

SUBIACO REDEVELOPMENT AUTHORITY

ANNUAL REPORT 2003



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This is the Ninth Annual Report of the Subiaco Redevelopment Authority.

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STATEMENT OF COMPLIANCE

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The Hon A MacTiernan MLA
Minister for Planning and Infrastructure
13th Floor Dumas House
2 Havelock Street
WEST PERTH WA 6005

Dear Minister

In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, we hereby submit for your information and presentation to Parliament the *Annual Report* of the Subiaco Redevelopment Authority for the year ended 30 June 2003, prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

Yours sincerely



Bill Griffiths
Chairman



Susan Cutler
Member



Tony Morgan
Chief Executive Officer

31 August 2003



REPORT FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

We are pleased to present the ninth annual report for the Subiaco Redevelopment Authority (SRA). Activities during the year consolidated SRA's position in its statutorily defined project area in Subiaco.

The strategic directions for the year were established by the Board and management at a workshop during April 2002 and the associated business plan was adopted by the Board in June 2002. The results for the year saw the great majority of these business plan targets achieved.

At \$17 million sales revenue was well up on the previous year's \$7 million, largely due to excellent take up in Subiaco Rise where the market bid prices to record levels.

SRA's practice has been, and will continue to be, to offer its residential and mixed use product to the market at public auction as this ensures that market prices are accurately reflected in sales results. Commercial sales are released to the market by public tender. In addition there are currently an additional \$5 million of sales under contract which will settle in 2003-04.

The positive financial results are reflected in SRA's net asset value which continued to climb, ending the year at \$28.2 million, up from \$20.4 at the start.

Private investment in the project areas reflects confidence in, and expectations of, the redevelopment and \$46 million has been committed by the private sector during the year.

Investigations for the relocation of the Australian Fine China facility continue. If successful up to 4.2 hectares of prime land adjacent to the Subiaco Rise subdivision and fronting Hay Street could be made available for redevelopment.

SRA's relationships with local government remain positive. The City of Subiaco is a significant stakeholder in SRA's operations and under the enabling legislation has two members on the SRA board. The agreement between the Minister for Planning and the City of Subiaco has recently been confirmed by the Treasurer and will result in the City receiving 20% of the eventual surplus from the redevelopment once redevelopment is complete. SRA was exempted from the National Tax Equivalent Regime during the year so the surplus will not be subject to tax. The City will also be re-vested with planning control over the redevelopment area as the SRA completes its projects.

During the year Mr Mike Day was appointed to the board of the SRA. Mr Day has been a member of the board of the East Perth Redevelopment Authority (EPRA) since 2001 and his appointment enhances the already close relationship between the two authorities who jointly share a Chief Executive Officer. Efficiencies were identified from combining management of the two authorities and formalising the arrangement by a service agreement. To gain maximum benefit management was reorganised along functional responsibilities with focus on planning, operations and place management. Place management brings an increased emphasis on



community engagement and economic development and is recognised as the key activity to ensure enduring benefit to the community into the future.

For the last two years there has been a conference of national redevelopment authorities hosted on the east coast and these have served to permit exchanges of information and cross fertilisation of ideas. In September 2003 a national conference will be held in Perth, hosted by SRA and the three other Perth based redevelopment authorities.

We take the opportunity to thank the Minister for confidence in the SRA and particularly to express our appreciation to members of the board, staff and consultants for their support, professionalism and commitment to the Authority and the work at hand.

Finally, we confirm that, in accordance with section 31 of the Public Sector Management Act 1994, the Authority has complied with the Public Sector Standards and Code of Ethics and that procedures are in place to ensure such compliance and that during the year there were no breaches of the Standards.



Bill Griffiths
Chairman



Tony Morgan
Chief Executive Officer



ENABLING LEGISLATION

The Subiaco Redevelopment Authority was established under the Subiaco Redevelopment Act 1994 and is responsible to the Minister for Planning and Infrastructure.

The functions of the Authority are to plan, undertake, promote and coordinate the development and redevelopment of 80 hectares of inner city land within a defined area in Subiaco. The Authority is required to prepare and keep under review a Redevelopment Scheme for the area and to control development in the area. The Act gives the Authority power to deal in land and other assets and undertake works in the area.

Section 21(2)(b) of the Subiaco Redevelopment Act 1994 requires Ministerial approval for the Authority to subdivide and amalgamate land. There were no subdivision approvals given by the Minister for Planning and Infrastructure during the year.

The Minister

SRA is responsible to the Minister for Planning and Infrastructure, the Hon Alannah MacTiernan MLA.

Ministerial Directions

SRA's enabling legislation gives the Minister the right to make written directions to the Board. There were no directions during the year.

The redevelopment area.



CORPORATE GOVERNANCE

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Membership of the Board

The Authority consists of five members appointed by the Minister for Planning, representing a broad spectrum of knowledge and experience in fields appropriate to the activities of the Authority. Criteria for the appointment of members in accordance with Section 7 of the Subiaco Redevelopment Act 1994, are:

Two persons who in the opinion of the Minister, have a relevant qualification (one person is also the Chairman);
Two persons nominated by the City of Subiaco; and
One person nominated by the Minister responsible for the Transport Coordination Act 1966.

Sub-Committees to the Board

The Authority has two committees with delegated powers to deal with planning and internal audit.

Planning Committee – Mr Michael Day (Chairman), Dr Susan Cutler, Cr Loren White* and Mr Tony Morgan;

Internal Audit Committee – Cr Stephen Potter*, Mr Bill Griffiths and Mr Michael Day.

Australian Institute of Company Directors Workshop

In March 2003 Members attended a workshop prepared by the AICD jointly for the East Perth, Subiaco and Midland Redevelopment Authorities. The workshop was specifically designed to address governance issues relevant to boards of statutory government authorities.

