



SUBIACO REDEVELOPMENT AUTHORITY

Annual Report 2007-2008



Subiaco
Redevelopment
Authority

Table of Contents



Statement of Compliance.....	2
Executive Summary	3
Overview of Agency	5
Report on Operations.....	10
Disclosures and Legal Compliance.....	12
Certification of Performance Indicators.....	16
Key Performance Indicators	17
Certification of Financial Statements.....	25
Opinion of the Auditor General	51



ANNUAL REPORT 2007-2008

This is the 14th annual report of the Subiaco Redevelopment Authority.

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Statement of Compliance



The Hon John Day MLA
Minister for Planning
Level 13 East, Dumas House,
2 Havelock Street
WEST PERTH WA 6005

Dear Minister

In accordance with the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament the Annual Report of the Subiaco Redevelopment Authority for the year ended 30 June 2008.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Yours sincerely

Mr Bill Griffiths
**Chairman of
Accountable Authority**

Mr Don Humphreys
**Deputy Chairman of
Accountable Authority**

Mr Tony Morgan
Chief Executive Officer

28 August 2008



ANNUAL REPORT 2007-2008

Executive Summary



ANNUAL REPORT 2007-2008

Highlights

- On 8 February 2008, the State Government announced that a new \$1.1 billion multi-purpose outdoor stadium would be built at Kitchener Park in Subiaco. The new major sport and entertainment stadium would replace the old Subiaco Oval, provide seating for 60,000 people and cater for AFL, rugby, soccer, cricket and major events such as concerts. The staged construction is expected to commence in 2011 and be completed in 2016. The Government has announced that the Subiaco Redevelopment Authority (SRA) boundary will be extended as part of the planning phase.
- The China Green forward works program, which included bulk earthworks for remediation of the site, was completed in April 2008. The SRA's forward works contractors were able to recycle 85% of the materials as part of the demolition works.

Community Consultation

- The SRA recognises the importance of involving the community in decision making across the range of its development and regulatory activities. The SRA responds to its statutory requirements to advertise and publicly consult on all new planning policies. In addition, at the planning stage of new projects, a communications strategy is developed which details how stakeholders will be engaged in planning for redevelopment. These communications strategies ensure that the range of SRA's stakeholders – landowners, property developers, state and local government agencies, business operators, residents and the general public – are engaged with SRA's redevelopment activities. SRA consultation for 2007/08 has included:
 - The China Green Scheme Amendment, Design Guidelines and Precinct Plan were released for public comment, from

12 December 2007 to 29 February 2008. Approximately 300 submissions were received during the community comment period. The submissions were analysed and the findings used to inform the next planning phase for China Green. It is anticipated that plans for China Green will be finalised in the 2008/09 financial year.

- A planning policy on sound attenuation was publicly advertised on 18 January 2008 for a 30 day period. Comments received were incorporated into the policy, which was adopted in May 2008.
- The Scheme Amendment and draft Design Guidelines for the Centro North development were released for public comment on 24 June 2008. Centro North will transform the former TAFE site on the corner of Station Street and Salvado Road into an active mixed-use precinct and create a pedestrian link between St John of God Hospital and the Subiaco train station.
- The SRA commenced a 42 day public comment period on 27 June 2008 for the proposed Scheme Amendment No. 6 to the Subiaco Redevelopment Scheme. This Amendment is likely to be finalised in late 2008.

Project Tours in Subi Centro

Subi Centro has received recognition nationally and internationally as a demonstration of how Transit Oriented principles can be a key feature of a development. Throughout the financial year, six Subi Centro project tours for various government, educational and planning groups were conducted, including:

- Parliamentary Secretary to the Premier of South Australia, Mr Michael O'Brien MP
- Brian Howe, Professorial Associate at Melbourne University's Centre for Public Policy and Professor Peter Newman
- Senior representatives from VicUrban

Executive Summary



- Chairman and CEO of the Queensland Urban Land Development Authority
- Maroochy Shire Council Delegation (Queensland)
- New Zealand Government Delegation

Financial Results

During the 2007/08 financial year, there were no land sales due to the stage reached in the life cycle of the various SRA projects. The net result was that expenses exceeded income by \$0.63 million.

Development Applications

The SRA received three Development Applications for an estimated construction value of \$9.98 million. The small number of Development Applications reflects the near-completion status of the Subi Centro project. Private investment in Subi Centro continues to reflect strong investor and community confidence in regeneration outcomes brought about by the SRA.

Continuity of Term

The State Government has approved the continuation of the SRA to enable the completion of SRA's redevelopment projects.

Sustainability

The SRA has developed a Sustainability Action Plan that establishes that planning, reporting and decision making are conducted in accordance with sustainability principles. The SRA has criteria for the measurement of project performance which includes sustainability priorities. The SRA supports re-usability, recyclability, durability, and energy efficiency through its procurement processes.

Affordable Housing

The SRA has committed to deliver a minimum of 10% social and affordable housing within its redevelopment area and is on target to achieve this. Six units are nearing completion in the Subiaco Rise project area of Subi Centro.

We would like to take the opportunity to express our appreciation to Board members, staff and consultants for their support, professionalism and commitment to the planning and redevelopment objectives of the SRA.

Mr Bill Griffiths
**Chairman of
Accountable Authority**

Mr Tony Morgan
**Chief Executive
Officer**



ANNUAL REPORT 2007-2008

Overview of Agency



Operational Structure – Corporate Governance

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

The functions of the SRA are to plan, undertake, promote and coordinate the development and redevelopment of land within the Redevelopment Area. The SRA is required to prepare and keep under review a Redevelopment Scheme for the area and to control development. The Act provides the SRA with the necessary powers to deal in land and other assets and undertake works in the area as an agent of the Crown.

Redevelopment Area Map

Legend

- Existing Lot Boundary
- Original Redevelopment Area Boundary
- Current Redevelopment Area Boundary
- Normalised Area



ANNUAL REPORT 2007-2008

Section 21(2)(b) of the *Subiaco Redevelopment Act 1994* requires Ministerial approval for the SRA to subdivide and amalgamate land.

Under its Act, the SRA Board is precluded from directly employing staff, apart from the Chief Executive Officer. In 2003, the East Perth Redevelopment Authority was authorised by the then Minister for Planning and Infrastructure to deliver human resource, financial and operational services to the SRA in accordance with a Service Agreement between the two Boards. This Service Agreement is the subject of an annual review.

Overview of Agency



Purpose

To revitalise the redevelopment area.

Vision

Subi Centro – accessible, liveable, vibrant.

Strategic Objectives

As determined by the Board on 30 March 2006, the following were the strategic objectives to June 2008:

- Deliver the SRA's vision through completion of acquisition, planning and development in the (remaining) Redevelopment Area;
- Retain a suitably qualified management team;
- Continue to be innovative and show leadership in all aspects of Place Making;
- Effective financial and risk management; and
- Deliver effective stakeholder relationships.



ANNUAL REPORT 2007-2008

Membership of the Board

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

- (a) Two persons who in the opinion of the Minister have a relevant qualification (one person is the Chairman)
- (b) Two persons nominated by the City of Subiaco
- (c) One person nominated by the Minister responsible for the *Transport Coordination Act 1966*.

Board Remuneration

Board members are remunerated according to guidelines set by the Public Sector Management Office. Board members who are public servants do not receive remuneration.

