



Annual Report 2003

Armadale Redevelopment Authority



Statement of Compliance

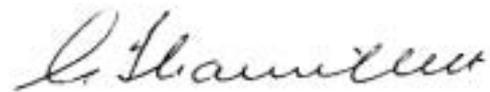
Hon. Alannah MacTiernan BA LLB B Juris JP MLA
Minister for Planning and Infrastructure
13th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

Dear Minister

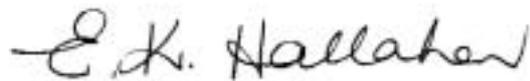
In accordance with Section 66 of the Financial Administration and Audit Act 1985, we hereby submit for your information and presentation to Parliament the Annual Report of the Armadale Redevelopment Authority for the year ended 30 June 2003.

This report has been prepared in accordance with the provisions of the above Act.

Yours sincerely



GI Gauntlett



Kay Hallahan

26 August 2003



Contents

Mandate	3
The Armadale Redevelopment Area	4
Vision and Objectives	7
Highlights of the Year	8
Chairman's Report	10
Corporate Governance	12
Executive Director's Report	17
• Organisational Structure	18
• Relevant Legislation	19
• Reporting Requirements	19
• Freedom of Information	20
• Publications	20
• Annual Estimates	21
• Statement of Compliance with Public Sector Standards	21
Performance Indicators	22
Financial Statements	26

Mandate

The Armadale Redevelopment Authority is established under the Armadale Redevelopment Act 2001 and is responsible to the Minister for Planning and Infrastructure. The Authority commenced operations on 23 March 2002.

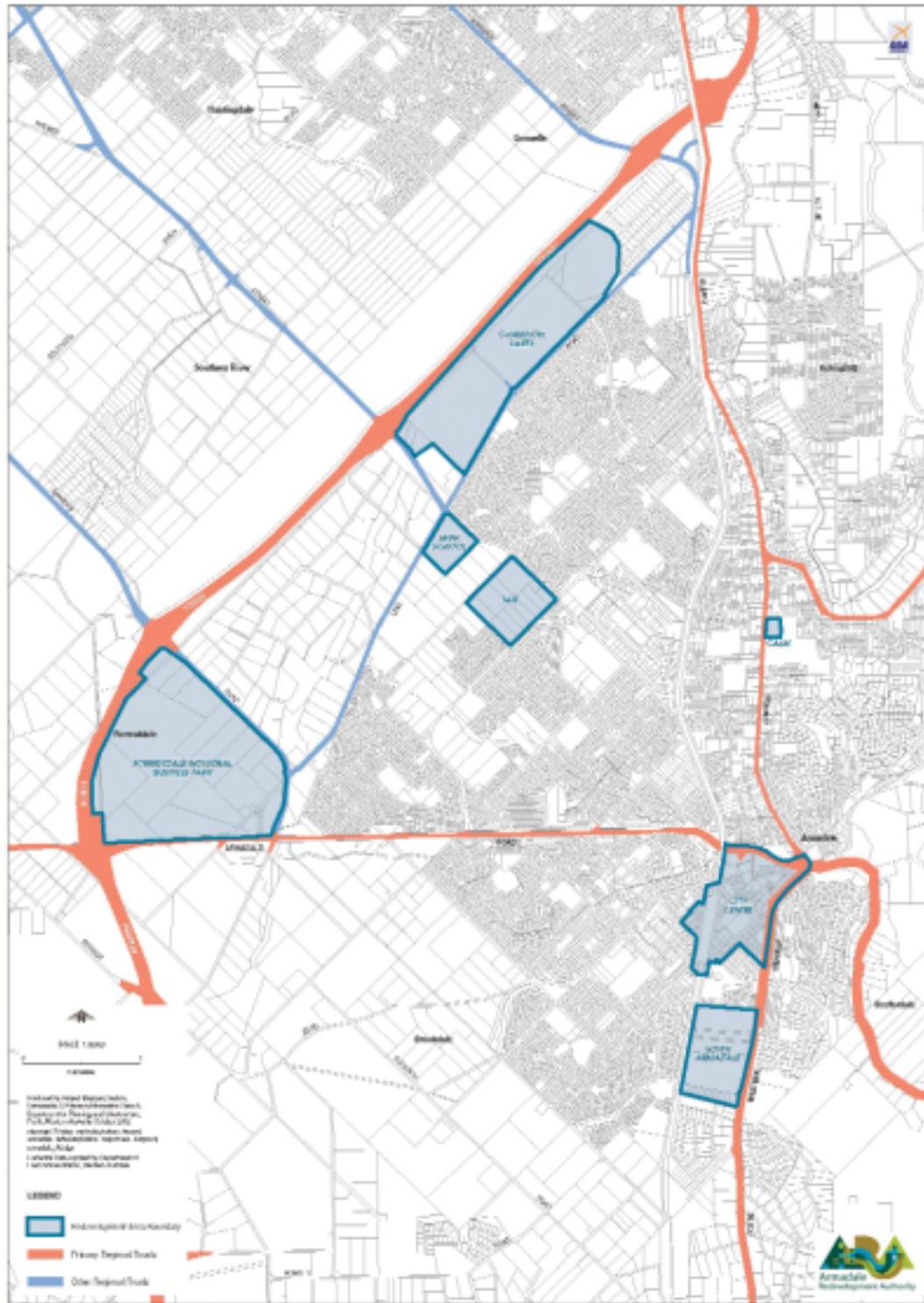
As provided by the Act, the functions of the Authority are to plan, undertake, promote and coordinate the development and redevelopment of land in the defined redevelopment area. The Authority is required to prepare and keep under review a Redevelopment Scheme for the area and to control developments in the area. For these purposes the Act gives the Authority powers to deal in land and other assets and to undertake works in the area.

A particular focus of the Authority's functions is economic and social development.

The Authority is subject to the Financial Administration Audit Act 1985 and other relevant State legislation not specially provided for under the Act. It must also comply with all accountability and reporting requirements of the State Government.



The Armadale Redevelopment Area



Armadale Redevelopment Authority
Redevelopment Area

Figure 1

The Armadale Redevelopment Area *cont...*

The Armadale Redevelopment Area comprises seven separate sites, each with strategic attributes that will contribute to Armadale's future social and economic growth.

Where land is in Government ownership, it is likely the ARA will form partnerships with LandCorp to progress development.

City Centre

An area formed by Armadale Road to the north, South Western Highway to the east, Fourth Road and Church Avenue to the south, and the railway line to the west. It also includes some land on the western side of the railway near the new station.