Strategic Planning Workshop

The Board attended a strategic planning workshop in April 2003 with management to establish the strategic directions for SRA for the next five years and the business plan for 2003-04.



BOARD MEMBERS' ATTENDANCES

	Board 10 meetings	Planning 2 meetings	Internal Audit 2 meetings
Board Member	Attended	Attended	Attended
Mr Bill Griffiths (Chairman)	10	n/a	1
Mr Mike Day (Deputy chair)	7	2	2
Cr Stephen Potter*	7 (9)	n/a	2
Cr Loren White*	8 (8)	0 (0)	n/a
Dr Susan Cutler	10	2	n/a

Terms of Appointment

Member

Expiry of Term

Mr Bill Griffiths

30 June 2003

Mr Mike Day

30 June 2004

Cr Stephen Potter

30 June 2004

Cr Loren White

31 June 2003

Dr Susan Cutler

30 June 2004

*Members nominated by the City of Subiaco. Mr Potter's appointed term was until 30 June 2004 but, due to his decision not to stand for re-election as a councillor of the City of Subiaco in May 2003, he resigned from the SRA board when he ceased to be a councillor.

Section 1(2) to Schedule 2 of the Subiaco Redevelopment Act 1994 provides for members to continue in office, despite the expiry of their term, until a successor is appointed.



MANAGEMENT

The Authority has entered into a service agreement with the East Perth Redevelopment Authority to provide an integrated suite of management services.

Management is organised into four functional divisions, each reporting to the Chief Executive Officer, Tony Morgan:

Executive Director, Place Creation - Mark Hedges

Executive Director, Place Development - Alf Lay

Executive Director, Place Management - Chris Melsom

Executive Director, Business Services - David Beattie

The management group, comprising the Chief Executive Officer and Executive Directors meets regularly to consider management issues. Monthly progress reports and quarterly Business Plan reports are presented to the Board.

The team is supplemented by various consultants including: internal audit, external project management, legal, taxation, human resource, information technology, urban planning, engineering, settlement agents and real estate groups.



OPERATIONS

Statement of Purpose

To revitalise run down former industrial sites within the redevelopment areas.

Vision

To be a leading urban renewal authority in Australia by delivering an outstanding project that builds a vital, diverse and sustainable community.

Strategic Objectives

Develop a strategy for effective relationship with the City of Subiaco to strengthen ties.

Ensure SRA maintains independent identity and strong customer focus.

Total review of master plan (macro and micro) in context of scale and strategic nature of remaining sites and broader surrounding context.

Focus on, and development of, social and community activation outcomes by the full development and delivery of Triple Bottom Line Objectives.

Manage within Government constraints.

Complete master planning and development of remaining key development projects (AFC, Bosich, TAFE, Subi Square) within 2-3 years.

Normalisation – transfer planning powers to City of Subiaco in a way that ensures the integrity of the projects.

Manage the public assets and open spaces.

Financial Highlights

	<u>Actual</u>	<u>Budget</u>	<u>Actual 2002</u>
Sales revenue	\$17.1m	\$12.0m	\$7.0m
Operating surplus	\$1.1m	\$0.003m	(\$0.2m)
Net Asset Value	\$28.2m	\$19.9m	\$20.4m
Return on assets	4.5%	0%	(1%)

Subiaco Project Overview

Objectives

Building on Subiaco's rich history and unique atmosphere the Subiaco Redevelopment has transformed derelict industrial land into a vibrant, cosmopolitan community - a natural extension of the city's existing heart. Subi Centro will incorporate new housing, shopping and entertainment areas, mixed use office precincts and an integrated recreation spine linking these activities in the form of an east - west greenway.

Ultimately the project will deliver 800 - 900 new dwellings to house a population of approximately 1,800 new residents. It will also be home to 3,000-4,000 employees arising from the 80,000m² of new commercial and 9,000 m² of retail activity on land sold by the SRA.



OPERATIONS (Cont).

Deliverables

The SRA's primary activities focus on land assembly, environmental remediation, creation of parklands and subdivision servicing will result in total estimated expenditure of \$135 million. The flow-on private sector investment and economic multiplier effect is estimated at \$500 million.

Central to the project's sound economic performance has been the extensive environmental remediation conducted by the SRA over the years, enabling the development and sale of the highest quality land for residential, commercial and recreational uses. All remediation processes are undertaken to the requirements of the Department of Environmental Protection and has involved excavation of contaminated soil and replacement with clean fill.

In terms of social dividends, Subi Centro exhibits a pedestrian friendly environment that is safe, secure and enjoyable. Design guidelines are tailored to toward ensuring these attributes continue to be met. Excellent amenities contribute to the area's enjoyment, functionality and safety and the project provides good access to public transport, shops, education facilities, parks, restaurants, medical services and places of worship. The recent adoption of a new housing diversity policy will require that 10-15% of dwellings on all SRA's new land releases from October 2003 are set aside for either social housing, affordable rental housing or affordable owner-occupied housing. Ultimately this will deliver about 50 to 60 dwellings and will ensure a diversity of housing and diversity of community.

Current Status

Land Sales to June 2003 have been \$106 million. Approximately 60% of the ultimate residential construction has been completed, with the balance due to be delivered over the coming 3 years, including the Australian Fine China site.

Total expenditure to June 2003 is approximately \$114 million.

Statistics

A few facts and figures on the project are:

Total estimated expenditure by the Authority:	\$135 million
Creating peak construction employment of:	2,500 jobs
Releasing land for:	800 – 900 new dwellings
To house a population of:	1,700-2,000 new residents
New commercial space will total approximately:	80,000m ²
New retail space will total approximately:	9,000 m ²
New commercial and retail activity will accommodate:	3,000-4,000 permanent jobs
With private sector expenditure on new residential and other buildings, approximately:	\$600+ million



OPERATIONS (Cont).

