	19 970	147 041	167 011
Money expended	14 891	130 716	145 067

The Appendix to this Report provides more detailed analysis of money made available and expended within the \$535 million limit to 31 December 2011. The principal items of expenditure incurred to 31 December 2011 in relation to the Adelaide Oval redevelopment, which are detailed in the Appendix, include:

- Payments to extinguish the South Australian Cricket Association Incorporated (SACA) loan facility with the Treasurer – \$85 million
- Prepayment to the principal construction contractor – \$35 million

- Grant to the SMA to undertake preliminary design work – \$5 million.

3. Term of reference two

Section 9(1)(b) of the Act requires the Auditor-General to report upon:

the state of the public accounts that are relevant to the redevelopment of Adelaide Oval envisaged by this Act.

This term of reference requires the Auditor-General to evaluate the state of the public accounts which are relevant to the Adelaide Oval redevelopment. The Act defines public accounts in the same terms as the PFAA:

public accounts means the Consolidated Account, special deposit accounts, deposit accounts, accounts of money deposited by the Treasurer with SAFA, imprest accounts and all other accounts shown in the general ledger

In this context the general ledger is the Treasurer’s ledger.

In evaluating the state of the public accounts I have understood the term ‘state’ to mean both the financial position and condition, circumstances or attributes of the public accounts. Specific matters considered in evaluating the state of the public accounts have included whether the public accounts have been operated lawfully, that is in accordance with the requirements of the PFAA and associated Treasurer’s Instructions. Consideration has also been given to whether the public accounts have been operated in a way which supports my reporting on:

- the extent money was made available or expended within the \$535 million limit
- the extent that public authorities have properly and efficiently managed and used money made available within the \$535 million limit.

3.1 Approach to evaluating the state of public accounts relevant to the redevelopment of Adelaide Oval

As I have indicated in my response to the first term of reference, Audit has sought, by inquiry directed to relevant agency staff, to identify the accounts through which public money has been made available or expended within the \$535 million limit authorised by the Act. Audit has also reviewed and/or confirmed the outcome of these inquiries with relevant agencies.

Having identified the public accounts relevant to the redevelopment of the Adelaide Oval Audit has sought to understand the financial systems, records and controls used by the agencies to process and control the expenditure of money in connection with the redevelopment of the Adelaide Oval. In evaluating the state of the public accounts Audit has considered whether:

- the purpose of the agency accounts, which are special deposit accounts established pursuant to section 8 of the PFAA, was consistent with their use to record and control expenditure with respect to the redevelopment of the Adelaide Oval

- the detailed records used by the agencies supported both my reporting pursuant to the Act and the agencies' effective management and control of the activity.

In evaluating the public accounts Audit has also considered matters which were identified by ongoing audit of the agencies' financial systems and records and the impact of these matters on the assessment of the state of the public accounts required by the Act.

3.2 Findings with respect to term of reference two

The audit analysis of financial activity associated with the Adelaide Oval redevelopment established that DTF, SAFA and DPTI were the public authorities who engaged in financial activities relevant to the redevelopment. Inquiries of the three agencies have confirmed the public accounts relevant to the redevelopment were the Consolidated Account, the Department of Treasury and Finance Administered Items Operating Account, the Department of Planning, Transport and Infrastructure Operating Account and the South Australian Government Financing Authority Deposit Account. The usage of the accounts has changed as responsibility for governance of the redevelopment was amended and DPTI assumed primary responsibility for the redevelopment.

The review has identified the Consolidated Account, the Department of Treasury and Finance Administered Items Operating Account, the Department of Planning, Transport and Infrastructure Operating Account and the South Australian Government Financing Authority Deposit Account, are the public accounts that are relevant to the redevelopment of Adelaide Oval envisaged by the Act.

On the basis of information obtained and reviewed to date, except for the matter detailed in section 3.2.1 of this Report, the state of the public accounts that are relevant to the redevelopment of Adelaide Oval envisaged by the Act was satisfactory.

Audit has identified certain areas in which the arrangements for the operation and control of these public accounts could be improved to more effectively support relevant public authorities in their management of the Adelaide Oval redevelopment and the public authorities and the Auditor-General in responding to the requirements of the Act. These matters are discussed below.

3.2.1 Control over DPTI's detailed project ledger

During the designated period detailed records of project expenditure were principally controlled and recorded through the detailed project ledger maintained by DPTI. The review of controls over this account noted that significant expenditure was recorded outside the project ledger and only recognised in the project ledger after the 31 December 2011 cut-off date. The review also identified some payments with respect to the redevelopment project which were processed as urgent payments outside of the established accounts payable system, which is automatically integrated with the DPTI general ledger, also resulting in delays in recording the payments within the project ledger.