South Armadale

This site is seen as a modern, efficient business and employment node characterised by innovative urban design, landscaping and water sensitive design principles.

It will have effective and efficient internal roads and connections to regional networks and a range of opportunities for business development.

Forrestdale Business Park

An area of about 190 hectares bordered to the south by Armadale Road, to the north-west by the proposed southern alignment of the Tonkin Highway and to the north-east by Ranford Road.

It will be developed as a contemporary, efficient and highly functional industrial business park, characterised by excellent exposure and access to the primary regional road network and high-quality industrial buildings. Simple but effectively coordinated design and landscaping of public areas will ensure high presentation standards.

Development of the park will recognise its high watertable and proximity to Southern River.

The business park will be a major new focus of economic and employment activity for the region, with the potential to generate up to 4000 new jobs.

The Armadale Redevelopment Area *cont...*

Champion Lakes

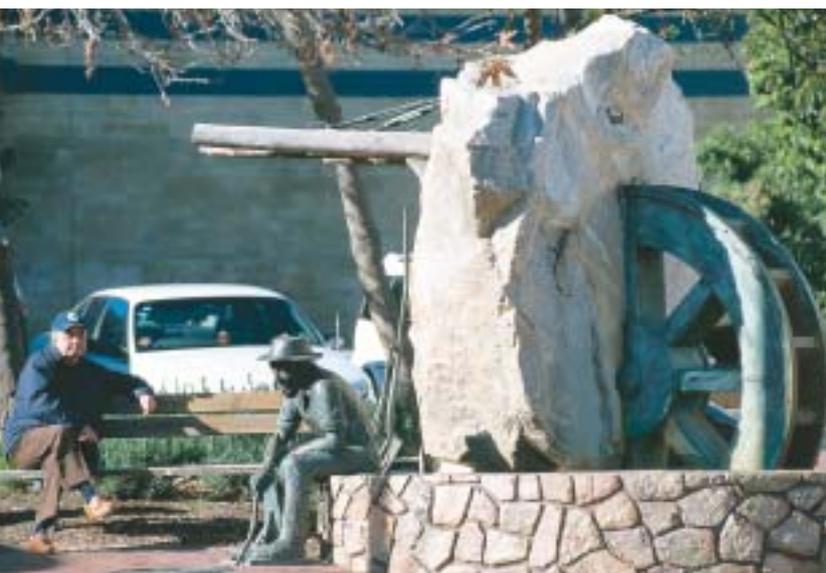
A 136-hectare site about 4kms north-west of the city centre. The redevelopment area is long and narrow, bordered by the proposed extension of Tonkin Highway to the north-west, Lake View Terrace to the north-east, Lake Road to the south-east and the proposed extension of Champion Drive to the south-west.

Champion Lakes will be a significant water-based recreational area that combines the potential of international-standard competitive sporting facilities with passive and active public water activities. Conservation and wetland habitat environments will support fauna and flora. Potential developments include an Aboriginal Interpretative Centre, resort-style accommodation, a high-quality residential area, conference facilities and small-scale business and commercial activities. It will set new standards in environmental management and water-sensitive design.

Champion Drive High School and TAFE Sites

A new residential neighbourhood characterised by a range of opportunities and housing styles, and by leading edge, water sensitive design principles and practices.

The ARA will encourage builders to promote energy efficiency in design, orientation, use of materials and operation.



CALM site, Albany Highway

The site has an area of about two hectares and is 2km north of the city centre. It is bordered to the west by Albany Highway, to the north by Ecko Road and to the east and south by the Armadale Health Centre and Armadale-Kelmscott District Memorial Hospital.

The redevelopment will promote high quality urban design and presentation, capitalising on the site's elevation and views across the coastal plain. It offers commercial development potential with a medical focus, and is also appropriate for residences and community facilities.

Vision and Objectives

The ARA's vision for the redevelopment of Armadale is to establish a physical, social and environmental framework that will enable Armadale to build on its existing strengths and assets and develop the vibrant, multi-dimensional place of civic, cultural and economic significance that a Strategic Regional Centre should be. The redevelopment will draw on and accentuate the points of difference that give Armadale its unique beauty, character and identity, and will deliver an outstanding example of sustainable urban development.

Corporate Philosophy

The ARA will harness the potential of a diverse vibrant community with its own sense of place.

It will:

- Operate with integrity and equity
- Balance social, economic and environmental issues to achieve sustainable outcomes
- Approach issues laterally and creatively
- Adapt a persistent but responsive approach to issues
- Maintain communication with all stakeholders.

Through the application of its values, the ARA will support and facilitate:

- Growth of community spirit and well-being
- Creation of an investment climate to underpin new employment opportunities
- Recognition and management of environmental issues
- Innovative approaches.

Corporate Commitment

The ARA will act with integrity, think creatively, be persistent and communicate with all stakeholders.

As an agency in the portfolio of Planning and Infrastructure, the ARA is committed to enriching the quality of life for all Western Australians through sustainable communities. The ARA works with the community to deliver integrated land and transport infrastructure and services for sustainable growth.

Highlights of the Year

• Community consultation

- 'Have Your Say' at the start of the concept planning process accessed every household in Armadale and culminated in a consultation forum
- 'Access Armadale' identified disabled access issues
- Hypothetical forum to debate issues relevant to Armadale
- Formal and informal consultation with the public, environmental groups and Government agencies as part of the Champion Lakes Public Environmental Review
- Interim Redevelopment Scheme released for public comment.

• Environment

- Sustainability Strategy approved by ARA Board
- ARA chaired taskforce to plan for the October 2003 'Catchment to Consumer' Water Symposium in Brookdale
- ARA became a GreenSmart HIA partner
- ARA Board adopted the environment as a key issue
- ARA gained membership of the WA Sustainable Industry Group.

• Champion Lakes

- Public Environmental Review endorsed by the Environmental Protection Authority
- Conditional Aboriginal Heritage clearance achieved
- Yarragadee Aquifer accessed by a bore to 600 metres to provide a non-potable water resource for the Lakes.

• Forrestdale Business Park

- In consultation with the landowners, an engineering staging plan began to identify best practice, water sensitive development options and efficient subdivision patterns.

• City Centre

- ARA Board approved funding to build the new rail station forecourt
- Commerce Avenue traffic management and landscaping study initiated
- Architect commissioned to undertake preliminary design for education access centre and office buildings adjacent to rail station forecourt.