Publications

Available from the Authority's office:

- Subiaco Redevelopment Scheme, Planning Policies and Residential Design Manual, November 1996. This is the gazetted planning scheme and explanatory policies for the Subiaco Redevelopment Area (\$55).
- Site Design Guidelines which prescribe the standards and recommendations to ensure that each development within the Subi Centro development will be part of the community and to a high quality. (No charge).
- Subi Centro which provides an indication of how the redevelopment may look when completed. (No charge).
- Community Consultation Report on the community consultation in respect to the advertising and exhibition of the draft Subiaco Redevelopment Scheme. (\$22).
- Traffic Final Report on the traffic implications of the proposed development within a local, district and regional context. (\$5.50).
- Retail Strategy Report which reviews a proposal for retail development within a mixed-use precinct on a site adjacent to the existing Subiaco shopping centre and adjoining the new railway station. (\$5.50).
- Housing Strategy Discussion Paper - a background paper prior to final formulation of a housing strategy by the Authority. (\$5.50).
- Information pamphlets and sheets, indicative redevelopment plans. Information on the overall redevelopment and specific initiatives. (No charge).
- Annual Reports (No charge) – also published on the Authority's website.

Compliance With Other Legislation

SRA complied with the following legislation during the year:

Disability Discrimination Act 1992
 Disability Services Act 1993
 Environmental Protection Act 1986
 Equal Opportunity Act 1984
 Financial Administration and Audit Act 1985
 Freedom of Information Act 1992
 Government Employees Superannuation Act 1987
 Industrial Relations Act 1979
 Land Administration Act 1997
 Occupational Health, Safety and Welfare Act 1984
 Official Corruption Commission Act 1988
 Public Sector Management Act 1994
 State Supply Commission Act 1991
 Workers Compensation and Rehabilitation Act 1981

Electoral Act 1907

In compliance with Section 175ZE of the Electoral Act 1907, the following expenditure was incurred during the year:

	<u>\$,000</u>
Media Advertising:	
Marketforce Productions	8
Adlink	113
Media Decisions WA	220
Marketing & Public Relations:	
Newscomm	36



CERTIFICATION OF PERFORMANCE INDICATORS

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We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Subiaco Redevelopment Authority's performance, and fairly represent the performance of the Subiaco Redevelopment Authority for the financial year ended 30 June 2003.



Bill Griffiths
Chairman



Susan Cutler
Member



Tony Morgan
Chief Executive Officer

31 August 2003



INDEPENDENT AUDIT OPINION



AUDITOR GENERAL INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

SUBIACO REDEVELOPMENT AUTHORITY PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2003

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Subiaco Redevelopment Authority are relevant and appropriate to help users assess the Authority's performance and fairly represent the indicated performance for the year ended June 30, 2003.

Scope

The Board's Role

The Board is responsible for developing and maintaining proper records and systems for preparing performance indicators. The performance indicators consist of key indicators of efficiency and effectiveness.

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

D D R PEARSON
AUDITOR GENERAL
November 3, 2003



PERFORMANCE INDICATORS

Outcome

The Subiaco Redevelopment project was set up to rejuvenate the land in the redevelopment area into a self contained urban 'quarter', that is a mixed use neighbourhood within the wider Subiaco urban area. Mixed use includes a variety of residential, retail, commercial and community uses rather than a predominance of single use development. It is expected that this mixture of uses would result in increased utilisation of public and alternative transport in the area.

Key Performance Indicators

In order to quantify the progress of this achievement over the life of the project, Key Performance Indicators were developed under four headings.

1. Expand residential, retail, commercial and recreational opportunities in the Redevelopment Area

1.1 Indicator - Increase in the total number of residential units in the Redevelopment Area

An important measure of the success of the redevelopment is the amount by which the population of the area increases. The Concept Plan for the area envisages the building of approximately 650 new residential units housing approximately 1,400-1,500 people.

Number of Residential Units completed ¹

1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Nil (Base Year)	5	23	110	305	421	448

1.2 Indicator - Increase in commercial and other non-residential and non-retail floor space in the Redevelopment Area

The Concept Plan envisages the creation of sites suitable for up to 65,000m² of office, showroom and general commercial accommodation. There was approximately 147,400m² of commercial and other non-residential and non-retail floor space (excluding retail floor space) in the Redevelopment Area at 30 June 1997. Businesses occupying this accommodation employed approximately 1067 staff. ²

Commercial and other non-residential and non-retail floor space completed ¹

1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
147,400 (Base year)	148,204	148,204	151,091	153,087	162,469.6	165,288

Footnote:

1. Information and data collection provided by The Planning Group WA Pty Ltd

2. Field work and survey data provided by the Boshe Group company



PERFORMANCE INDICATORS (Cont).

1.3 Indicator - Increase in retail space in the Redevelopment Area

The Concept Plan envisages up to 10,000m² of new retail accommodation. There was approximately 7,900m² of retail floor space in the Redevelopment Area at 30 June 1997 with businesses occupying this accommodation employing approximately 20 staff. ²

Retail space in the Redevelopment Area ¹

1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
7,900m ² (base year)	7,900m ²	14,028m ²	14,346m ²	14,874m ²	14,874m ²

1.4 Indicator - Increase in area of public parks and gardens

At 30 June 1997 there was 2.18ha. of public open space in the Redevelopment Area.