These matters will be the subject of communication with DPTI seeking its assistance in developing policies and procedures, specific to the redevelopment project, and focussed on providing appropriate assurance to both DPTI and Audit that all expenditure, relevant to the Adelaide Oval redevelopment, is captured within a nominated project ledger account within the correct period.

3.2.2 Mandating the use of a designated Special Deposit Account to control and record money made available and expended for the Adelaide Oval redevelopment

I will also recommend for consideration to the Under Treasurer that he seek the Treasurer's approval to implement arrangements which mandate that all public and other money made available to the Adelaide Oval redevelopment are paid into a nominated Special Deposit Account and that all expenditure is controlled and recorded through that Account.

4. Term of reference three

Section 9(1)(c) of the Act requires the Auditor-General to report upon:

the extent to which it appears that public money made available to any entity, including an entity that is not a public authority, for the purposes of, or in connection with, the redevelopment of Adelaide Oval envisaged by this Act has been properly and efficiently managed and used during the designated period.

This term of reference requires the Auditor-General to consider whether the management and use of public money by any entity for the purposes of, or in connection with, the redevelopment of Adelaide Oval was proper and efficient.

The entities identified and considered by Audit, to date, in responding to this term of reference are DTF, DPTI and the SMA. As is demonstrated by the summary of money made available and expended with respect to the redevelopment of the Adelaide Oval, DPTI was the entity which incurred material expenditure during the period from 1 July 2011 to 31 December 2011. Consequently this Report focuses on the management and use of money by DPTI for the purposes of, or in connection with, the redevelopment of Adelaide Oval.

In responding to this term of reference the term 'managed' is understood to mean the way money is handled, directed, governed or controlled and the term 'used' is understood to mean the way money is consumed or expended.

Assessing whether money has been 'properly' managed and used is understood to require an assessment whether that management and use conforms to established standards of financial management practice and behaviour. In the context of the Act the established standards of practice and behaviour reflect:

- relevant authoritative documentation, which is specific to this project, including Cabinet approvals and contractual documentation
- authoritative regulations and guidelines such as the Treasurer's Instructions and Department of the Premier and Cabinet Circulars
- the context of the specific arrangements implemented by relevant entities
- generally accepted standards of financial management practice and behaviour.

Implicit in this discussion is an acknowledgement that, in the context of the Act, the standards of what is proper may differ for entities which are public authorities, and hence governed by the Treasurer's Instructions and the Department of the Premier and Cabinet Circulars, and the SMA, which is not a public authority.

Assessing whether money has been ‘efficiently’ managed and used is understood to require an assessment of whether money was used to progress the Adelaide Oval redevelopment and, more particularly, whether use of money was:

- necessary in completing the project
- managed to minimise the amount of money committed to achieving the project outcome.

In considering these matters specific focus is also required to evaluate whether procurement processes, particularly with respect to procurement of contracted service providers, were consistent with established public sector standards.

4.1 Approach to evaluating whether the management and use of money in connection with the Adelaide Oval redevelopment was proper and efficient

In responding to this term of reference Audit has sought to identify expenditure by DPTI in the designated period and to understand the nature of that expenditure including its purpose and the parties to whom money has been paid. Specific matters considered in responding to this term of reference included the arrangements implemented to procure, contract with and manage the service providers who have been engaged to progress the redevelopment.

It is important to again acknowledge that, consistent with established audit practice, this review has considered a sample of transactions and associated documentation and other information. The matters addressed in this first Report, reflect Audit’s understanding of the documentation and other information considered at the time of preparation of this Report. I further note that subsequent reviews will both build on the knowledge and understanding gained in preparing this Report and the follow-up of matters arising from this first Report.

4.2 Findings with respect to term of reference three

On the basis of information obtained and reviewed to date, except for the matter detailed in section 4.2.2 of this Report, Audit have not identified any other matters that would indicate the public money made available and expended for the purpose of and in connection with the redevelopment of Adelaide Oval envisaged by the Act were not managed and used properly and efficiently.

Audit has identified certain areas for improvement in the arrangements for the management and use of public money which are discussed below and will be communicated to DPTI for consideration and appropriate action.

4.2.1 Procurement of consultants

The Audit review of expenditure by DPTI noted significant payments to professional service contractors engaged to provide technical and design services in developing the design of the Adelaide Oval redevelopment. Review of relevant contractual documentation for a number of professional service contractors has highlighted that some contractors were initially engaged by the SMA, when that entity was responsible for developing concept designs for the redevelopment.