- **Concept Plan and Redevelopment Scheme**

- Consultant team appointed
- ‘Have Your Say’ community consultation undertaken
- Engineering, environmental, heritage, landscaping and public art studies undertaken on all seven redevelopment areas to support urban design concepts
- Redevelopment Scheme drafted and submitted for legal comment before being finalised for formal referral
- Interim Redevelopment Scheme, covering all areas except South Armadale, Forrestdale Business Park and Champion Lakes, referred to statutory agencies and released for public comment.

- **Board Committees**

To support ARA activities, a number of Board-endorsed committees were established and chaired by a Board member. These include:

- Education Taskforce
- Water Symposium
- Forrestdale Business Park Precinct Group
- City Centre Advisory Committee
- Champion Lakes Precinct Group
- Festivals Committee
- Concept Plan Steering Committee
- Audit Committee.

- **Sponsorships**

Major sponsorships provided to the Chamber of Commerce Awards Night in Jull Street, the Araluen Summer Festival and the Minnowarra Festival Arts Awards.



Chairman's Report



The Armadale Redevelopment Authority has now operated for fifteen months. During the year under review much of its activity has been centred on planning for the orderly development of the seven discrete areas defined in the Schedule of the Armadale Redevelopment Act 2001.

A Concept Plan Steering Committee was formed to engage and direct a multi-disciplined team of consultants to prepare a Concept Plan and Redevelopment Scheme. The Steering Committee met ten times during the year and I am pleased to report that the preparation work has been completed and the Draft Plan will shortly be referred to the necessary Regulatory Authorities and subsequently be available for public comment for a period of 60 days (probably October-November 2003). I acknowledge the professional input of the consultants, including officers of the Department of Planning and Infrastructure.

The Board established three Precinct Committees which include representation from the City of Armadale, Government agencies and the local community. To date these precincts consist of the City Centre, Forrestdale Business Park and Champion Lakes. The input of the Committees is important in this planning phase. Similarly the ARA has set up an Education Taskforce aimed at achieving a Centre of Learning to include tertiary studies and technical courses appropriate for Armadale.

Design work was undertaken for the station forecourt on Commerce Avenue. This will be the first public work of the Authority and will be constructed simultaneously with the proposed new Armadale Rail Station. Planning and design guidelines are also in preparation for future mixed building uses of land on either side of the forecourt.

An important aspect of the Armadale Redevelopment Act is the provision for the establishment of a community reference group (CRG), which is an ideal conduit between the Board and local community representatives. The CRG has been in contact with all community groups within the City of Armadale and engaged with all that responded. The CRG conducted two public events during the year, an entertaining hypothetical and 'Inclusion Armadale' – a forum for people with disabilities, their families and carers to influence the way they can be included in the community. This forum was well received and provided very relevant information to the Authority.

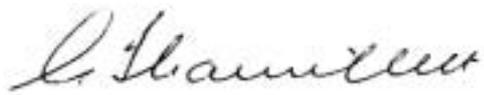
During its first full year of operation, the Authority increased its full-time staff to four as it consolidated the establishment and planning functions. We now move into a more operational phase with an efficient and enthusiastic team.

It is gratifying to note the continued representation of Mayor Linton Reynolds and Councillor Henry Zelones as the City of Armadale nominees to the Board, and the reappointment of Kay Hallahan AO as deputy chair.

Chairman's Report *cont...*

I thank all Board members for their intelligent contributions during the year, noting that they have all readily co-operated in taking on extra duties in chairing the various committees and the CRG.

The Board has received great support from Minister Alannah MacTiernan, the City of Armadale Council and executive staff and many Government agencies. In this context special mention is made of LandCorp, through the Service Level Agreement, and the Department for Planning and Infrastructure.



G I Gauntlett
CHAIRMAN

Corporate Governance

The Board is the Authority's governing body and is charged with ensuring that the Authority performs its functions in accordance with the provisions of the Armadale Redevelopment Authority Act and other laws governing the conduct of corporate entities.

The Board has a number of specific statutory responsibilities, set out in the Act. These include submission of a proposed redevelopment scheme, and reviewing the operation and effectiveness of the Act as soon as practicable five years from its commencement.

The provisions of the Financial Administration and Audit Act (1985) also governed the Authority's approach to financial administration, audit and management of its finances.

The Board complied with all the statutory requirements set out in these Acts.

In addition to statutory responsibilities, the Board undertook strategic roles for the Authority focused on:

- Business direction
- Corporate standards
- Policies and decision frameworks
- Advice to the Minister and Government.

Operationally, the Board also assisted the Authority's management team with setting program and project strategies, analysing client needs, establishing minimum standards and best practices initiatives, and oversight of delegation and decision-making processes.

Audit Committee

The Board established an audit sub-committee during the year to consider governance activities, internal and external audit investigations and reports, corporate compliance and risk management. The Audit Committee approved a three-year internal audit plan covering controls, compliance and business improvements. The plan guides the internal audit process, with an annual review to ensure the audit activity addressed the business imperatives.

Community Reference Group

The Minister appointed a Community Reference Group (CRG) under Section 63 of the Act to assist the Authority to obtain a broad range of community views.

Corporate Governance *cont...*

Board Member Dr Tony Buti chairs the CRG, which has the following members:

- Renee Baker
- Kim Fletcher
- Brett Tizard
- Nola Bycroft
- Vivienne Hansen
- Annette Nicolson
- Mark Ashton
- Matthew Keogh
- Steven Erceg
- Lesley Greenway

Board Directors

The Armadale Redevelopment Authority Act specifies that the Board should comprise six members, of which two must be City of Armadale Councillors (nominated by Council). Members are required to have relevant experience in one or more of the professional disciplines of urban planning, heritage, business management, property development, financial management, engineering, transport, housing and community affairs.

Directors whose terms ended and were re-appointed during the reporting period

Kay Hallahan AO was appointed to the Board on 1 January 2002 for a term ending on 31 December 2002. The Minister approved a further one-year term commencing 1 January 2003 and ending 31 December 2003.

Ms Hallahan's Order of Australia Award recognised her considerable contribution to the State Parliament and a wide range of community organisations. She is currently the National Board Chair of Save the Children Australia and involved with a number of Armadale organisations.



Linton Reynolds was appointed to the Board on 1 January 2002 for a term ending on 30 June 2003. The Minister approved a further two-year term commencing 1 July 2003 and ending 30 June 2005.

Mr Reynolds is Mayor of the City of Armadale and a member of the Grants Commission, and has had a wide and varied career with the Commonwealth Public Service and local government. His knowledge of the locality and its community is of great benefit.