Public Parks & Gardens ¹

1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
2.18ha (Base year)	2.346ha	2.346ha	5.52ha	5.58ha	5.58ha	5.699ha

2. Balance and complement the existing community fabric

2.1 Indicator - The change in size and composition of the residential population of the Subiaco Redevelopment Authority

The Subiaco Redevelopment Area did not have a residential population in the 1991 or 1996 Census. There were 475 persons residing in the Redevelopment Area at the time of the 2001 Census. The Subiaco Redevelopment Area household structure compared to the Subiaco community at 2001 was as follows: ³

	One Parent Families	Couples, No Children	Two Parent Families	Families Of Other Related Individual	Group Households	Lone Person Households
Authority Subiaco	6% 8%	33% 20%	41% 32%	1% 2.3%	2.3% 10%	10% 20%

Footnote:

1. Information and data collection provided by The Planning Group WA Pty Ltd

2. Field work and survey data provided by the Boshe Group company

3. Australian Bureau of Statistics, 1991, 1996 and 2001 Census



PERFORMANCE INDICATORS (Cont).

2.2 Indicator - Change in the size of the working population in the Redevelopment Area.

Aside from the normal minor fluctuations of workforce in the existing commercial/industrial areas of the project area, on 30 June 2003, the newly created commercial floor space employed an additional 20 people compared to the previous financial year. It should be noted that a large portion of floor space was yet to be occupied.

The total working force population within the Subiaco Redevelopment Area at the 30 June 2003 was 1045 employees. Of this, 30 employees live within the Subiaco Redevelopment Area.⁴

3. Promote medium density mixed use development and a diversity of housing stock

3.1 Indicator - The diversity and density of housing stock in the Redevelopment Area compared with other areas

The housing stock in the Subiaco Redevelopment Area has the following characteristics compared with the wider Subiaco area and the metropolitan average:³

Note: the number of dwellings is in brackets.

	Separate House	Terrace/Row/ Townhouse		Apartment			Attached To Shop Or Office
		1 Storey	2+ Storey	In 1-2 Storey Block	In 3 Storey Block	In 4+ Storey Block	
1991							
Authority	0%	0%	0%	0%	0%	0%	0%
City of Subiaco	57%	8%	7%	12%	9%	7%	0.2%
Perth Metro Area	78%	12%	2%	3%	3%	2%	0.1%
1996							
Authority	0%	0%	0%	0%	0%	0%	0%
City of Subiaco	54.3%	7.7%	8.4%	13.6%	8.7%	6.8%	0.5%
Perth Metro Area	76.8%	11.6%	2.7%	4.5%	2.4%	1.8%	0.1%
2001							
Authority	28% (76)	2.1% (6)	28% (78)	7% (20)	10% (28)	5% (14)	1% (3)
City of Subiaco	43%	3%	12.5%	14%	11%	4%	0.2%
Perth Metro Area	72%	9%	2%	4%	2%	1.6%	0.08%

Footnote:

3. Australian Bureau of Statistics, 1991, 1996 and 2001 Census

4. Field work and survey data provided by The Planning Group WA Pty Ltd



PERFORMANCE INDICATORS (Cont).

The table shows that the Subiaco Redevelopment Area has a lower percentage of separate houses and a higher percentage of two storey townhouses than the Subiaco and Perth average. The table also shows that the Subiaco Redevelopment Area has a more even spread of dwelling types than that of Subiaco and Perth.

4. Increase utilisation of public and alternative transport in the area

Train passenger counts for 1996, 1998 and 2002 indicate the number of train passengers has doubled since the opening of the new train station.

4.1 Indicator - Measures of public transport use. Train Passenger Counts

	1996	1998	2002
Subiaco Train Station Week Total	9,017	8,126*	15,426

* The passenger numbers decreased during 1998 when the train station was under construction.

The tables below show, however, that in 2001, despite increasing access to and promoting alternative means of transport, persons in the Redevelopment Area still owned a greater number of vehicles per household and had higher incidence of private motor vehicle use for journeys to work than the Subiaco or the Perth average.³

4.2 Indicator - Measures of public transport use. Car Ownership

Motor Vehicles in Household	None	One	Two	Three or More
1991				
Authority	24%	44%	23%	6%
Subiaco	20%	45%	27%	8%
Perth Metro Area	10%	40%	36%	14%
1996				
Authority	21%	45%	25%	4%
Subiaco	19%	44.5%	28.8%	7.6%
Perth Metro Area	10%	39.2%	37%	13.9%
2001				
Authority	0%	38%	39%	13%
Subiaco	15%	43%	25%	7%
Perth Metro Area	7%	35%	35%	14%

Footnote:

3. Australian Bureau of Statistics, 1991, 1996 and 2001 Census



PERFORMANCE INDICATORS (Cont).

4.3 Indicator - Measures of alternative transport use. Method of Travel to Work ³

	Public Transport	Taxi	Private Vehicle	Bicycle	Walk	Work at Home
1991						
Authority	10%	0.5%	59%	1%	10%	3%
Subiaco	13%	0.6%	72.3%	3.2%	6.8%	4%
Perth Metro Area	9.3%	0.3%	82.2%	1.5%	2.5%	4.2%
1996						
Authority	12%	1.9%	54%	2%	6.9%	4%
Subiaco	14.0%	0.7%	71.3%	2.7%	6.3%	5.1%
Perth Metro Area	8.7%	0.3%	83.0%	1.0%	2.2%	4.8%
2001						
Authority	6%	0%	79%	0%	6%	9%
Subiaco	9.8%	0.3%	55%	3%	8%	5%
Perth Metro Area	4%	0.2%	68%	0.9%	1.8%	4%

5. Output Indicator - Efficiency

5.1 Total operating expenses as a % of land inventories ⁵

1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
2.6%	3.9%	5.0%	4.9%	4.3%	4.9%

As a measure of the Authority's efficiency, total operating costs are expensed as a percentage of the value of land inventories held at the end of each year.