Member

Mr Bill Griffiths (Chair)
Mr Don Humphreys (Deputy Chair)
Dr Susan Cutler

Expiry of Term

30 June 2008
30 June 2010
Last meeting was
26 June 2008
31 December 2008
31 December 2008

**Members nominated by the City of Subiaco.*

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.

Overview of Agency



ANNUAL REPORT 2007-2008

Internal Audit Committee

The SRA has a committee with delegated authority to deal with internal audit matters. Members of the committee are Councillor Lynley Hewett (Chair), Mr Bill Griffiths and Mr Don Humphreys.

Board Members' Attendance

The Board met 13 times in the financial year with two Internal Audit meetings also taking place. Brackets denote number of Board meetings members were eligible to attend.

Member	SRA Board Total = 13	Internal Audit Committee Total = 2
Mr Bill Griffiths	13	2
Mr Don Humphreys	12 (13)	2
Cr Lynley Hewett*	12 (13)	2
Cr Andrew McTaggart*	11 (13)	
Dr Susan Cutler	12 (13)	

**Members nominated by the City of Subiaco.*

Management

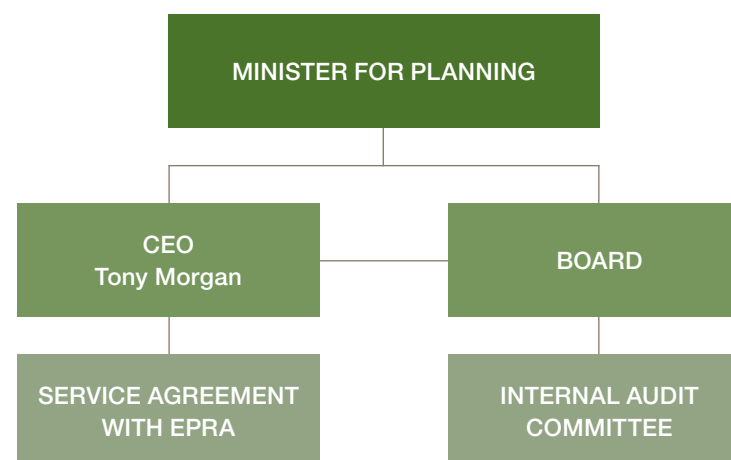
Under its Act, the SRA is restricted to employing only a Chief Executive Officer (CEO). Other staff, resources and services are provided by the East Perth Redevelopment Authority through a service agreement. The Service Agreement provides services such as:

- human resources and management systems;
- information technology;
- information management;

- financial management, including internal audit services;
- asset management;
- policies and procedures;
- sales contract administration;
- strategic business planning; and
- corporate governance support.

Accordingly, matters relating to recruitment, staff development, industrial relations, worker's compensation and occupational safety and health are contained in the East Perth Redevelopment Authority's Annual Report of 2007/08.

Organisation Chart



Overview of Agency



Performance Management Framework

SRA's goals fit within overarching State Government policy, as set out in the document *Better Planning Better Futures: A Framework for the Strategic Management of the Western Australian Public Sector*. This document sets out a vision which all public sector agencies should be able to demonstrate that they fit within, stating:

“Vision... the best opportunities for current and future generations. Western Australia will be a creative, sustainable and economically successful State that embraces the diversity of its people and values its rich natural resources. The Western Australia public sector will work towards providing the best opportunities for current and future generations to live better, longer and healthier lives.”

This vision has five goal elements, which are: Better Services, Jobs and Economic Development, Lifestyle and the Environment, Regional Development and Governance and Public Sector Improvement. Within these goal areas, the State policy sets out separate sub-goals. Of these, the following are strongly relevant to the SRA's vision:

- 1.4 A strong and vibrant community.
- 2.4 A level and mix of infrastructure that promotes economic growth.
- 3.1 A unique lifestyle that is maintained and enhanced.

Goal 1: Better Services

SRA contributes to a strong and vibrant community through the following measures:

- Development of public realm that enhances the vibrancy of the Redevelopment Area;
- Development of high density and mixed use developments that ensure critical mass for vital communities;
- Delivery of 10 to 15% affordable housing to cater for diverse communities;
- Passive surveillance in design of street fronts to encourage the safety of the Redevelopment Areas.

Goal 2: Jobs and Economic Development

SRA's project delivery ensures that redevelopment contributes to vibrant economic activity – generating significant efficiency improvements on government infrastructure investments, supporting new businesses and generating employment by attracting private sector investment, setting targets for office and retail floorspace, and marketing commercial space in project areas. In addition, the creation of mixed use development supports emerging industries, retail and commercial activity, as well as employment in knowledge and service industries.



ANNUAL REPORT 2007-2008

Overview of Agency



ANNUAL REPORT 2007-2008

Goal 5: Governance and Public Sector Improvement

SRA ensures a whole of government approach to decision making through regular liaison with State and Local Government and participation in a variety of cross-portfolio committees.

How SRA's Key Performance Indicators align with the State Government goals in Better Planning, Better Futures

Goal from Better Planning, Better Futures	SRA KPI No.	SRA's Statement of Purpose is "To revitalise run down former industrial sites within the Redevelopment Area", measured by the following Key Performance Indicators:
1.4 A strong and vibrant community	1	Expand residential, retail, commercial and recreational opportunities in the Redevelopment Area
	2	Balance and complement the existing community fabric
	3	Promote medium density mixed-use development and a diversity of housing stock
	4	Increase use of public and alternative transport in the area
2.4 A level and mix of infrastructure that promotes economic growth	1	Expand residential, retail, commercial and recreational opportunities in the Redevelopment Area*
3.1 A unique lifestyle that is maintained and enhanced	1	Expand residential, retail, commercial and recreational opportunities in the Redevelopment Area*
	2	Balance and complement the existing community fabric*
	3	Promote medium density mixed-use development and a diversity of housing stock*
	4	Increase use of public and alternative transport in the area*

* Some Key Performance Indicators work towards more than one State Government goal

For a more substantial description of SRA's Key Performance Indicators and how they are measured, please refer to this year's Key Performance Indicators.

Report on Operations



Subi Centro

Vision

To transform under-utilised, derelict land into a vibrant and sustainable inner city community that blends the rich heritage and unique character of Subiaco with contemporary development.

The Subi Centro project is transforming 80 hectares of former industrial land in the heart of Subiaco into a vibrant and sustainable inner city community. Once redeveloped to the satisfaction of the SRA, land can be subtracted from the Redevelopment Area and planning authority returned to the City of Subiaco. This process is known as 'normalisation' and to date, 86% of the Redevelopment Area has been normalised.

Objectives

- To create a cosmopolitan community of residential housing, shopping and entertainment areas and mixed-use office precincts, linked internally and to surrounding suburbs by a recreational Greenspine.
- Sustainability objectives guide all development planned and undertaken – taking into account social, economic and environmental considerations, with a particular focus on solar orientation and targets for reducing energy and water usage.

- Accessibility to public transport, shops, parks, entertainment, education and medical services and other community facilities contributing to the area's amenity and safety.
- To deliver the Housing Diversity Policy, which requires that 10 to 15% of dwellings on all new land releases be assigned for affordable, special needs and social housing.

Current Status

- The Scheme Amendment and Design Guidelines for China Green were released for community comment from 12 December 2007 to 29 February 2008. The SRA received approximately 300 submissions during the community comment period. The submissions were analysed and the findings incorporated into the next planning phase for China Green. It is anticipated that plans for China Green will be finalised in the 2008/09 financial year.
- On finalisation of the China Green plans, subdivision works and sales will commence.
- The China Green forward works program, which included demolition and bulk earthworks for remediation of the site, was completed in April 2008. The SRA's forward works contractors were able to recycle 85% of the materials as part of the demolition works.
- SRA has progressed planning approval to subdivide the Centro North site and commence development activities, releasing the Scheme Amendment and Design Guidelines for community comment on 24 June 2008, closing August 2008.
- Development works will commence on finalisation of the Centro North plan in the 2008/09 financial year.