Corporate Governance *cont...*



Henry Zelones JP was appointed to the Board on 1 January 2002 for a term ending on 30 June 2003. The Minister approved a further two-year term commencing 1 July 2003 and ending 30 June 2005.

Mr Zelones is a member of the City Council representing the Kelmscott Ward. He owns and operates a local business, is a life member of the Chamber of Commerce and is involved in many community activities and organisations.

Current Board members



Mr Gerry Gauntlett was appointed as Chairman to the Board on 1 July 2002 for a term ending on 31 December 2003.

Mr Gauntlett has extensive experience in property consultancy, specialising in the areas of commercial development and valuation. He is a member of the Heritage Council of WA and chairs its development committee.



Dr Tony Buti was appointed to the Board on 1 January 2002 for a term ending on 30 June 2004.

Dr Buti is a local resident and a lawyer lecturing at Murdoch University. He is also a business management consultant and company director and involved in a number of community organisations.



Ms Verity Allan was appointed to the Board on 1 January 2002 for a term ending on 31 December 2003.

Ms Allan is a town planner with a wealth of experience in local government and redevelopment authorities and has held senior positions in State and local Government and the private sector. Her particular interest is environmental planning.

Policies

Policies set the parameters for a number of processes that support the Board's governance structures.

Conflict of Interest

New Board members declare any financial or pecuniary interest at their first meeting. The Authority also has a standing protocol whereby a Board member would disclose an interest in any item on the agenda.

Disclosures are recorded in the minutes and a copy of the disclosure placed in the Authority's Conflict of Interest Register.

When a conflict declaration is made, the Board may either allow the member to make a statement to the Board then leave the meeting room, or request the member to leave the room.

Corporate Governance *cont...*

A conflict of interest process also applies to the Authority staff and contractors who are required to make conflict disclosures to the Executive Director, who in turn determines the course of required management action.

Access to Independent Advice

With the approval of the Chairman, a Board member may seek independent legal advice on matters presented to the Board or a Board Committee. The Board or Committee Chairman is responsible for authorising Authority officers to pay the costs of obtaining the legal advice.

Remuneration

Director remuneration is determined by the Minister for Planning and Infrastructure after consulting with the Minister responsible for administration of the Public Sector Management Act.

The remuneration arrangements as at 30 June 2003 were as follows:

Position	Amount
Chairman	\$19,750
Deputy	\$13,875
Member	\$8,000

Directors' Insurance

Section 15 of the Statutory Corporations (Liability of Directors) Act 1996 authorises the Minister to approve the Authority paying a Director's insurance policy premium. Where the insurance policy is approved by the Minister, the Board members are required to contribute 1% to the annual policy premium to obtain coverage, with the balance of the premium to be paid by the Authority.

Director Benefit or Related Transactions

No Director (or firm where a Director held a substantial interest) received or became entitled to a benefit other than the remuneration mentioned previously in this report.

Communications

The Board maintains a Communications Protocol which aims to ensure information received by and provided to all Board members, outside the formal meetings process, are brought into the Board's formal discussion and consideration processes.

Ministerial Advice and Approvals

The Armadale Redevelopment Authority Act prescribes a number of matters requiring an approval of the responsible Minister.

Corporate Governance *cont...*

Section 17 of the Act requires the Authority to obtain the Minister's approval for any contract or arrangement where the consideration exceeds \$1 million. Ministerial approvals are tabled in the Western Australian Parliament in accordance with the Act.

No approvals were tabled in Parliament during the reporting period.

The Board also provides advice to the Minister on various aspects of the Authority's operations.

Ministerial Directions

The Board maintained the policy, with respect to responding to a Ministerial Direction, to comply with the provisions of the Statutory Corporations (Liability of Directors) Act.

No Ministerial directions were received by the Authority during the reporting period.

Code of Conduct

The Board aimed to maintain leadership in setting high ethical standards, through practical strategies such as the Authority's Code of Conduct, which applied to Board members and staff.

No breaches of the Code of Conduct were reported during the reporting period.

Board Statistics

Meeting attendance for the period 1 July 2002 to 30 June 2003

Members	Board		Audit	
	*	#	*	#
Gerry Gauntlett	11	11		
Kay Hallahan	11	10	3	2
Verity Allan	11	9		
Tony Buti	11	8		
Linton Reynolds	11	11	3	3
Henry Zelones	11	11		

* – Total number of meetings

– Actual number of meetings attended

Stakeholder interaction

The Board was an integral part of the Authority's communication with key industry bodies, local Government and other stakeholders. The Board uses these occasions to gather information and gain a firm appreciation of the perspectives of industry associations and community groups, which is then used in deliberative processes at Board meetings.

Executive Director's Report

The 2002/03 year – the first full year of the ARA's operations – was a crucial period in which the cornerstone of the Authority's future operations, the Redevelopment Scheme and accompanying Concept Plan, were advanced to first draft stage. As a result, the Scheme should be advanced through the referral and public comment phases in early 2003/04. Gazettal of the Redevelopment Scheme will allow the ARA to assume full development and planning control over its Redevelopment Scheme Area.

While key achievements for the year are detailed elsewhere in this Report, progress on the Champion Lakes project is noteworthy. Significant efforts were made to advance approvals for the project to the stage where it is likely to become a reality and realise a vision held by many before the establishment of the ARA.

Significant efforts were also applied to redress the lack of education access in Armadale and to foster business confidence and community wellbeing.

Of particular note has been the focus on recognising the fragile water environment in Armadale. The ARA has established the basis for partnerships with the Water and Rivers Commission, CSIRO, Department for Planning and Infrastructure, Water Corporation and the City of Armadale to advance the objective of best practice in urban water management. To commence this process, planning for a water symposium in late 2003 was initiated.

A key focus of the ARA is to encourage community input into decision-making. To support the activities of the Community Reference Group (CRG), who advise the Board on community issues, several major community participation actions were undertaken. The most inclusive activity was the 'Have Your Say' consultation in December that began the ARA's concept planning process. In addition, the CRG hosted a hypothetical forum and 'Inclusion Armadale', a focus on disabled access.

During the year the ARA office reached its full staff complement and again drew on resources from within the Planning and Infrastructure portfolio through the Service Level Agreement with LandCorp. This assistance from within the portfolio and, in particular, LandCorp has enabled the ARA to access skills and systems efficiently and effectively.

The year was an important and productive period which set the scene for ARA activities for many years to come. This success is due in no small part to the support of the Minister for Planning and Infrastructure, the commitment of a very active Board, hard working staff and consultants, a welcoming City of Armadale and, importantly, the people of Armadale.