Footnote:

³ Australian Bureau of Statistics, 1991, 1996 and 2001 Census

⁵ Information sourced from the SRA's financial records



CERTIFICATION OF FINANCIAL STATEMENTS for the year ended 30 June 2003

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The accompanying financial statements of the Subiaco Redevelopment Authority have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2003 and the financial position as at 30 June 2003.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Bill Griffiths
Chairman



Susan Cutler
Member



Tony Morgan
Chief Executive Officer



David Beattie
Principal Accounting Officer

29 August 2003



INDEPENDENT AUDIT OPINION



AUDITOR GENERAL
To the Parliament of Western Australia

SUBIACO REDEVELOPMENT AUTHORITY FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003

Audit Opinion

In my opinion,

- (i) the controls exercised by the Subiaco Redevelopment Authority provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Authority at June 30, 2003 and its financial performance and cash flows for the year ended on that date.

Scope

The Board's Role

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence. An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON
AUDITOR GENERAL
November 3, 2003



STATEMENT OF FINANCIAL PERFORMANCE for the year ended 30 June 2003

	Note	2002/03 \$' 000	2001/02 \$' 000
REVENUE			
Revenue from ordinary activities			
Revenue from operating activities			
Sales		17,074	6,993
Less: Cost of Sales		15,460	6,307
Trading profit	2	1,614	686
Contribution income	3	402	0
		2,016	686
Revenue from non-operating activities			
Interest revenue		108	166
Other revenue from ordinary activities	4	224	279
Total revenues from ordinary activities		2,348	1,131
EXPENSES			
Expenses from ordinary activities			
Employee expenses		212	374
Supplies and services		47	86
Depreciation expense	5	12	9
Borrowing costs expense		546	632
Administration expense		256	133
Accommodation expenses		74	33
Other expenses from ordinary activities		62	47
Total expenses from ordinary activities		1,209	1,314
Profit/(Loss) from ordinary activities before income tax equivalent		1,139	(183)
Income tax equivalent expense / (benefit)	6	(6,709)	310
NET PROFIT/(LOSS)		7,848	(493)

The Statement of Financial Performance should be read in conjunction with the accompanying notes



STATEMENT OF FINANCIAL POSITION as at 30 June 2003

	Note	2002/03 \$' 000	2001/02 \$' 000
CURRENT ASSETS			
Cash assets	7	5,181	3,159
Inventories	8	9,531	7,153
Receivables	9	2	56
Other assets	10	19	34
TOTAL CURRENT ASSETS		14,733	10,402
NON-CURRENT ASSETS			
Inventories	8	15,065	23,172
Plant and equipment	11	103	37
TOTAL NON-CURRENT ASSETS		15,168	23,209
TOTAL ASSETS		29,901	33,611
CURRENT LIABILITIES			
Payables	12	470	448
Interest-bearing liabilities	13	979	3,501
Provisions	14	68	74
Current tax liability	15	53	0
Other liabilities	16	89	34
TOTAL CURRENT LIABILITIES		1,659	4,057
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	13	0	2,400
Provisions	14	21	19
Deferred tax liability	15	0	6,762
TOTAL NON-CURRENT LIABILITIES		21	9,181
TOTAL LIABILITIES		1,680	13,238
NET ASSETS		28,221	20,373
EQUITY			
Retained profits	17	28,221	20,373
TOTAL EQUITY		28,221	20,373

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



STATEMENT OF CASH FLOWS for the year ended 30 June 2003

	Note	2002/03 \$' 000	2001/02 \$' 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from customers		17,731	7,242
Interest received		102	166
GST receipts on sales		1,123	258
GST receipts from Taxation Authority		662	51
Payments			
Payments to suppliers and employees		(10,709)	(2,263)
Interest paid		(546)	(624)
GST payments to suppliers and employees		(950)	(243)
GST payments to Taxation Authority		(391)	(197)
NET CASH PROVIDED BY OPERATING ACTIVITIES	18	7,022	4,390
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(78)	(8)
NET CASH (USED IN) INVESTING ACTIVITIES		(78)	(8)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings		3,000	0
Repayment of borrowings		(7,922)	(5,219)
NET CASH (USED IN) FINANCING ACTIVITIES		(4,922)	(5,219)
NET INCREASE/(DECREASE) IN CASH HELD			
		2,022	(837)
CASH ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR		3,159	3,996
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	7	5,181	3,159

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



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003

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1. Significant Accounting Policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the preceding year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format, and wording. The Financial Administration and Audit Act and Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

a) Revenue Recognition

Proceeds from the sale of land and the disposal of other assets and the rendering of services is recognised when the Authority has passed control of the goods or other assets or delivery of the service to the customer.

b) Income Tax-Effect Accounting

The Authority entered into the National Tax Equivalent Regime (NTER) on 1 July 2001 having previously operated under the State Tax Equivalent Regime from 1 July 1996. From 8 January 2003 the Authority was no longer subject to the NTER, up until this time the Authority accounted for income tax in accordance with the following policy.

While tax equivalent payments will continue to be remitted to State Treasury, the Authority's tax is subject to Australian Taxation Office administration. The calculation of the liability in respect of these taxes is governed by the Income Tax Administration Act and the NTER guidelines as agreed by the State Government.

The Authority has adopted the liability method of tax effect accounting whereby the income tax expense shown in the Statement of Financial Performance is based on the accounting profit before income tax adjusted for any permanent differences.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit before income tax and taxable income, are brought to account either as a provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period to which the benefits will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account, or which may be realised in the future, are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Authority will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by the law.

c) Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

d) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on the straight line basis, using rates which are reviewed annually. The depreciation rates for each class of depreciable asset are:

Furniture and equipment	10%
Computer equipment	25%
Leasehold improvements	20%

e) Leases

The Authority has entered into an operating lease arrangement for office space where the lessor effectively retains all of the risks and benefits incident to ownership of the office space held under the operating lease. Equal installments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased office space.