ANNUAL REPORT 2007-2008

Report on Operations



Subi Centro Project Expectations

Project area	80 hectares
No of dwellings	1,300–1,500 new residences
Housing a population of	1,700–2,000 new residents
Commercial space	80,000m²
Retail space	10,000m²
Commercial and retail activity	3,000–4,000 jobs
SRA's investment	\$135 million
Investment attraction	approximately \$500 million

Sustainability

In line with the Government's Sustainability Code of Practice, the SRA has developed a Sustainability Action Plan that details its response to commitments established under the Sustainability Code of Practice. This also addresses sustainability requirements as identified in the State Government strategic framework: *Better Planning: Better Futures*. The SRA is currently addressing its sustainability obligations as follows:

Planning, reporting and decision making are conducted in accordance with sustainability principles.

The SRA's Sustainability Action Plan identified a project assessment framework as the key tool for ensuring that redevelopment is conducted in accordance with sustainability principles. In 2006, the SRA adopted and implemented a Sustainability Assessment Tool across a range of projects. The tool consists of a range of sustainability priorities (including urban design, economic benefits, environment, community development and infrastructure), as well as criteria for measurement of project performance. The Sustainability Assessment Tool has been successful in integrating sustainability into SRA's place making process – from project planning to place development and post development evaluation.

Agency operations support sustainability.

The SRA ensures that planning for the development of government land is in accordance with sustainability principles through implementation of the Sustainability Assessment Tool. The SRA supports re-usability, recyclability, durability, and energy efficiency through its procurement processes. The SRA's contract documentation is currently being reviewed to ensure compliance with the State Supply Commission Policy sustainable procurement requirements and to support the Government's Sustainability Strategy.

The SRA continues to liaise closely with Local Government to ensure promotion of sustainable development post normalisation.

Significant Issues and Trends

WA has a booming economy, which adds to building costs and has kept prices for inner city land high. This trend also impacts on housing affordability, which the SRA seeks to address by providing affordable housing.

Perth's property supply, both commercial and residential, has been unable to adequately meet demand in recent years. The resources sector boom has resulted in record levels of demand in the Perth CBD office market. Commercial property vacancy rates are very low, and are forecast to remain under 4.5% for the next three years. The greater metropolitan population of Perth is projected to increase by around 700,000 over the next 30 years.



ANNUAL REPORT 2007-2008

Disclosures and Legal Compliance



Ministerial Direction

The SRA's enabling legislation requires that if the Minister gives the SRA a direction it shall be in writing and tabled in Parliament. There were no directions during the 2007/08 financial year.

Governance Disclosures

There have been no disclosures of any conflict of interest with senior officers of the agency, relating to factors such as shares, contracts, benefits, or any other matter. The SRA operates a contract administration system that requires senior officers to declare confidentiality and interest in respect to any existing or proposed contract. There are no known cases of any conflict of interest in the 2007/08 reporting period.

The SRA paid \$15,111 for insurance to indemnify its directors as defined in Part 3 of the *Statutory Corporations (Liability of Directors) Act 1996* against liability incurred under sections 13 or 14 of the *Statutory Corporations (Liability of Directors) Act 1996*.

Marketing and Advertising

Electoral Act 1907, S175ZE

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

Amount \$'000

Market Research

Synovate	62
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Media Advertising

(including multimedia)

303	114
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Marketforce Express	5
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Media Decisions WA	43
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Marketing and Public Relations

Purple Communications	18
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ANNUAL REPORT 2007-2008

Disclosures and Legal Compliance



ANNUAL REPORT 2007-2008

Publications

Publications by the SRA are available at its office at 12 Lindsay Street, Perth WA 6000 and online at www.sra.wa.gov.au. No information of a personal nature concerning members of the public is kept by the SRA. A copy of the *Subiaco Redevelopment Act 1994* is available from the State Law Publisher. The principal publications kept by the SRA are:

- 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.
- Site Design Guidelines, which prescribe the standards and recommendations to ensure that each development within Subi Centro will be of a high quality and appropriately integrated into the community.
- Information pamphlets and sheets on the overall redevelopment and for specific initiatives.
- Annual Reports for the years ending 1993-2008.
- Urbano magazines.

Substantive Equality

All departments represented on the Strategic Management Council are required to set out in their Annual Report the progress achieved in implementing the *Policy Framework for Substantive Equality*. While the SRA is not represented on the Strategic Management Council, it is committed to substantive policy and has developed a number of initiatives aimed at increasing social diversity, such as facilitating the development of affordable housing for those on a low income. However, as a redevelopment authority, the focus of the SRA is on redeveloping land, and therefore it does not directly provide services to the community. This therefore limits the extent of its ability to report on substantive equality.

Disability Access and Inclusion Plan Outcomes 2007-2012

The SRA has a Disability Access and Inclusion Plan which is available from the SRA website. The SRA also developed a Disability Access and Inclusion Implementation Plan for 2007/08. The following points are a brief outline of the SRA's current initiatives to address each of the six Disability Access and Inclusion Plan outcomes:

Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the SRA.

- Staff providing SRA services, consultants, agents and contractors are aware of the relevant requirements for providing access in accordance with the Australian Standards (including Enhanced Standards), the *Disability Services Act (1993)* and the *Disability and Discrimination Act (1992)*.

Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the SRA.

- The SRA building is user-friendly for members of the public with disabilities.

Outcome 3: People with disabilities receive information from the SRA in a format that will enable them to access the information as readily as other people.

- Materials are provided in alternative format whenever requested.

Disclosures and Legal Compliance



Outcome 4: People with disabilities receive the same level and quality of service from staff providing SRA services as other people.

- A Disability Services Commission training video has been included in staff induction packages, with a requirement that all staff and contractors view this video and comply with its standards.

Outcome 5: People with disabilities have the same opportunities as other people to make complaints to the SRA.

- Grievance mechanisms are accessible for people with disabilities and SRA is prepared to provide grievance mechanism process and outcome satisfaction survey forms in alternative formats.

Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by the SRA.

- SRA is committed to ongoing monitoring of the Disability Access and Inclusion Plan to ensure implementation and satisfactory outcomes.

Compliance with Public Sector Standards and Ethical Codes

In accordance with the requirement of section 31(1) of the *Public Sector Management Act 1994*, the SRA reports that there were no compliance issues that arose during the financial year regarding the public sector standards, the WA Code of Ethics or the SRA's Code of Conduct.