A handwritten signature in black ink, appearing to read 'John Ellis'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

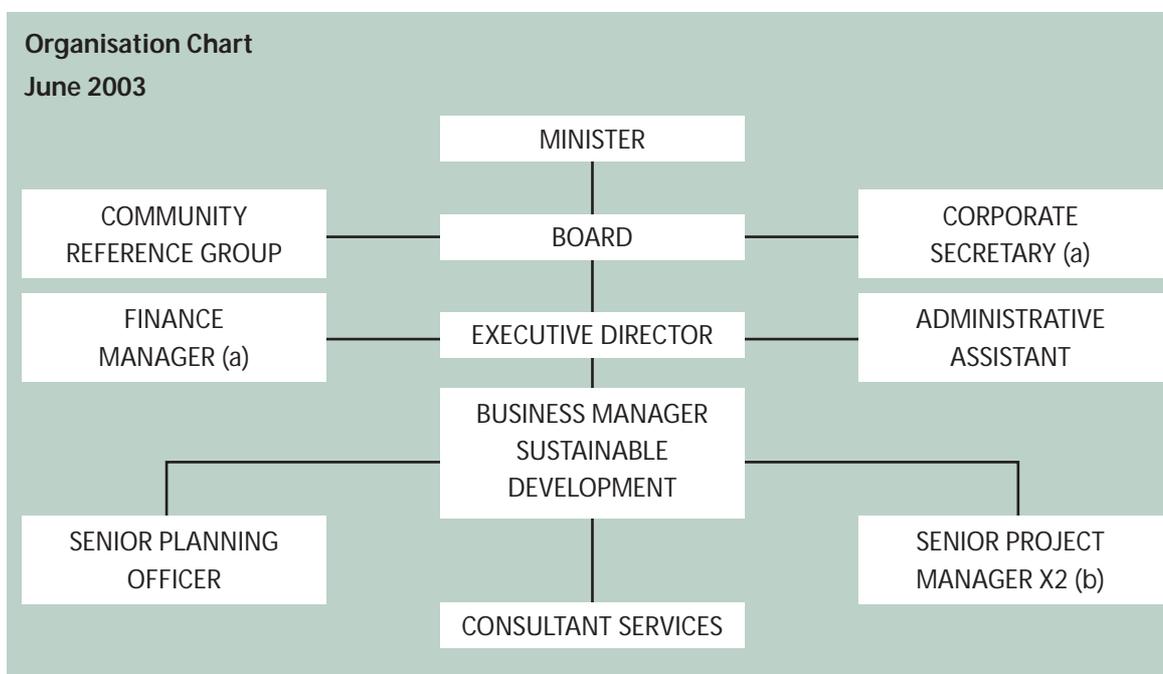
John Ellis
EXECUTIVE DIRECTOR

Organisational Structure

The Executive Director administers the day-to-day operations of the ARA and has prescribed delegated authority for particular management decisions.

The Authority has no powers to employ staff. Dedicated staff are sourced through a Service Level Agreement with LandCorp. Additional staff resources are also sourced through Landcorp and from within the Planning and Infrastructure Portfolio.

Below is a diagram of the ARA's current organisational structure.



Notes: (a) LandCorp Resource (b) Department for Planning and Infrastructure Resource

The Service Level Agreement with LandCorp provided access to resources in Corporate Services, Finance and Accounting, Information Technology, Communication and Project Evaluation.

Specific consultants were appointed to assist in the Concept Plan development and Champion Lakes water and environmental management. Such consultants covered the fields of engineering, landscape architecture, environmental assessment, heritage, hydrology and public art.

Relevant Legislation

In all its programs and their delivery, the ARA recognises the right of access of the community and of individuals to services, opportunities and the Government decision-making process. It is mindful of its community service obligations and takes into consideration the impact of its programs on all groups, including disadvantaged groups within the community.

The ARA is aware of its obligations under such Acts as the Disability Discrimination Act 1992 and the WA Disability Services Act (1993). It is committed to giving close attention to disabled access in the design of refurbished and new buildings and in landscaping public areas, and to current transport access code requirements.

The financial administration of the Authority has complied with the requirements of the Financial Administration and Audit Act 1985 and associated Treasurer's Instructions.

In 2002/03 the ARA complied with all appropriate legislation including the following Acts:

- Financial Administration and Audit Act 1985
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- Equal Opportunity Act 1984
- Occupational Safety and Health Act 1984
- Workplace Agreement Act 1993
- Minimum Conditions of Employment Act 1993
- Industrial Relations Act 1979
- Library Board of Western Australia Act 1951
- Disability Services Act 1993.

Reporting Requirements

Customer Group Outcomes

The ARA will develop specific charters and plans as appropriate. Where no plans are in place, the Authority adopts the relevant LandCorp policies and procedures through its Service Level Agreement.

The ARA does not have a Disability Services Plan as it owns no buildings.

Reporting Requirements *cont...*

Advertising and Sponsorship

Expenditure incurred by the Authority during 2002/03 in relation to Section 17SZE of the Electoral Act was as follows:

Electoral Act Information	
Advertising	4,450z
Key2design	
Direct Mail	nil
Media Advertising	nil
Polling	nil
Research	16,150
Market Equity	
Total Expenditure	20,600

Energy Smart Government Policy

As the ARA has fewer than 25 FTEs, no report is required on the performance of energy saving initiatives against the Energy Smart Government policy objective of a 12 per cent reduction by 2006/07. However, the Authority is aware of the objective and makes every effort to save energy by ensuring minimal use of lights, heating and other appliances in its offices.

Evaluations

The ARA did not undertake any program evaluations in the 2002/03 financial year.

Freedom of Information

The ARA is subject to the Freedom of Information Act 1992. Janelle Shinnars (LandCorp) is the appointed Freedom of Information Coordinator and is the initial recipient of requests for information under the Act. There were no FOI requests in 2002/03.

Publications

The principal publications of the ARA during the year were:

- 'Have Your Say' community consultation report
- 'Access Armadale' community forum report
- 2001/2002 Annual Report.

All publications can be downloaded from the ARA's website www.ara.wa.gov.au

Annual Estimates

2003/04 Estimates	\$'000
Cost of Services	4,294
Revenue from Ordinary Activities	100
Net Cost of Services	4,194
Revenue from State Government	760
Net Loss	3,434

Statement of Compliance with Public Sector Standards

1. In the administration of the Armadale Redevelopment Authority, I have complied with the Public Sector Standards in Human Resource Management and the Western Australian Public Sector Code of Ethics.
2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal checks to satisfy myself that the statement made in 1. above is correct.
3. The applications made for breach of standards review and the corresponding outcomes for the reporting period are:
 - Number lodged: Nil
 - Number of breaches found, including details of multiple breaches per application: Nil
 - Number still under review: Nil.