Following the transfer of project governance responsibility to the Minister for Infrastructure through DPTI the services of the professional service contractors was procured by DPTI through single sourced offers from the contractors. On the recommendation of DPTI officers the Minister for Infrastructure then entered contracts with the professional service contractors, initially for the concept design development phase but with the option to extend the contracts through to the construction phase of the project.

Documentation prepared by DPTI officers noted that procuring professional service contracts through single source offers was consistent with DPTI's established procedures because public calls were not feasible if the project objective of completing the redevelopment by early 2014 was to be achieved. The documentation also noted that the professional service contractors had been involved in the project from its inception and it was considered ineffective and uneconomic to engage new providers because to do so would require the re-creation of the intellectual property which then existed.

In addition to the contracts entered through single-source offers, Cabinet approved in October 2011 the engagement of the principal construction contractor as a result of a competitive tender process. The contract with the principal construction contractor was finalised in November 2011.

Aspects of the procurement process relating to the engagement of the principal construction contractor and other procurement arrangements will be undertaken as part of the ongoing audit of the Adelaide Oval Redevelopment project.

4.2.2 Project governance arrangements

The review of project governance arrangements implemented by DPTI noted the implementation of a project control group and the establishment of a dedicated project office which was administered by the contracted project manager. These arrangements were implemented to manage and coordinate the input of the various professional service contractors, the project architect, the contracted builder, DPTI officers and the SMA into the design phase of the project.

It is my understanding that the project governance arrangements implemented by DPTI have evolved over time and incorporate elements of the arrangements implemented by the SMA before the transfer of project governance responsibility to the Minister for Infrastructure. The review of documentation associated with specific expenditure related to the establishment of the project office confirmed individual items of expenditure were authorised by DPTI officers and were supported by documentation to substantiate the nature of the payments.

In reviewing the arrangements for incurring costs associated with the project office and in seeking to understand the role of the project control group, Audit sought to identify documentation which provided an overarching framework both for the establishment of the project control group and for the management of costs associated with the project office. I understand from discussions with DPTI officers that formal documentation has not been prepared which sets out the roles and responsibilities of members of the project control group or the role of the contracted project manager in administering the project office and associated expenses.

I will recommend to DPTI that it considers preparing formal documentation, possibly in the form of a memorandum of understanding between DPTI officers with executive responsibility for the redevelopment, the representatives of the SMA and the project manager, which records

the respective roles, responsibilities and limits of authority for members of the project control group. I will also recommend that DPTI implement a formal contract with the project manager with respect to the project manager's role in administering the project office.

4.2.3 Payments by DPTI related to operations of the SMA

The audit examination of money expended by DPTI for the designated period noted certain payments which related to costs that seemed more aligned to the operation of the SMA and not the redevelopment of the Adelaide Oval.

At the time of preparing this Report, as part of the continuous audit activity over the Adelaide Oval Redevelopment project and in the context of assuming the statutory audit responsibility for the SMA, Audit is in the process of reviewing and evaluating these payments.

Any notable matters arising from this evaluation will be communicated in a subsequent Report.

5. Other matters of importance

5.1 Lease and licence arrangements

The Act provides for the execution of a number of leases and licences between relevant parties. The leasing and licensing arrangements underpin the Adelaide Oval Redevelopment project and the ongoing care, control and management of the oval and precinct.

In preparing this Report Audit requested and received the following leases and licences:

- lease over the Adelaide Oval Core Area between the Minister for Infrastructure (the Minister) and the Corporation of the City of Adelaide (ACC) – executed 17 November 2011
- sub-lease over the Adelaide Oval Core Area between the Minister and the SMA – executed 17 November 2011
- licence between the Minister and the SACA – executed 17 November 2011
- licence between the Minister and the South Australian National Football League (SANFL) – executed 17 November 2011
- licence over the Adelaide Oval Licence Area between the Minister and the ACC – execution date not recorded.

The Act requires the Minister to provide copies of the sub-lease and licences to both Houses of Parliament.

Audit noted that the sub-lease over the Adelaide Oval Core Area between the Minister and the SMA and the licence over the Adelaide Oval Licence Area between the Minister and the ACC were tabled in both Houses of Parliament in February 2012. It was also noted however, at the time of preparing this Report, the licences between the Minister and the SACA and the SANFL had not been provided to both Houses of Parliament.

It was further noted at the time of preparing this Report the Adelaide Oval Licence Area sub-licence between the Minister and the SMA, which provides for the SMA to use the Adelaide Oval Licence Area for certain purposes had not been finalised.