The Authority receives lease income in relation to certain buildings leased within the redevelopment area. Lease income is due to the Authority on the first day of each month and all amounts are settled within seven days. Receivables are recognised for lease income when it becomes due and payable to the Authority.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

f) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value. Interest revenues are recognised as they are accrued. Short term bank bills are purchased from time to time by the Authority with a maturity period of generally 30 days from purchase. Interest on the bills is fixed at the time of purchasing and is payable on maturity or cancellation.

g) Inventories

Inventories consist of land held for resale and are stated at the lower of cost or net realisable value. The cost of inventories includes the cost of planning, design, project management, demolition, lease purchases, environmental studies and land purchases in relation to the project development. These costs will be recovered from the development and sale of freehold land ceded to the Authority by the City of Subiaco and the Government of Western Australia.

h) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

i) Payables

Payables, including accruals not yet billed, are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

Payables include contractor retentions which are withheld subject to satisfactory completion of the contract. These are usually paid within twelve months of completion of the works specified in the contract.

j) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Authority considers the carrying amount approximates net fair value.

k) Income in advance

Income in advance represents deposits which have been received on the sale of redeveloped land. These amounts are not recognised as income until the sale of the redeveloped land has been settled.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

l) Interest-Bearing Liabilities

The W.A. Treasury Corporation has loaned the Authority funds to acquire and redevelop land for the purposes of resale in Subiaco. This loan was repayable at the completion of project via quarterly instalments, commencing July 2001. Interest on the loan is fixed and the Authority is required to make quarterly payments of interest. Borrowing costs expense is recognised on an accrual basis.

m) Employee Benefits

Annual Leave

This benefit is recognised at the reporting date in respect of employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

Long Service Leave

Leave benefits are calculated at remuneration rates expected to be paid when the liabilities are settled. A liability for long service leave is recognised after an employee has completed four years of service.

Superannuation

Staff may contribute to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to this scheme become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The liability for superannuation charges under the Gold State Superannuation Scheme and the West State Superannuation Scheme are extinguished by payment of employer contributions to GESB.

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employees Superannuation Board's records are not structured to provide the information for the Authority. Accordingly, deriving the information for the Authority is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

m) Segment Information

The Authority operates in one reportable output segment being urban development and in one geographical segment, therefore segment information has not been disclosed.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

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n) Comparatives

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current year financial year.

o) Rounding of Amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars.

	2002/03 \$' 000	2001/02 \$' 000
2. Trading Profit		
Sales	17,074	6,993
Less: Cost of sales		
Opening Inventory	(30,325)	(34,313)
Development Expenses Capitalised	(9,731)	(2,319)
	<u>(40,056)</u>	<u>(36,632)</u>
Closing Inventory	24,596	30,325
Cost of Sales	<u>(15,460)</u>	<u>(6,307)</u>
Trading profit	<u>1,614</u>	<u>686</u>
3. Contribution Income		
Developers statutory contribution for infrastructure costs in accordance with the Subiaco Redevelopment Scheme 1996	402	0
4. Other Revenues from Ordinary Activities		
Lease Income	118	182
Development Application Fees	79	71
Other	27	26
	<u>224</u>	<u>279</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

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	2002/03 \$' 000	2001/02 \$' 000
5. Depreciation		
Furniture and equipment	8	3
Computer equipment	4	4
Leasehold improvements	0	2
	<u>12</u>	<u>9</u>

6. Income Tax Equivalent

The Authority accounts for income tax in accordance with the policy set out in Note 1b. From 8 January 2003 the Authority was no longer subject to the National Tax Equivalent Regime (NTER).

a) Reconciliation

The income tax equivalent attributable to the profit from ordinary activities is reconciled to the prima facie income tax equivalent expense on that profit as follows:

Profit/(Loss) from ordinary activities before income tax	376	(183)
Prima facie income tax expense/(benefit) at 30% (2002:30%)	113	(55)
Prior year adj to provision for deferred income tax liability	-	365
Write down of deferred income tax liability on exit of NTER	(6,822)	-
Income tax expense/(benefit)	<u>(6,709)</u>	<u>310</u>

7. Cash Assets

Bank accounts	3,181	1,039
Short term bank bills	2,000	2,119
Cash on hand	0	1
	<u>5,181</u>	<u>3,159</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

	2002/03 \$' 000	2001/02 \$' 000
8. Inventories		
Current	9,531	7,153
Non Current	15,065	23,172
Total (at cost)	<u>24,596</u>	<u>30,325</u>
Consisting of:		
Land held for resale		
Cost of acquisition	35,301	35,301
Provision for compensation on resumption of land	56	56
Development expenses capitalised	<u>88,078</u>	<u>78,475</u>
	123,435	113,832
Less cost of goods sold		
Development expenses allocated	<u>(98,839)</u>	<u>(83,507)</u>
Total	<u>24,596</u>	<u>30,325</u>

Included in inventories, land held for resale, is land leased to external parties, pending redevelopment.
The gross amount of leased land at 30 June 2003 is \$130,639 (2002: \$130,639).

Land inventories are recognised in the financial statements at cost. Internal valuation of these inventories at current value, as at 30 June 2003, amounted to \$37,520,000. The internal valuations have been determined taking into account advice from both internal and external property advisors.