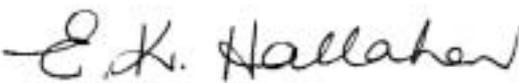
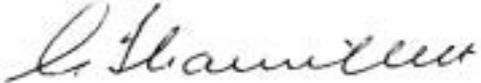


John Ellis
EXECUTIVE DIRECTOR

26 August 2003

Certification of Performance Indicators

The accompanying performance indicators of the Armadale Redevelopment Authority are based on proper records, are relevant and appropriate for assisting users to assess the Authority's performance and fairly represent the indicated performance for the year ended 30 June 2003.



Gerry Gauntlett
CHAIRMAN

Kay Hallahan
DEPUTY CHAIR

26 August 2003





AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

ARMADALE 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 Armadale 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 effectiveness and efficiency.

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 14, 2003

Performance Indicators

Armadale Redevelopment Authority

Performance Indicators for the Year ended 30 June 2003

Effectiveness and efficiency key performance indicators have been developed to reflect the core role of the Authority to facilitate economic and community development in Armadale.

Effectiveness Indicators

Outcome (Result)	Creation of opportunities for new investment and employment	Economic and Social Development Enhancement
Strategy (How)	Facilitation and Promotion of these opportunities	Identification and support of opportunities for relevant infrastructure and programs
KPI's	Increase in value of building approvals over 2001/02 levels: – residential – non-residential to show relative level of investment in residential and non-residential (employment) building investment	Increase in value of public expenditure over 2001/02 levels indicates success in facilitating infrastructure investment. Survey of business activity. (Level over 2002 benchmark) shows supporting business investment and growth
Measure	Residential Approvals (a)	Value of Public Expenditure (b)
2001/02	\$25.620 M	\$21.017 M
2002/03	\$24.694 M	\$28.625 M
Variation	- 3.6%	+36.2%
Measure	Non Residential Approvals (a)	Business Activity Improvement over past year (c)
2001/02	\$14.471 M	35% of businesses
2002/03	\$26.179 M	51% of businesses
Variation	+80.9%	+45.7%

Note: (a) Building approvals supplied by City of Armadale from building licence approvals.
 (b) Value of public expenditure provided by Department of Treasury and Finance, Capital Works Program Electorate Reports.
 (c) Business activity figures extracted from survey of 75 businesses in August each year.
 Dollar figures are nominal and are not adjusted for inflation.

Comment: All effectiveness KPIs show positive movements except for residential building approvals which showed a marginal decrease. [Gross building approvals were up by 26.9%.]

Performance Indicators *cont...*

Efficiency Indicator

The key function of the ARA is to facilitate economic and community development within its Redevelopment Area and more generally within the local authority of Armadale.

The indicator seen as appropriate to measure efficiency is total operating costs of the Authority. As 2002/03 was the first full year of operations of the Authority it will not be possible to gauge changes in this KPI until the end of 2003/04.

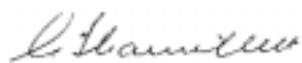
The total operating costs for 2002/03 were \$672,000.



Certification of Financial Statements *for the year ended 30 June 2003*

The accompanying financial statements of the Armadale 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 year ended 30 June 2003 and the financial position as at 30 June 2003.

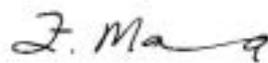
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Gerald Gauntlett
CHAIRMAN



Kay Hallahan
DEPUTY CHAIR



Frank Marra
PRINCIPAL ACCOUNTING OFFICER

6 August 2003



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

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

Audit Opinion

In my opinion,

- (i) the controls exercised by the Armadale 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 14, 2003

Statement of Financial Performance *for the year ended 30 June 2003*

	Note	2003 \$	2002 (1) \$
COST OF SERVICES			
Expenses from ordinary activities			
Expenses from ordinary activities			
Employee expenses		297,403	449
Supplies and services	2	359,138	101,715
Depreciation & amortisation expense	3	36,007	284
Administration expenses	4	68,406	8,078
Accommodation expenses	5	51,467	18,350
Members allowances		64,725	32,813
Other expenses from ordinary activities	6	75,969	10,430
Total cost of services		<u>953,115</u>	<u>172,119</u>
Revenue from ordinary activities			
Interest revenue		20,789	4,814
Other Revenue from ordinary activities		69	-
Total revenues from ordinary activities		<u>20,858</u>	<u>4,814</u>
NET COST OF SERVICES		<u>932,257</u>	<u>167,305</u>
REVENUES FROM STATE GOVERNMENT			
Output appropriation		500,000	750,000
Resources received free of charge	7	10,000	5,000
Total revenues from State Government		<u>510,000</u>	<u>755,000</u>
CHANGE IN NET ASSETS		<u>(422,257)</u>	<u>587,695</u>

(1) For the period 23 March 2002 to 30 June 2002.

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

Statement of Financial Position *for the year ended 30 June 2003*

	Note	2003 \$	2002 (1) \$
CURRENT ASSETS			
Cash assets	15	822,157	527,496
Receivables	8	7,255	20,612
Other current assets	9	7,011	2,292
Total Current Assets		<u>836,423</u>	<u>550,400</u>
NON-CURRENT ASSETS			
Plant and equipment	10	152,155	164,266
Total Non-current Assets		<u>152,155</u>	<u>164,266</u>
TOTAL ASSETS		<u>988,578</u>	<u>714,666</u>
CURRENT LIABILITIES			
Payables	11	244,506	126,971
Provisions	12	63,025	-
Total Current Liabilities		<u>307,531</u>	<u>126,971</u>
NON-CURRENT LIABILITIES			
Provisions	12	15,609	-
Total Non-Current Liabilities		<u>15,609</u>	<u>-</u>
TOTAL LIABILITIES		<u>323,140</u>	<u>126,971</u>
NET ASSETS		<u>665,438</u>	<u>587,695</u>
EQUITY			
Contributed equity	13	500,000	-
Accumulated surplus		165,438	587,695
TOTAL EQUITY		<u>665,438</u>	<u>587,695</u>

(1) For the period 23 March 2002 to 30 June 2002.