Other Legislation Affecting Activities

Aboriginal Heritage Act 1972
Contaminated Sites Act 2003
Corruption and Crime Commission Act 2003
Disabilities Services Act 1993
Disability Discrimination Act 1992
Electoral Act 1907
Environmental Protection Act 1986
Equal Opportunity Act 1984
Financial Management Act 2006
Freedom of Information Act 1992
Fringe Benefit Tax Assessment Act 1986
Heritage of Western Australia Act 1990
Income Tax Assessment Act 1997
Industrial Relations Act 1979
Land Administration Act 1997
Occupational Health and Safety Act 1984
Planning and Development Act 2005
Public Interest Disclosure Act 2003
Public Sector Management Act 1994
Salaries and Allowances Act 1975
State Administrative Tribunal Act 2004
State Records Act 2000
State Superannuation Act 2000
State Supply Commission Act 1991
Statutory Corporations (Liability of Directors) Act 1996



ANNUAL REPORT 2007-2008

Disclosures and Legal Compliance



Strata Titles Act 1985
Subiaco Redevelopment Act 1994
Swan and Canning Rivers Management Act 2006
Taxation Administration Act 2003
Trade Practices Act 1985
Transfer of Land Act 1893
Workers Compensation and Injury Management Act 1981

Record Keeping

The SRA has complied with the *State Records Act 2000*. Information is a valuable asset to the SRA and the management of this information is a means to manage any document during its entire life cycle – it is the ability to know what documents exist regarding a particular subject, where they are located, what media they are stored on, who owns them, and when they should be destroyed. Information management encompasses document management, records management, imaging, and knowledge management systems.

The SRA has a policy on record keeping responsibilities, where all staff providing SRA services, contractors and organisations performing outsourced services on behalf of the SRA are made aware of the need to create full and accurate records, in the appropriate format, of the SRA's business decisions and transactions to meet all legislative, business, administrative, financial, evidential and historical requirements. This policy applies to all records created or received by any of above parties, regardless of physical format, storage location or date created.

In 2007/08 record keeping training, evaluation and induction programs were in place to ensure compliance with the *State Records Act 2000*.

Corruption Prevention

The SRA has developed policies and procedures which supplement the State Government's corporate governance policy framework. This framework consists of Premier's Circulars, Treasurer's Instructions and other key publications such as the Code of Ethics set out by the Commissioner for Public Sector Standards.

A first line defence in identifying, managing and preventing misconduct and corruption is the setting of appropriate standards of behaviour. To this end, the SRA has established a Code of Ethics which fits with the overall ethics direction for the public sector as set out by the Commissioner for Public Sector Standards. The SRA's Code of Conduct is an integral part of the accountability regime, drawn from the range of rules, laws and policies applicable to public sector bodies, and sitting alongside existing policies and procedures that guide, direct or set standards for employee behaviours.

A further step towards preventing corruption is in a range of policies which limit the opportunity for corruption within the agency to occur or go unnoticed. The SRA has policies that put controls and expectations on the following:

- procurement;
- delegation authorities;
- internal and external audits;
- valuations;
- acquisitions;
- hire of consultants;
- management of contracts; and
- development obligations.



ANNUAL REPORT 2007-2008

Certification of Performance Indicators

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 2008.



Mr Bill Griffiths
Chairman of Accountable Authority



Mr Don Humphreys
Deputy Chairman of Accountable Authority



Mr Tony Morgan
Chief Executive Officer

19 August 2008



ANNUAL REPORT 2007-2008

Key Performance Indicators



Statement of Purpose

To revitalise run down former industrial sites within the Redevelopment Area.

The SRA was established to plan, remediate and redevelop the land in the Redevelopment Area into 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. The proximity of uses enables a reduction in the dependence on motor vehicles.

Normalisation

On 18 September 2005, 67% of the original Redevelopment Area was returned to the City of Subiaco as part of a staged normalisation program. On 31 January 2007 an additional 19% was returned to the City of Subiaco on the completion of a second stage of normalisation bringing a total of 86% of land returned to the City of Subiaco. The sites selected for normalisation were considered to have either been successfully redeveloped or no longer required to be part of the Redevelopment Area. For consistency the statistics for the normalised areas have been incorporated into this report on the basis that they have remained static.

In order to quantify progress over the life of the project, Key Performance Indicators were developed under four headings for effectiveness measures and a fifth for efficiency.

1. Expand residential, retail, commercial and recreational opportunities in the Redevelopment Area¹

Indicator 1A: 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 number of residential units in the area increases.

Number of Residential Units complete (cumulative):

1997	2001	2002	2003	2004	2005	2006	2007	2008
Nil (Base Year)	305	421	448	801	917	981	1005	1034

Key finding

From having no residential units at all in the project area in the base year of 1996-1997, the number of units in the Redevelopment Area has been increasing over time, to the current total of 1,034, as based on Development Applications received by the SRA. This demonstrates that the SRA is achieving one of its key goals to revitalise former industrial sites with a range of housing products.



ANNUAL REPORT 2007-2008

¹ Data for indicators 1A-1D is based on completed developments throughout each financial year.

Key Performance Indicators



Indicator 1B: Increase in commercial and other non-residential and non-retail floor space in the Redevelopment Area

The increase in commercial floor space in the Redevelopment Area is an important factor that increases economic stimulation to the area, attracting both workers and consumers.

Commercial, other non-residential and non-retail floor space completed (cumulative) m²:

1997	2001	2002	2003	2004	2005	2006	2007	2008
147,400 (Base Year)	153,087	162,470	165,288	180,594	183,868	194,978	200,589	205,629

Key Finding

The SRA has achieved a yearly increase in the amount of commercial, other non-residential and non-retail floor space, with an additional 5,040m² being added in 2007/08. Since the base year of 1996/97, there has been an increase of nearly 40% in floor space to the 2007/08 financial year, providing opportunities for increased economic activity in the area.

Indicator 1C: Increase in retail space in the Redevelopment Area

Increases in retail floor space, like commercial floor space, are a measure of increasing economic stimulation in the development area.

Retail space in the Redevelopment Area, in m²:

1998	2001	2002	2003	2004	2005	2006	2007	2008
7,900 (Base Year)	14,346	14,874	14,874	15,623	15,983	16,103	16,103	16,103

The amount of retail floor space in 2007/08 has more than doubled since the base year, attracting significant investment, workers and consumers to the area. However, this measure has not increased in the last three years, as the development of the main retail hub of Subi Centro, Station Square, is complete. Further retail space will be delivered to the area once development is complete in the Centro North and China Green precincts.



ANNUAL REPORT 2007-2008

Key Performance Indicators



Indicator 1D – Increase in area of public parks and gardens

Public parks and gardens create a public realm for the enjoyment of residents and visitors.

Public Parks & Gardens (fully landscaped and developed) in hectares:

1997	2001	2002	2003	2004	2005	2006	2007	2008
2.18 (Base Year)	5.58	5.58	5.699	5.699	5.699	5.727	5.727	5.727

Key Finding

From the base year of 2.18 hectares, the amount of public parks and gardens has more than doubled to 5.727 in 2007/08. As the majority of the Subiaco project area is nearing completion, no additional space has been created for three financial years. However, as the China Green and Centro North precincts are developed, more parks and gardens are planned for delivery.

2. Balance and complement the existing community fabric

The following measures are based on census data provided by the Australian Bureau of Statistics, which means that new data only becomes available for each census year, the last Census being held in 2006. Due to the collecting and reporting methods used in pre 2006 data, some of the percentages quoted do not sum to 100% in every case. This is a statistical aberration due to the method of collection and reporting adopted by the Australian Bureau of Statistics.