9. Receivables

Goods and Services Tax	2	25
Trade debtors	0	31
Receivable from Uniting Subiaco	24	24
Less: Provision for non-recoverability	<u>(24)</u>	<u>(24)</u>
	<u>2</u>	<u>56</u>

10. Other Assets

Prepayments		
Insurance premiums	13	11
Interest and guarantee fees	<u>0</u>	<u>23</u>
	13	34
Accrued Income	<u>6</u>	<u>0</u>
	<u>19</u>	<u>34</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

	2002/03 \$' 000	2001/02 \$' 000
11. Plant and Equipment		
Furniture and equipment - at cost	122	51
Accumulated depreciation	(33)	(25)
	<u>89</u>	<u>26</u>
Computer equipment - at cost	47	40
Accumulated depreciation	(33)	(29)
	<u>14</u>	<u>11</u>
Leasehold improvements – at cost	-	-
Accumulated depreciation	-	-
	<u>-</u>	<u>-</u>
Net balance at 30 June	<u>103</u>	<u>37</u>

Reconciliations

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current and previous financial year are set out below.

For the year ended 30 June 2003

	Furniture and Equipment \$'000	Computer Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Carrying amount at the start of the year	26	11	-	37
Additions	71	7	-	78
Depreciation	(8)	(4)	-	(12)
Carrying amount at the end of the year	<u>89</u>	<u>14</u>	<u>-</u>	<u>103</u>

For the year ended 30 June 2002

	Furniture and Equipment \$'000	Computer Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Carrying amount at the start of the year	31	12	19	62
Additions	5	3	-	8
Disposals	(7)	(1)	(17)	(25)
Depreciation	(3)	(3)	(2)	(8)
Carrying amount at the end of the year	<u>26</u>	<u>11</u>	<u>-</u>	<u>37</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

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	2002/03 \$' 000	2001/02 \$' 000
12. Payables		
Trade Payables	48	448
GST Payable	420	0
Refundable Development Bonds	2	0
	<u>470</u>	<u>448</u>
13. Interest-Bearing Liabilities		
Borrowings from W.A.T.C.		
Current	979	3,501
Non-current	0	2,400
	<u>979</u>	<u>5,901</u>
14. Provisions		
Current		
Employee Benefits:		
Annual leave	3	2
Long service leave	9	16
	<u>12</u>	<u>18</u>
Provision for compensation on resumption of land	56	56
	<u>68</u>	<u>74</u>
Non-current		
Employee Benefits:		
Superannuation (l)	14	14
Long service leave	7	5
	<u>21</u>	<u>19</u>
Total Employee Benefits	<u>33</u>	<u>37</u>
Total Provisions	<u>89</u>	<u>93</u>

(l) The superannuation liability has been established from data supplied by the Government Employees Superannuation Board.

The Authority considers the carrying amount of employee benefits approximates the net fair value.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

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	2002/03 \$' 000	2001/02 \$' 000
15. Tax Liability		
Current		
Income Tax Equivalent Payable	53	0
Non-Current		
Deferred tax liability	0	6,762
16. Other Liabilities		
Accrued audit fees	21	23
Accrued expenses	64	11
Accrued salaries	4	0
	89	34
17. Retained Profits		
Opening balance at 1 July	20,373	20,866
Net profit/(loss) for the year	7,848	(493)
Closing balance at 30 June	28,221	20,373
18. Reconciliation of Profit / (Loss) from Ordinary Activities before Income Tax Equivalents to Net Cash Flows Provided by Operating Activities		
Profit / (loss) from ordinary activities before income tax	1,139	(183)
Add / (subtract):		
Non-Cash Items:		
Depreciation expense	12	9
Loss on disposal of plant, property & equipment	0	25
(Increase) / Decrease in assets:		
Receivables *	31	322
Inventories	5,729	3,988
Other assets	15	5
Increase / (Decrease) in liabilities:		
Payables *	(398)	281
Other liabilities	55	(10)
Provisions	(4)	(29)
Income in advance	0	(11)
Change in GST in receivables / payables *	443	(7)
Net Cash Provided by Operating Activities	7,022	4,390

* Note that the increase/decrease in GST receivables/payables are not included in Receivables or Payables above but the net change is shown in Change in GST in Receivables/Payables.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

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	2002/03 \$' 000	2001/02 \$' 000
19. Financing Facilities		
The Authority has a borrowing facility of \$60,000,000 (2002 : \$60,000,000) through the W.A. Treasury Corporation for the year ending 30 June 2003. At the reporting date the Authority had drawn \$978,690 (2002 : \$5,900,806).		
20. Commitments for Expenditure		
Capital Commitments		
Capital expenditure commitments at reporting dates payable:		
Within 1 year	368	4,869
Total	<u>368</u>	<u>4,869</u>
Lease Commitments		
Non-cancellable operating lease commitments at reporting dates payable:		
Within 1 year	55	10
Later than 1 year and not later than 5 years	51	5
Total	<u>106</u>	<u>15</u>
21. Contingent Liabilities		
Two claims for losses and damages were outstanding at 30 June 2003.		
Following the sale of the Station Square lots by public tender a claim for losses and damages was lodged against the Authority by an unsuccessful tenderer. Legal advice indicates that the Authority is in a strong position to defend the claim and the Authority's insurers, RiskCover, have accepted conduct of the claim. A reserve estimate of \$1.3million has been set, based on the original tender costs, interest and legal costs.		
A claim for damages of \$355,395 has been made against the Authority by a former leaseholder. The Authority is covered by RiskCover should the claim proceed.		



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

22. Explanatory Statement

- a) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% and \$500,000.

	2003 \$'000	2002 \$'000	Variance \$'000
Sales Revenue	17,074	6,993	10,081
Cost of Sales	15,460	6,307	9,153
Income Tax Expense / (Benefit)	(6,709)	310	(7,019)

Sales Revenue

The variance is due to higher sales turnover due to an increased sales program and land release in the current year.

Cost of Sales

The variance is due to increased sales turnover during the year as above.

Income Tax Expense / (Benefit)

The variance is due to the Authority becoming exempt for tax under the NTER on 8 January 2003.