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	2003 \$	2002 (1) \$
CASH FLOWS FROM STATE GOVERNMENT			
Appropriations		500,000	750,000
Capital contributions		500,000	-
Net cash provided by State Government		<u>1,000,000</u>	<u>750,000</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		51	-
Interest received		20,150	2,680
Payments to suppliers and employees		(715,019)	(71,559)
GST payments on purchases		(77,694)	(20,770)
GST receipts on sales		3,549	-
GST receipts from taxation authority		87,520	-
Net cash used in operating activities	14	<u>(681,443)</u>	<u>(89,649)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(23,896)	(132,855)
Net cash used in investing activities		<u>(23,896)</u>	<u>(132,855)</u>
Net increase in cash held		294,661	527,496
Cash assets at the beginning of period		527,496	-
Cash assets at the end of the period	15	<u>822,157</u>	<u>527,496</u>

(1) For the period 23 March 2002 to 30 June 2002.

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

Notes to the Financial Statements *for the year ended 30 June 2003*

Note 1 Significant Accounting Policies

The following accounting policies have been adopted in the preparation of the financial statements.

a) General

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian 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 the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statements of Accounting Concepts 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 financial 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.

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

b) Output Appropriations

Output appropriations are recognised as revenues in the period in which the Authority gains control of the appropriated funds. The Authority gains control of appropriated funds at the time those funds are deposited into the Authority's bank account.

c) Contributed Equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position.

d) Revenue Recognition

Revenue from the sale of goods and 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.

Notes to the Financial Statements *for the year ended 30 June 2003 cont...*

e) Interest Revenue

Interest revenues are recognised as they are accrued.

f) Employee Benefits

Annual and Long Service Leave

A liability for annual and long service leave is recognised and is recorded at amounts expected to be paid when the liabilities are settled. Annual leave is measured at the amount due but unpaid at reporting date. Long service leave liability is calculated for all employees with more than 50% eligible service even though a legal liability to pay long service leave has not arisen.

An actuarial assessment of long service leave was carried out in July 2003 and it was determined that the actuarial assessment of the liability was not materially different from the liability reported. This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AASB 1028 "Employee Benefits".

Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members or 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 either of these schemes become members of either the West State Superannuation Scheme or the Colonial Select Superannuation Plan, accumulation funds complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992.

The liability for superannuation charges incurred under the Pension Scheme, together with the pre-transfer service liability for employees who transferred to the Gold State Superannuation Scheme, are provided for at reporting date.

The liability for charges under the Gold State Superannuation Scheme, West State Superannuation Scheme and the Colonial Select Superannuation Plan are extinguished by the payment of employer contributions to the schemes.

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 net 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.

Notes to the Financial Statements *for the year ended 30 June 2003 cont...*

g) Depreciation of Non-Current Assets

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

Depreciation is provided for on the straight line basis using rates which are reviewed annually.

Useful lives for each class of depreciable asset are:

Furniture & Office Equipment	10 years
Computer Equipment	4 years
Computer Software	4 years
Leasehold Improvements	5 years

h) Leases

The Authority has entered into an operating lease arrangement for the rent of the office building where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating lease. Equal instalments 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 property.

i) Receivables

Accounts receivable are recognised at the amounts receivable as they are generally due for settlement no more than 30 days from the date of recognition. Collectability of receivables is reviewed on an ongoing basis.

j) 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.

k) Resources received free of charge

Resources received free of charge which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

l) Acquisition 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.

Notes to the Financial Statements *for the year ended 30 June 2003 cont...*

m) Rounding

Amounts in the financial statements have been rounded to the nearest dollar.

n) Employee costs

Although the Authority has no employment powers, it is staffed by officers seconded to it under a Service Level Agreement with the Western Australian Land Authority. Employee costs are charged on a monthly basis in accordance with the Agreement.

	2003	2002
	\$	\$
Note 2 Supplies and services:		
Consultants and contractors	359,138	101,715
	<u>359,138</u>	<u>101,715</u>

Note 3 Depreciation and amortisation:

Furniture and Office Equipment Depreciation	1,416	-
Computer Equipment Depreciation	6,785	225
Computer Software Depreciation	721	59
Leasehold Improvements Amortisation	27,085	-
	<u>36,007</u>	<u>284</u>

Note 4 Administration expenses:

Communications	13,636	2,503
Consumables	17,655	5,561
Insurance	27,292	-
Other costs	9,823	14
	<u>68,406</u>	<u>8,078</u>

Note 5 Accommodation expenses

Lease rentals	45,883	14,973
Utilities	3,786	108
Other occupancy costs	1,798	3,269
	<u>51,467</u>	<u>18,350</u>

Notes to the Financial Statements for the year ended 30 June 2003 cont...

	2003	2002
	\$	\$
Note 6 Other expenses from ordinary activities		
Advertising, public relations and sponsorship	36,840	5,250
Motor vehicle and travel	29,129	180
Audit fees	10,000	5,000
	<u>75,969</u>	<u>10,430</u>
<i>Audit Fees</i>		
The total fees paid or due and payable to the Auditor General for the financial year is as follows:		
Fees for audit	10,000	5,000
	<u>10,000</u>	<u>5,000</u>
Note 7 Resources received free of charge		
Determined on the basis of the following estimates:		
Office of the Auditor General	10,000	5,000
	<u>10,000</u>	<u>5,000</u>
Note 8 Receivables		
Trade debtors	7,255	20,612
	<u>7,255</u>	<u>20,612</u>
Note 9 Other current assets		
Accrued revenue	2,931	2,292
Prepayments	4,080	-
	<u>7,011</u>	<u>2,292</u>
Note 10 Plant and equipment		
Furniture and office equipment		
<i>Cost</i>		
Opening balance	3,750	-
Additions	16,864	3,750
Closing balance	<u>20,614</u>	<u>3,750</u>
<i>Accumulated depreciation</i>		
Depreciation for the year	1,416	-
Closing balance	<u>1,416</u>	<u>-</u>
Net book value	<u>19,198</u>	<u>3,750</u>

Notes to the Financial Statements for the year ended 30 June 2003 cont...