Indicator 2A: The change in size and composition of the residential population of the Subiaco Redevelopment Area²

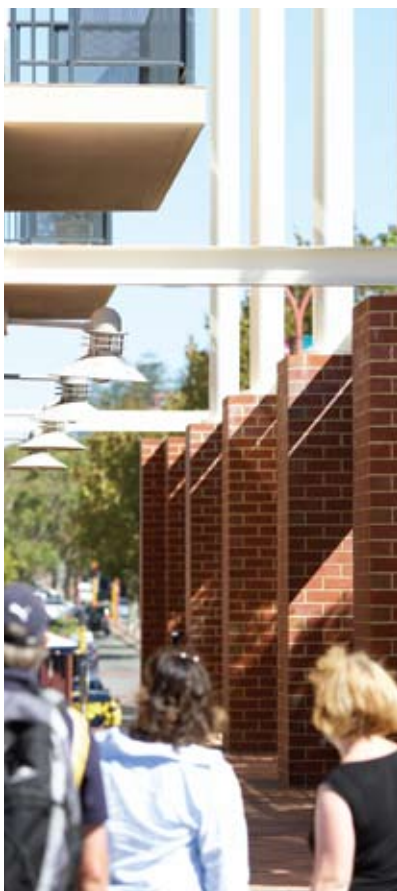
It is difficult to define exactly what brings vibrancy and activation to an area. However, it is frequently reflective of the different mix of people who live there.



ANNUAL REPORT 2007-2008

² Data derived from ABS Censuses 1996, 2001 and 2006.

Key Performance Indicators



ANNUAL REPORT 2007-2008

Household Composition:

	One parent families	Couples no children	Two parent families	Families of other related individuals	Group households	Lone person households
2006						
SRA	4%	39%	15%	1%	3%	38%
Subiaco	6%	28%	18%	1%	6%	35%
2001						
SRA	6%	33%	41%	1%	2%	10%
Subiaco	8%	20%	32%	2%	10%	20%

Key Finding:

The above table demonstrates that both the SRA and the wider Subiaco area have experienced a rise in couples with no children, while other household types have decreased as a proportion of this measure. This is consistent with other census data that confirms the trend towards smaller household structures in the Perth area³. Where the SRA project differs most strongly to the wider Subiaco area is in the increase in lone person households: these made up 10% of the SRA's project area in 2001 but increased 28% to stand at 38% by 2006. The change in household composition over time in the table demonstrates that the SRA is providing a range of accommodation which meets the needs of the changing demographics of society.

Indicator 2B: The change in the size and composition of the working population in the Redevelopment Area

In the base year of 1997, 1,416 people were employed in businesses occupying commercial floor space. This figure has more than doubled since then, with the total number of workers in the area being 3,400⁴ as at 30 June 2008.

Key Finding

The working population of the Redevelopment Area has increased by 1,984 new workers since 1997. Further increases will occur as commercial space in the remaining part of the Redevelopment Area is developed.

³ Between 2001 and 2006 the average household occupancy in Inner City Perth decreased from 2.08 to 2.05 persons per dwelling, according to a report by KPMG, 2007: 21.

⁴ Figure derived from a study conducted by The Planning Group in 2004 indicating 2,492 workers, plus detailed employment counts undertaken by the SRA since that time, showing an increase of 908 workers.

Key Performance Indicators



ANNUAL REPORT 2007-2008

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

Indicator 3A: The diversity and density of housing stock in the Redevelopment Area, compared with other areas⁵

This measure is important because the SRA seeks to provide a range of diversity in its project areas.

Comparisons of Housing Stock:

	Separate house	Terrace/Row/ Townhouse	Apartment	Other house
2006				
SRA	31%	19%	50%	0
City of Subiaco	47%	20%	34%	0
Perth Metro	78%	12%	9%	1%
2001				
SRA	28%	30%	22%	1%
City of Subiaco	43%	15%	29%	3%
Perth Metro	72%	11%	8%	0
1996				
SRA	0	0	0	0
City of Subiaco	54%	16%	30%	1%
Perth Metro	77%	15%	8%	0

Key Finding:

The table shows that the Subiaco Redevelopment Area has a lower percentage of separate houses and a higher percentage of apartments compared to the Subiaco and Perth average. When the SRA project area is considered in conjunction with the wider Subiaco area, it represents a greater blend of housing types than is available in the Perth Metro area as a whole. The larger proportion of compact housing in the SRA area is consistent with the SRA's commitment to delivering accommodation nodes close to public transport and other amenities, in accord with the State Government policy, Network City.

⁵ Data derived from ABS Censuses 1996, 2001 and 2006.

Key Performance Indicators



ANNUAL REPORT 2007-2008

4. Increased use of public and alternative transport in the area

The SRA seeks to design project areas such that dependence on motor vehicles is reduced.

Indicator 4A: Measures of public transport use. Train Passenger Counts:⁶

	1996	1998	2002	2006	2007	2008
Subiaco Train Station Week Total	9,017	8,126	15,426	19,173	19,838	28,035

Key Findings:

This measure has increased threefold since the base year of 1996, demonstrating strong use of train services within the project area.

Indicator 4Bi: Measures of public transport use. Car Ownership⁷

Car Ownership:	None	One	Two	Three/more
2006				
SRA	4%	48%	39%	9%
City of Subiaco	14%	46%	31%	9%
Perth Metro	7%	36%	39%	18%
2001				
SRA	0%	38%	39%	13%
City of Subiaco	15%	43%	25%	7%
Perth Metro	7%	35%	35%	14%
1996				
SRA	21%	45%	25%	4%
City of Subiaco	19%	44%	28%	7%
Perth Metro	10%	39%	37%	13%

⁶ Figures supplied by the Public Transport Authority.

⁷ Data derived from ABS Censuses 1996, 2001 and 2006.

Key Performance Indicators



Key Findings:

The SRA demonstrated a positive trend with a 4% increase in the number of households with no cars. Households in the SRA area that had only one car increased by 10%. The SRA's project areas also experienced a reduction in three or more car households compared to 2001, and at 9%, had half the percentage of the wider Perth Metro area for this measure.

Indicator 4Bii: Measures of alternative transport use. Method of Travel to Work⁸

	Public transport	Taxi	Private vehicle	Bicycle	Walk	Work at home
2006						
SRA	11%	0%	73%	2%	4%	8%
City of Subiaco	16%	1%	60%	3%	11%	7%
Perth Metro	10%	1%	81%	1%	2%	4%
2001						
SRA	6%	0%	79%	0%	6%	9%
City of Subiaco	10%	0%	55%	3%	8%	5%
Perth Metro	4%	0%	68%	1%	2%	4%
1996						
SRA	12%	2%	54%	2%	7%	4%
City of Subiaco	14%	1%	71%	3%	6%	5%
Perth Metro	9%	0%	83%	1%	2%	5%

Key Findings:

Public transport use across all three categories has increased since 2001. While car use increased in the Perth Metro area, the SRA project area went against this trend with a decrease in car use of 6%. Interestingly, SRA project areas boasted twice the percentage of people walking, cycling or working from home than the wider metropolitan average. This result reflects positively on the project area.



ANNUAL REPORT 2007-2008

⁸ Data derived from ABS Censuses 1996, 2001 and 2006.

Key Performance Indicators



5: Output Indicator – Efficiency

The following indicator shows the total operating expenses as a percentage of land inventories and sales.

	2002	2003	2004	2005	2006	2007	2008	Target (2008 budget)
Inventory	4.3%	4.9%	16.8%	24.8%	8.0%	4.4%	3.30%	4.50%
Sales	18.8%	7.8%	7.6%	9.08%	18.5%	37.3%	0%	0%

Key Finding

Inventory

At the end of 2007/08, operating costs represented 3.3% of inventories. The decrease is due to the inventory balance increasing by \$8.038 million as a result of the continued capital works, while operating costs remain broadly flat year on year.

Sales

There were no sales during 2007/08 due to the current life stage of the project, with development in most precincts either complete or underway and planning for remaining precincts in progress.