5.2 Other funding commitments

During the course of preparing this Report Audit was provided with documentation which outlined future funding commitments from both the Commonwealth government and the Australian Football League (AFL). Correspondence from the Commonwealth Government indicated it has agreed to contribute \$30 million towards costs associated with constructing car parking and developing planned wet-lands. The AFL advised that, subject to final approval from the AFL Commission, it is prepared to contribute \$5 million to meet the cost of certain aspects of the redevelopment of the western grandstand.

At the time of finalising this Report no money had been received from the Commonwealth Government or the AFL. The status of these funding commitments will be considered in subsequent audits.

6. A final matter

The introduction to this Report discussed the Auditor-General's different obligations and responsibilities to both the Act and the PFAA. Although the Act requires the Auditor-General to report at about six-monthly intervals on the Adelaide Oval Redevelopment project, I consider that should any matter arise that needs to be reported to Parliament at an earlier time, I will report such matter in the Annual Report or a Supplementary Report to Parliament.

Appendix

Summary of money made available and expended within the \$535 million limit to 31 December 2011

Extent to which the \$535 million has been made available

	\$'000
Total State Government funding available for the project	535 000
Monies appropriated to DTF:	
Monies appropriated to DTF prior to 1 July 2011:	
Initial grant funding to the SMA for project expenditure	5 000
Interest	970
Appropriation to DTF	4 000
<i>Less:</i> Monies transferred to DPTI from Contingency	(4 000)
	5 970
Monies appropriated to DTF during the period 1 July 2011 to 31 December 2011:	
Appropriation to DTF	143 021
<i>Less:</i> Monies transferred to DPTI from Contingency	(143 021)
	-
Total monies appropriated to DTF less amounts transferred to DPTI to 31 December 2011	5 970
Monies appropriated to DPTI:	
Monies appropriated to DPTI/received from DTF prior to 1 July 2011:	
Appropriation to DPTI	10 000
Monies received from DTF from Contingency	4 000
	14 000
Monies appropriated to DPTI/received from DTF during the period 1 July 2011 to 31 December 2011:	
Appropriation to DPTI ¹	4 020
Monies received from DTF from Contingency	143 021
	147 041
Total monies appropriated to DPTI/received from DTF to 31 December 2011	161 041
Total amount which has been made available for the project	167 011
Total amount of State Government funding still to be made available	367 989

¹ As stated previously, for the purpose of reporting the extent to which monies have been made available pursuant to section 9(1) of the Act, money is deemed to be made available when it has been paid from the Consolidated Account to relevant agencies. Accordingly, the figure reported represents monies appropriated to DPTI which were drawn down by DPTI in the period 1 July 2011 to 31 December 2011. The total amount appropriated to DPTI for the project for the 2011-12 financial year was \$8 million.

Extent to which the \$535 million has been expended

	\$'000
Total State Government funding available for the project	<u>535 000</u>
Monies expended on the project by DTF:	
Expenditure by DTF prior to 1 July 2011:	
Initial grant funding to the SMA for project expenditure ²	5 000
Interest ³	970
	<u>5 970</u>
Expenditure by DTF during the period 1 July 2011 to 31 December 2011:	
Expenditure in 2011-12	-
Total expenditure by DTF to 31 December 2011	<u>5 970</u>
Monies expended on the project by DPTI:	
Expenditure by DPTI prior to 1 July 2011:	
Expenditure by DPTI	<u>8 921</u>
Expenditure by DPTI during the period 1 July 2011 to 31 December 2011:	
Expenditure by DPTI ^{4,5}	<u>130 176</u>
Total expenditure by DPTI to 31 December 2011	<u>139 097</u>
Total expenditure on the project to 31 December 2011	<u>145 067</u>
Balance of State Government funding still to be expended	<u>389 933</u>

² The Treasurer provided a grant of \$5 million to the SMA pursuant to a grant deed entered into with the Treasurer for the purpose of undertaking preliminary design work associated with the Adelaide Oval redevelopment. The grant funds were deposited into a deposit account maintained by SAFA, from which amounts were disbursed to the SMA. Records maintained by SAFA, indicate that the grant was substantially expended by the SMA with a balance of \$168 000 remaining as at 30 June 2011. The financial statements of the SMA for reporting periods ending prior to 1 July 2011 have been audited by an external accounting firm appointed by the SMA.

³ DTF paid SACA an interest rate subsidy totalling \$967 000 relating to a loan guarantee provided by the Treasurer pursuant to a collateral deed between the Treasurer and SACA. Interest foregone by the State relating to a subsequent loan provided to SACA by the Treasurer has not been applied to the project.

⁴ Expenditure incurred by DPTI includes a \$85 million payment to DTF to extinguish a loan facility provided to the SACA by the Treasurer.

⁵ The reported expenditure figure includes a \$35 million prepayment made to the principal contractor who was awarded the construction contract for the project.