	2003	2002
	\$	\$
Note 10 Plant and equipment contd...		
Computer equipment		
<i>Cost</i>		
Opening balance	23,008	
Additions	6,267	23,008
Closing balance	<u>29,275</u>	<u>23,008</u>
<i>Accumulated depreciation</i>		
Opening balance	225	-
Depreciation for the year	6,785	225
Closing balance	<u>7,010</u>	<u>225</u>
Net book value	<u>22,265</u>	<u>22,783</u>
Computer software		
<i>Cost</i>		
Opening balance	2,885	-
Additions	-	2,885
Closing balance	<u>2,885</u>	<u>2,885</u>
<i>Accumulated depreciation</i>		
Opening balance	59	-
Depreciation for period	721	59
Closing balance	<u>780</u>	<u>59</u>
Net book value	<u>2,105</u>	<u>2,826</u>
Leasehold improvements		
<i>Cost</i>		
Opening balance	134,907	-
Additions	765	134,907
Closing balance	<u>135,672</u>	<u>134,907</u>
<i>Accumulated amortisation</i>		
Amortisation for the year	27,085	-
Closing balance	<u>27,085</u>	<u>-</u>
Net book value	<u>108,587</u>	<u>134,907</u>
Total plant and equipment, net	<u>152,155</u>	<u>164,266</u>

Notes to the Financial Statements *for the year ended 30 June 2003 cont...*

	2003	2002
	\$	\$
Note 11 Payables		
Current		
Trade creditors	7,959	1,734
Accrued expenses	236,547	125,237
	244,506	126,971
Note 12 Provisions		
Current		
Annual leave	44,045	-
Long service leave	18,980	-
	63,025	-
Non-current		
Long service leave	15,609	-
	15,609	-
Note 13 Equity		
Contributed equity		
Capital contributions	500,000	-
	500,000	-
Accumulated surplus		
Opening balance	587,695	-
Change in net assets	(422,257)	587,695
Closing balance	165,438	587,695
Note 14 Reconciliation of net profit cost of services to net cash provided by/(used in) operating activities		
Net cost of services	(932,257)	(167,305)
Non-cash items:		
Depreciation and amortisation expense	36,007	284
Resources received free of charge	10,000	5,000
Decrease/(increase) in receivables	(4,719)	(2,134)
Increase/(decrease) in payables	117,535	95,276
Increase/(decrease) in provisions	78,634	-
Net GST receipts/(payments)	(18)	(158)
Change in GST receivables/payables	13,375	(20,612)
	(681,443)	(89,649)
Net cash provided by/(used in) operating activities	(681,443)	(89,649)

Notes to the Financial Statements *for the year ended 30 June 2003 cont...*

	2003	2002
	\$	\$

Note 15 Reconciliation of Cash:

Cash at the end of the period as shown on the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash assets	822,157	527,496
-------------	---------	---------

Note 16 Remuneration of Accountable Authority and Senior Officers

Remuneration of Members of the Accountable Authority

The number of members of the Accountable Authority whose total of fees, salaries, superannuation and any other benefits received or due and receivable for the financial year, falls within the following bands:

Nil – \$10,000	4	4
\$10,000 – \$20,000	1	2
\$20,000 – \$30,000	1	-

The total remuneration of members of the Accountable Authority is:	74,483	32,813
--	--------	--------

The superannuation included here represents the superannuation expense incurred by the Authority in respect of members of the Accountable Authority. No members of the Accountable Authority are members of the Pension Scheme.

Remuneration of Senior Officers

The number of Senior Officers other than members of the Accountable Authority whose total of fees, salaries, superannuation and any other benefits received or due and receivable for the financial year, falls within the following bands:

\$110,001 – \$120,000	1	1
-----------------------	---	---

The total remuneration of members of Senior Officers:	116,924	-
---	---------	---

Notes to the Financial Statements for the year ended 30 June 2003 cont...

	2003	2002
	\$	\$

Note 16 Remuneration of Accountable Authority and Senior Officers contd...

The superannuation included here represents the superannuation expense incurred by the Authority in respect of members of the Accountable Authority. No Senior Officers are members of the Pension Scheme.

Note 17 Commitments for expenditure

Capital commitments

Capital commitments for public infrastructure at 30 June 2003 amounted to \$168,000 (2002: nil) and are all due within 12 months.

Lease commitments

The Authority has its office premises and its motor vehicle fleet under a non-cancellable operating leases. Total commitments for future lease payments which have not been provided for in the accounts are as follows:

Within one year	45,891	31,700
-----------------	--------	--------

Note 18 Financial Instruments

a) Interest Rate Risk Exposures

The Authority is exposed to interest rate risk through primary financial assets and liabilities. The following table summarises interest rate risk for the Authority, together with effective interest rates as at balance date.

	Variable Interest rate (a)	Fixed interest rate maturing in			Non-Interest bearing	Total	Weighted average interest rate	
		1 year or less	Over 1 to 5 years	More Than 5 years			Variable	Fixed
2003	\$	\$	\$	\$	\$	\$		
Financial Assets								
Cash assets	822,157					822,157	4.25%	
Receivables					7,255	7,255		
	822,157				7,255	829,412		
Financial Liabilities								
Payables					244,505	244,505		
					244,505	244,505		

Notes to the Financial Statements for the year ended 30 June 2003 cont...

Note 18 Financial Instruments cont...

2002	Variable Interest rate (a)	Fixed interest rate maturing in			Non-Interest bearing	Total	Weighted average interest rate	
		1 year or less	Over 1 to 5 years	More Than 5 years			Variable	Fixed
	\$	\$	\$	\$	\$			
Financial Assets								
Cash assets	527,496				527,496	4.25%		
Receivables				20,612	20,612			
	527,496			20,612	548,108			
Financial Liabilities								
Payables				126,971	126,971			
				126,971	126,971			

(a) Variable interest rates represent the most recently determined rate applicable to the instrument at reporting date.

b) Net Fair Value of Financial Assets And Liabilities

The net fair value of financial assets and financial liabilities of the Authority approximates their carrying value.

c) Credit Risk

The Authority does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements represents the Authority's maximum exposure to risk.

Note 19 Explanatory Statement

a) Comparison of actual results with the preceding year

The Authority only operated from 23 March 2002 to 30 June 2002 in the preceding year and as such a comparison of actual results for the current year with those of the preceding year would not be meaningful.

Notes to the Financial Statements *for the year ended 30 June 2003 cont...*

Note 19 Explanatory Statement *cont...*

b) Comparison of estimates and actual results

Interest revenue was \$21,000 more than budget due to a higher level of funds on hand than was anticipated.

Expenditure for the year was in line with budget.

Note 20 Write offs and losses

There were no bad debts written off during the year. There were no losses of public property through theft, vandalism or other circumstances during the year.

Note 21 Segment Information

The Authority operates in one reportable output segment and one geographical segment.

Shop 4-5 Armadale Shopping City
Jull Street Armadale WA 6112

PO Box 790 Armadale 6992

Tel 08 9399 9277
Fax 08 9399 9422
Email info@ara.wa.gov.au
Website www.ara.wa.gov.au