ANNUAL REPORT 2007-2008

Certification of Financial Statements

The accompanying financial statements of the Subiaco Redevelopment Authority have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2008 and the financial position as at 30 June 2008.

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.



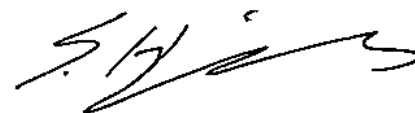
Mr Bill Griffiths
Chairman of Accountable Authority



Mr Don Humphreys
Deputy Chairman of Accountable Authority



Mr Tony Morgan
Chief Executive Officer



Mr Sean Henriques
Chief Finance Officer

Date: 19 August 2008



ANNUAL REPORT 2007-2008

Income Statement For the Year Ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
INCOME			
Sales	4	–	3,004
Interest revenue	5	459	1,139
Other revenue	6	33	104
Total Income		492	4,247
EXPENSES			
Cost of sales	4	–	920
Depreciation	7	2	2
Administration		804	728
Sales and marketing		95	72
Property and estate management		108	198
Communication		50	30
Economic and community development		–	10
Development control		59	38
Loss on disposal on assets		–	41
Total expenses		1,119	2,039
PROFIT/(LOSS) FOR THE PERIOD		(627)	2,208

The Income Statement should be read in conjunction with the accompanying notes.



ANNUAL REPORT 2007-2008

Balance Sheet As At 30 June 2008

	Note	2008 \$'000	2007 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	8	2,539	10,341
Receivables	10	199	138
Inventories	9	2,226	–
Total Current Assets		4,964	10,479
Non-Current Assets			
Inventories	9	31,380	25,568
Property, furniture and equipment	11	2	4
Total Non-Current Assets		31,382	25,572
TOTAL ASSETS		36,346	36,051
LIABILITIES			
Current Liabilities			
Payables	12	1,056	134
Provisions	13	–	–
Total Current Liabilities		1,056	134
TOTAL LIABILITIES		1,056	134
NET ASSETS		35,290	35,917
EQUITY			
Retained profits	14	35,290	35,917
TOTAL EQUITY		35,290	35,917



ANNUAL REPORT 2007-2008

The Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity For the Year Ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
RETAINED PROFITS			
Balance at start of period		35,917	39,809
Profit/(loss) for the period		(627)	2,208
Dividend paid	2(m)	–	(6,100)
Balance of equity at end of period	14	35,290	35,917

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement For the Year Ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		–	3,004
Interest received		520	1,129
GST receipts on sales		1	265
GST receipts from taxation authority		488	178
Other Receipts		108	107
Payments			
Supplies and services		(1,062)	(1,098)
GST payments on purchases		(603)	(225)
Payments to taxation authority		(7)	(218)
Net cash provided by/(used in) operating activities	15	(554)	3,142
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of capital works in progress		(7,248)	(9,889)
Net cash provided by/(used in) investing activities		(7,248)	(9,889)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends Paid	2(m)	–	(6,100)
Net cash provided by/(used in) financing activities		–	(6,100)
Net increase/(decrease) in cash and cash equivalents		(7,802)	(12,847)
Cash and cash equivalents at the beginning of period		10,341	23,188
CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD	8	2,539	10,341

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

Notes to the Financial Statements For the Year Ended 30 June 2008

1. Australian equivalents to International Financial Reporting Standards

General

The Authority's financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Authority has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard or Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Authority for the annual reporting period ended 30 June 2008.

2. Summary of significant accounting policies

(a) General Statement

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

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

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

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

(c) Reporting Entity

The reporting entity comprises the Authority. The Authority has no related bodies.

(d) Income

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

- Sale of Land

It is the Authority's practice to recognise the sale of land held for sale only when settlement of the full purchase consideration has been received and the transfer of land has been completed.

- Provision of services or goods

Revenue is recognised on delivery of the service or goods to the customer.

- Interest

Revenue is recognised as the interest accrues.

(e) Property, Furniture and Equipment

Capitalisation/Expensing of assets:

Items of property, furniture and equipment costing over \$5,000 are recognised as assets and the cost of utilising assets are depreciated over their estimated useful lives. Items of property, furniture and equipment costing less than \$5,000 are expensed directly to the Income Statement.

Recognition and measurement:

All items of property, furniture and equipment are recognised at cost.

For items of property, furniture and equipment acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

Depreciation:

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

Depreciation on assets is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

Office furniture and equipment	10 years
Computer equipment	4 years

(f) Impairment of Assets

Property, furniture and equipment are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

As the Authority is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each reporting date.



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

(g) Financial Instruments

The Authority has three categories of financial instruments:

- Loans and receivables (includes cash and cash equivalents, receivables);
- Held-to-maturity investments (includes short term deposits); and
- Non-trading financial liabilities (payables)

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables

Financial Liabilities

- Payables

Initial recognition and measurement of cash, cash equivalents and short term deposits are at fair value. The transaction cost or face value is equivalent to the fair value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(h) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These include cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(i) Inventories

All land and buildings held for development and subsequent sale is regarded as inventory and is classified as such in the balance sheet.

Land held for development and subsequent sale is classified as a current asset when development is completed and sales are expected to result in realisation of settled sales within twelve months based on management's sales forecasts.

Inventories are valued at the lower of cost and net realisable value.

(j) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect its debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(g) 'Financial Instruments' and note 10 'Receivables'.

(k) Payables

Payables are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services at the amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(g) 'Financial Instruments' and note 13 'Payables'.



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

(l) Employee Benefits

From 1 July 2003, the Authority ceased operating as an employer. All employee and administrative services are now provided by the East Perth Redevelopment Authority under a service agreement arrangement negotiated annually. This includes the services of the Authority's Chief Executive Officer.

(m) Dividends

In accordance with the Subiaco Redevelopment Act 1994, the Treasurer may direct the payment of surplus, in part or whole, at the end of any financial year, to the Consolidated Fund. The amount of the surplus/dividend payment is determined by the Treasurer in conjunction with the Authority. There was no dividend paid at the end of this financial year.

(n) Comparative Figures

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

3. Disclosure of changes in accounting policy

(a) Voluntary changes in Accounting Policy

There has been no voluntary changes in accounting policies.

(b) Future impact of Australian Accounting Standards not yet operative

The Authority cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Authority has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. Where applicable, the Authority plans to apply these Standards and Interpretations from their application date:



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

Title	Operative for reporting periods beginning on/after
AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from nonowner changes in equity. The Authority does not expect any financial impact when the Standard is first applied.	1 January 2009
Review of AAS 27 'Financial Reporting by Local Governments', 29 'Financial Reporting by Government Departments' and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:	
AASB 1004 'Contributions' (December 2007).	1 July 2008
AASB 1050 'Administered Items' (December 2007).	1 July 2008
AASB 1051 'Land Under Roads' (December 2007).	1 July 2008
AASB 1052 'Disaggregated Disclosures' (December 2007).	1 July 2008
AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007).	1 July 2008
Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities (revised) (December 2007).	1 July 2008



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

The following Australian Accounting Standards and Interpretations are not applicable to the Authority as they will have no impact or do not apply to not-for-profit entities:

Title	Operative for reporting periods beginning on/ after
AASB 123 'Borrowing Costs' (June 2007). This Standard has been revised to mandate the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assets. The Authority already capitalises borrowing costs directly attributable to land held for redevelopment and sale, therefore, this will be no impact on the financial statements when the Standard is first applied. Agencies presently expensing such borrowing costs will need to report the impact.	1 January 2009
AASB 1049 'Whole of Government and General Government Sector Financial Reporting'	1 July 2008
AASB 2007-2 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' – paragraphs 1 to 8	1 January 2008
AASB 1049 'Whole of Government and General Government Sector Financial Reporting'	1 July 2008
AASB 2007-2 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]'	1 January 2008
AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'	1 January 2009



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

Title

**Operative for
reporting
periods
beginning on/
after**

AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]'

1 January 2009

AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101'

1 January 2009

AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138, 139 and Interpretations 9 & 107]'

1 July 2009



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

	2008 \$'000	2007 \$'000
4. Trading profit		
Sales	–	3,004
Cost of Sales:		
Opening inventory	(25,568)	(16,599)
Purchases	(8,038)	(9,889)
	(33,606)	(26,488)
Closing inventory	31,380	25,568
Cost of Goods Sold	–	(920)
Trading Profit	–	2,084

See note 2(j) 'Inventories' and note 9 'Inventories'

5. Interest revenue

Interest Revenue	459	1,139
	459	1,139

Cash and cash equivalents are held at the bank, at call and short term deposit accounts.

6. Other revenue

Development Application Fees	19	56
Others	14	48
	33	104

7. Depreciation

Depreciation		
Computer Equipment	2	2
	2	2



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

	2008 \$'000	2007 \$'000
8. Cash and cash equivalents		
Cash at bank	344	3,079
Short term at call funds	2,195	7,262
	2,539	10,341

The at call deposits are 30 days terms with fixed interest rates between 6.15% and 7.15% (2007- 4.95% and 6.15%).

9. Inventories

The aggregate carrying amount of inventories recognised and included in the financial statements is as follows:

Current	2,226	–
Non-current	31,380	25,568
	33,606	25,568

Current

Developed Land	2,226	–
	2,226	–

The following represents the transfers to and from developed land inventories:

Balance at 1 July	–	1,018
Additions	2,226	–
Transferred to cost of sales	–	(920)
Transfers (to)/from non-current inventories	–	(98)
Balance at 30 June (at cost)	2,226	–

Non-Current

Capital Works and Undeveloped Land	31,380	25,568
	31,380	25,568

Notes to the Financial Statements For the Year Ended 30 June 2008

	2008 \$'000	2007 \$'000
9. Inventories (continued)		
The following represents capital works and undeveloped land, offset by components transferred to or from developed land inventories.		
Balance at 1 July	25,568	15,581
Additional capital works and land	5,812	9,889
Transfers (to)/from current inventories	–	98
Balance at 30 June (at cost)	31,380	25,568

Inventories are recorded at the lower of cost and net realisable value.

10. Receivables

Trade receivables	2	2
	2	2

A balance of \$24k from Uniting Subiaco has been fully written off as at 30 June 2008. The Accountable Authority has approved the write-off on the grounds that it is considered that all reasonable actions have been taken to recover the debt and it is considered improbable to recover the debt due to the authority.

Other receivables (note (b))	123	8
Prepayments and Accrued Revenue	74	128
	199	138

Aging of Trade Receivables

1 to 3 months	1	2
3 to 6 months	–	–
Over 6 months	1	–
	2	2



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

	2008 \$'000	2007 \$'000
10. Receivables (continued)		
(a) Impaired receivables		
A provision for impairment for the full amount receivable from Uniting Subiaco has been noted in the Annual Financial Statements from 1999/2000. This has been written off at 30 June 2008.		
There were no impaired trade receivables as at 30 June 2008 as the authority is continuing to seek recovery of these debts.		
Movements in the provision for impairment of receivables are as follows:		
At 1 July	(24)	(24)
Provision for impairment written off during the year	24	
	–	(24)
(b) Other receivables		
The amount relates to GST receivable from the Australian Taxation Office as at the 30 June 2008.		
11. Property, furniture and equipment		
Computer equipment		
At cost	10	10
Accumulated depreciation	(8)	(6)
	2	4
Total Property, Furniture and Equipment	2	4

Notes to the Financial Statements For the Year Ended 30 June 2008

11. Property, furniture and equipment (continued)

Reconciliations of the carrying amounts of property, furniture and equipment at the beginning and end of the reporting period are set out below.

For the year ended 30 June 2008	Furniture and Equipment \$'000	Computer Equipment \$'000	Total \$'000
Carrying amount at the start of the year	–	4	4
Disposals	–	–	–
Depreciation	–	(2)	(2)
Carrying amount at the end of the year	–	2	2

For the year ended 30 June 2007	Furniture and Equipment \$'000	Computer Equipment \$'000	Total \$'000
Carrying amount at the start of the year	41	6	47
Disposals	(41)	–	(41)
Depreciation	–	(2)	(2)
Carrying amount at the end of the year	–	4	4

	2008 \$'000	2007 \$'000
12. Payables		
Trade payables	3	19
Refundable Deposit Bonds	174	93
Accrued expenses	871	22
Other payables	8	–
	1056	134

See also note 2(l) 'Payables' and note 21 'Financial Instruments'.

Notes to the Financial Statements For the Year Ended 30 June 2008

	2008 \$'000	2007 \$'000
13. Provisions		
Current		
Provision for compensation on resumption of land	–	–
Total provisions	–	–
Movements in Provisions		
Movements in each class of provisions during the financial year, are set out below.		
Provision for compensation on resumption of land:		
Carrying amount at the start of the year	–	8
Write-Off	–	(8)
Carrying amount at the end of the year	–	–
14. Equity		
Retained Profits		
Opening balance at 1 July	35,917	39,809
Profit/(loss) for the period	(627)	2,208
Dividend paid to WA State Government	–	(6,100)
Closing balance at 30 June	35,290	35,917

See Note 2 (n) Dividends.



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

	2008 \$'000	2007 \$'000
15. Notes to the Cash Flow Statement		
Reconciliation of cash		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance sheet as follows:		
Cash and cash equivalents	2,539	10,341
	2,539	10,341
Reconciliation of profit/(loss) for the period to net cash flows provided by/(used in) operating activities		
Profit	(627)	2,208
Non-cash items:		
Depreciation	2	2
(Increase) / decrease in assets:		
Receivables	(7)	4
Other current assets	65	(11)
Inventory charged to Cost of Sales	–	920
Increase / (decrease) in liabilities:		
Payables	73	102
Other current liabilities	61	(76)
Net Tax receipts / (payments)	(6)	40
Change in GST in receivable/payables	(116)	(47)
Net cash provided by / (used in) operating activities	(554)	3,142



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

	2008 \$'000	2007 \$'000
16. Commitments		
Capital expenditure commitments		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year		
The capital commitments consist of:		
Capital works in progress	1,087	1,342
	1,087	1,342

17. Contingent liabilities

In addition to the liabilities included in the financial statements, there are the following contingent liabilities:

Contamination of site – Pioneer Road Services (PRS)

The Authority is currently working together with an environmental consultant, a third party environmental auditor, other consultants and the Department of Environment and Conservation to determine the extent of work required to remediate the former Pioneer Road Services site. The Authority has taken legal action to preserve its rights by virtue of the Statute of Limitations and is currently considering all possible strategies to pursue PRS to undertake the full remediation of the site, should it be necessary. It is therefore not possible to reliably estimate the potential financial effect or the actual need to remediate the site until final classification is confirmed by the Department of Environment and Conservation.



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

18. Explanatory Statement

This statement provides details of any significant variations between estimates and actual results for 2008 and between the actual results for 2007 and 2008. Significant variations are considered to be those greater than 10% and \$200,000.