- b) Significant variations between estimates and actual results for the financial year.

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% and \$500,000.

	2003 Actual \$'000	2003 Estimates \$'000	Variance \$'000
Sales Revenue	17,074	12,000	5,074
Cost of Sales	15,460	11,912	3,548
Income Tax Expense / (Benefit)	(6,709)	1	(6,710)

Sales Revenue

The variance is due to higher than expected land selling prices due to improved market conditions.

Cost of Sales

The variance is due to higher sales for reasons given above consequently resulting in a higher cost of sales.

Income Tax Expense / (Benefit)

The variance is due to the Authority becoming exempt for tax under the NTER on 8 January 2003.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

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23. Financial Instruments

(a) Credit risk exposures

The credit risk of financial assets of the Authority which have been recognised on the statement of financial position, is generally the carrying amount, net of any provisions for doubtful debts.

(b) Interest rate risk exposures

The Authority's exposure to interest rate risk and the weighted average interest for financial assets and financial liabilities is set out below.

Exposures arise predominantly from assets and liabilities bearing variable interest rates.

		Weighted Average Interest Rate	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing	Total
	Notes		\$,000	\$,000	\$,000	\$,000
2003						
Financial assets:						
Cash Assets	7	4.54%	2,000	-	-	2,000
		3.19%	-	3,181	-	3,181
Receivables	9		-	-	2	2
Other Assets	10		-	-	19	19
Total financial assets			2,000	3,181	21	5,202
Financial liabilities:						
Payables	12		-	-	470	470
Interest-Bearing Liabilities	13	6.59%	979	-	-	979
Employee Benefits	14		-	-	33	33
Provision for Compensation on Resumption	14		-	-	56	56
Tax Liability	15		-	-	53	53
Other Liabilities	16		-	-	89	89
Total financial liabilities			979	-	701	1,680
			1,021	3,181	(680)	3,522
2002						
Financial assets		4.47%	2,119	1,039	90	3,248
		3.51%	-	-	-	-
Financial liabilities		6.88%	5,901	-	538	6,439
			(3,782)	1,039	(448)	(3,191)

c) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and non interest bearing monetary financial assets and financial liabilities of the Authority approximates their carrying value.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2003 (Cont).

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	2002/03 \$' 000	2001/02 \$' 000
24. Remuneration of Members of the Board of the Authority and Senior Officers		
<u>Remuneration of the Members of the Board of the Authority</u>		
The number of members of the Board of the Authority, whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:		
\$1 - \$10,000	1	1
\$10,001 - \$20,000	1	-
\$20,001 - \$30,000	1	1
The total remuneration of the members of the Board of the Authority is:	<u>43</u>	<u>35</u>
The superannuation included here represents the superannuation expense incurred by the Authority in respect of members of the Board of the Authority.		
<u>Remuneration of Senior Officers</u>		
The total number of Senior Officers other than members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:		
\$10,001 - \$20,000	1	-
\$60,001 - \$70,000	-	1
\$110,001 - \$120,000	1	-
\$180,001 - \$190,000	-	1
The total remuneration of senior officers is:	<u>125</u>	<u>257</u>
The superannuation included here represents the superannuation expense incurred by the Authority in respect of Senior Officers other than senior officers reported as members of the Accountable Authority.		
25. Remuneration of Auditor		
The total fees paid or due and payable to the Auditor General for the financial year is as follows:		
Fees for audit	<u>23</u>	<u>18</u>



BUDGET STATEMENT OF FINANCIAL PERFORMANCE For the year 2003-04

	Budget 2003-04 \$'000
REVENUE	
Sales	22,455
Less: Cost of Sales	21,141
Trading profit	1,314
Other Revenue	300
Total Revenue	<u>1,614</u>
EXPENSES	
Staffing	0
Interest	54
Consultants	64
Communications	65
Sales Commissions and Settlements	499
Administration	528
Building occupancy	65
Board members allowances	55
Place Management expenses	150
Total Expenses	<u>1,480</u>
Operating profit	134
Income tax equivalent expense	0
NET PROFIT	<u>134</u>



BUDGET STATEMENT OF FINANCIAL POSITION For the year 2003-04

	Budget 2003-04 \$'000
CURRENT ASSETS	
Cash Assets	17,557
Receivables	50
Prepayments	30
	<hr/> 17,637
NON-CURRENT ASSETS	
Plant & Equipment	103
Inventories	8,728
	<hr/> 8,831
TOTAL ASSETS	26,468
CURRENT LIABILITIES	
Payables	250
Refundable deposits	0
Employee entitlements	10
Provision for compensation on resumption of land	56
Interest-Bearing Liabilities	0
	<hr/> 316
NON CURRENT LIABILITIES	
Employee Entitlements	35
Provision for deferred income tax	6,889
	<hr/> 6,924
TOTAL LIABILITIES	7,240
NET ASSETS	19,228
EQUITY	
Retained profits	21,228
Dividend paid to State Government	2,000
TOTAL EQUITY	19,228



BUDGET STATEMENT OF CASH FLOWS For the year 2003-04

	Budget 2003-04 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	-1,416
Interest paid	-54
Other operating receipts	22,755
NET CASH FROM OPERATING ACTIVITIES	21,285
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for capital works	-7,264
Payments for assets	0
NET CASH USED IN INVESTING ACTIVITIES	-7,264
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds of borrowings	0
Repayment of borrowings	-979
NET CASH USED IN FINANCING ACTIVITIES	-979
CASH FLOWS FROM STATE GOVERNMENT	
Dividends paid	-2,000
NET CASH PAID TO STATE GOVERNMENT	-2,000
NET INCREASE IN CASH	11,042
OPENING CASH BALANCE	6,515
CLOSING CASH BALANCE	17,557