Significant variances between actual and prior year actual – revenues and expenditures

	2008 \$'000	2007 \$'000	Variance \$'000
Income			
Sales Revenue	–	3,004	(3,004)
Interest Revenue	459	1,139	(680)
Expense			
Cost of Sales	–	920	(920)

Sales Revenue & Cost of sales

There were no sales this year as expected due to the stage in the project's lifecycle.

Interest Revenue

Interest revenue reduced compared to the previous year, as a result of the reduced cash balances as capital and operating expenditure continued, with no sales revenue being received.

19. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Authority are cash and cash equivalents, at-call, short term deposits, receivables and payables. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

Credit risk

The Authority trades only with recognised, creditworthy third parties. The Authority has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. There are no significant concentrations of credit risk. No transfer of title is made until the Authority takes full receipt of funds.



ANNUAL REPORT 2007-2008

Notes to the Financial Statements For the Year Ended 30 June 2008

19. Financial Instruments (continued)

Liquidity risk

The Authority has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Cash flow interest rate risk

The Authority is not exposed to significant interest rate risks. The Authority has no borrowings so the only exposure to interest rate risk is the variable interest rates of cash deposits and at-call accounts.

Market risk

The Authority does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2008 \$'000	2007 \$'000
Financial Assets		
Cash and cash equivalents	344	3,079
Restricted cash and cash equivalents	2,195	7,262
Receivables (i)	199	138
Financial Liabilities		
Payables	1,056	134

(i) The amount of receivables includes GST recoverable from the ATO (statutory receivable).

Notes to the Financial Statements For the Year Ended 30 June 2008

19. Financial Instruments (continued)

(c) Financial Instrument Disclosures

Credit Risk, Liquidity Risk and Interest Rate Risk Exposures

The following table details the Authority's maximum exposure to credit risk and the exposure to liquidity risk and interest rate risk as at the balance sheet date. The table is based on information provided to senior management of the Authority. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date.

The Authority does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Authority does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

30 June 2008	Weighted Average Interest Rate	Fixed Interest Rate Less Than 1 Year \$'000	Variable Interest Rate Less Than 1 Year \$'000	Non Interest Bearing \$'000	Total \$'000
Financial assets:					
Cash assets – At Call	7.03%	2,195	–	–	2,195
Cash assets – Bank Account	4.88%	–	344	–	344
Receivables		–	–	199	199
Total financial assets		2,195	344	199	2,738
Financial liabilities:					
Payables		–	–	1,056	1,056
Total financial liabilities		–	–	1,056	1,056
		2,195	344	(857)	1,682

Notes to the Financial Statements For the Year Ended 30 June 2008

19. Financial Instruments (continued)

30 June 2007	Weighted Average Interest Rate	Fixed Interest Rate Less Than 1 Year \$'000	Variable Interest Rate Less Than 1 Year \$'000	Non Interest Bearing \$'000	Total \$'000
Financial assets:					
Cash assets – At Call	6.36%	7,262	–	–	7,262
Cash assets – Bank Account	4.18%	–	3,079	–	3,079
Receivables		–	–	138	138
Total financial assets		7,262	3,079	138	10,479
Financial liabilities:					
Payables		–	0	134	134
Total financial liabilities		–	0	134	134
		7262	3079	4	10,345

(c) Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

Interest Rate Sensitivity Analysis

The following table represents a summary of the interest rate sensitivity of the Authority's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

Notes to the Financial Statements For the Year Ended 30 June 2008

19. Financial Instruments (continued)

	Carrying Amount \$'000	-1% change Profit \$'000	Equity \$'000	+1% change Profit \$'000	Equity \$'000
30-Jun-08					
Financial assets:					
Cash assets – At Call	2,195	(22)	(22)	22	22
Cash assets – Bank Account	344	(3)	(3)	3	3
Receivables	199	–	–	–	–
Financial liabilities:					
Payables	1,056	–	–	–	–
Total Increase/(Decrease)		(25)	(25)	25	25
	Carrying Amount \$'000	-1% change Profit \$'000	Equity \$'000	+1% change Profit \$'000	Equity \$'000
30-Jun-07					
Financial assets:					
Cash assets – At Call	7,262	(73)	(73)	73	73
Cash assets – Bank Account	3,079	(31)	(31)	31	31
Receivables	138	–	–	–	–
Financial liabilities:					
Payables	134	–	–	–	–
Total Increase/(Decrease)		(103)	(103)	103	103

Notes to the Financial Statements For the Year Ended 30 June 2008

20. Remuneration of members of the 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, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2008	2007
\$ 0 – \$ 10,000	1	3
\$ 10,001 – \$ 20,000	3	1
\$ 20,001 – \$ 30,000	1	1
	\$'000	\$'000
Total remuneration of the members of the Board of the Authority is:	65	58
	65	58

The superannuation included here represents the superannuation expense incurred by the Authority in respect of members of the Accountable Authority.

Remuneration of Senior Officers

The remuneration of the Chief Executive Officer is included under the terms of the Service Agreement, rather than being directly remunerated by the Authority itself (see Note 2(l)).

21. Remuneration of Auditors

Remuneration payable to the Auditor General for the financial year is as follows:

	22	22
Auditing the accounts, financial statements and performance indicators	22	22

22. Events occurring after the balance sheet date

No matters or occurrences have come to the attention of the Authority up to the present time which would materially affect the financial statements or disclosures therein or which are likely to materially affect the future results or operations of the Authority.



ANNUAL REPORT 2007-2008

Opinion of the Auditor General



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION To the Parliament of Western Australia

SUBIACO REDEVELOPMENT AUTHORITY FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

I have audited the accounts, financial statements, controls and key performance indicators of the Subiaco Redevelopment Authority.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key

performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators 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 and key performance indicators.

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Subiaco Redevelopment Authority at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Authority provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Authority are relevant and appropriate to help users assess the Authority's performance and fairly represent the indicated performance for the year ended 30 June 2008.

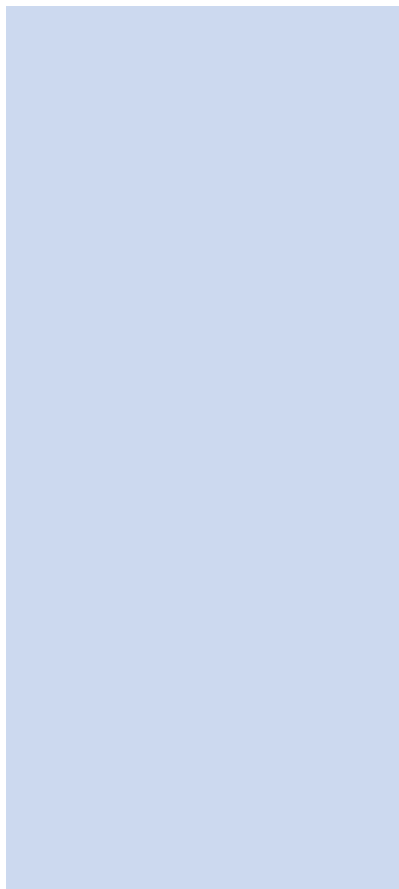
COLIN MURPHY
AUDITOR GENERAL
19 September 2008



ANNUAL REPORT 2007-2008



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ANNUAL REPORT 2007-2008





This is the 14th Annual Report of the Subiaco Redevelopment Authority.

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Subiaco
Redevelopment
Authority

