



epra

REVITALISING URBAN PLACES

ANNUAL REPORT / 08/09



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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 section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament the Annual Report of the East Perth Redevelopment Authority for the year ended 30 June 2009.

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

Yours sincerely



Mr Stuart Hicks
Chairman



Mr Don Humphreys
Member of Accountable Authority



Mr Tony Morgan
Chief Executive Officer

EXECUTIVE SUMMARY

We are pleased to present the 17th annual report for the East Perth Redevelopment Authority (EPRA).

Since 1991, EPRA has been responsible for the regeneration of more than 220 hectares of inner city land, from East Perth, through the CBD, to Northbridge. EPRA is funded by land sales revenue and works within its redevelopment area to deliver social, environmental and economic returns to the State Government.

In the 2008/09 financial year, EPRA continued to plan, undertake and coordinate the redevelopment of its six inner city projects – Claisebrook Village, East Perth Power Station, Riverside, New Northbridge, The Link, and the Perth Cultural Centre. On completion, these projects will generate investment of more than \$4 billion.

Highlights

- The EPRA Board endorsed the 2008 Riverside Master Plan review in August 2008. The review incorporated changing demographics, population growth projections, sustainability opportunities and landowner proposals for their sites.
- The Minister for Planning released the Scheme Amendment 22 and the draft Design Guidelines for The Link project to key stakeholders and the community for consultation in November 2008.
- EPRA released the Riverside Scheme Amendment 23 and draft Waterbank Design Guidelines for consultation in November 2008. Key stakeholders and members of the community had an opportunity to provide submissions until January 2009.
- THE Markets @ Perth Cultural Centre were launched on 24 January 2009 by Perth Rotary with support from EPRA. The markets will be an important part of place activation for the Cultural Centre in providing a regular event and attraction to the local community and visitors.
- The Minister for Planning approved The Link Scheme Amendment 22 in April 2009. The Link Design Guidelines were endorsed by the EPRA Board in May 2009.



EXECUTIVE SUMMARY



- The Federal Government committed \$236 million in May 2009, as part of its 'Nation Building' initiatives, to progress The Link project in partnership with the State Government.
- EPRA entered into a Lease Agreement with St Bartholomew's House Inc in May 2009 for Lot 152 Lime Street, East Perth. The lease is for a period of 40 years at peppercorn rental for St Bartholomew's to develop another social housing facility in the area.
- EPRA co-hosted the Place Leaders Association (PLA) workshop which included members from around Australia, New Zealand and Singapore, with Midland Redevelopment Authority in May 2009. The workshop ran over two days in Perth promoting leadership in place making and management.
- EPRA continued its review of the East Perth Redevelopment Scheme in 2008-09. A draft of the new and progressive Scheme, known as Scheme 2, was developed after a four month consultation with key stakeholders including State Government agencies, local government and town planners. Broader community consultation is planned for the 2009/10 financial year.
- EPRA sold 12 Lots within the New Northbridge project area with total sales equating to approximately \$13 million in the 2008/09 financial year.

Sponsorship

EPRA continued to support industry, community and stakeholder groups through sponsorship in the 2008 – 2009 financial year.

Sponsorship of large community events within its project areas included:

- St Jerome's Laneway Festival;
- ARTRAGE Silver Festival;
- ARTRAGE Northbridge Festival; and
- AWESOME International Arts Festival for Bright Young Things.

EPRA also sponsored the following industry and stakeholder groups:

- Property Council of Western Australia; Innovation and Excellence Awards;
- Property Council of Western Australia, Future Directions Group;
- Planning Institute of Australia, Awards for Planning Excellence;
- West Australian Music Industry, WAMi Festival; and
- City of Perth, Claisebrook Cove Boating Picnic.

EXECUTIVE SUMMARY

Financials

	2008/09
Sales Revenue	\$13.003m
Operating Deficit	\$2.072m
Net Asset Value	\$103.465m

During 2008-09 EPRA achieved \$13 million in sales revenue from sales in its New Northbridge project. A significant factor in the \$2.1 million operating deficit was a \$1.7 million spend on essential infrastructure works in the Claisebrook Village project.

Development Investment

In the 2008/09 financial year 67 development approvals were processed, attracting a total investment of approximately \$250 million. A further 10 development approvals were processed for events in the Perth Cultural Centre.

Project Tours

Throughout the year a total of seven tours of EPRA project areas were conducted for various educational, government and planning groups:

- Land Management Corporation (LMC), South Australia;
- Moreton Bay Regional Council, Queensland;
- Mawson Lakes Development (Lend Lease);
- Department of Infrastructure and Planning (DIP), Queensland;
- Iskander Project, Malaysia;
- City of Perth;
- Roberts Day, Moreland City Council and Equiset-Grollo Group.

We are appreciative of the support, professionalism and commitment to EPRA and its redevelopment objectives shown by all EPRA Board members, staff, consultants and contractors throughout the 2008/09 financial year. EPRA has been able to deliver and achieve significant milestones as a result.



Mr Stuart Hicks
Chairman



Mr Tony Morgan
Chief Executive Officer

OVERVIEW OF AGENCY

Operational Structure

EPRA was established by the *East Perth Redevelopment Act 1991* (The Act). EPRA was first created to carry out the renewal of Claisebrook Village in East Perth – now considered one of Australia’s most successful urban renewal projects. More than a decade later, EPRA is now responsible for a range of inner city renewal projects such as the East Perth Power Station, Riverside, New Northbridge, Perth Cultural Centre and The Link.

EPRA Redevelopment Area



Under the Act, EPRA has the ability to resume land, undertake environmental rehabilitation and to plan, implement, promote and coordinate urban renewal projects.

EPRA's functions are described in Section 18 of the Act as follows:

a) To plan, undertake, promote and coordinate the redevelopment of land in the redevelopment area; and

b) For that purpose –

- i) under Part 4, to prepare and keep under review a Redevelopment Scheme for that area; and
- ii) under Part 5, to control developments in that area.

The Minister for Planning is responsible for the *East Perth Redevelopment Act 1991*.

OVERVIEW OF AGENCY

EPRA Vision – a Vital Perth where people want to live, work and visit.

EPRA Values – Listen, Lead, Innovate, Communicate

EPRA Strategic Objectives-

Quality Outcomes: Deliver urban regeneration projects of enduring quality.

Exceptional Capability: Build and sustain capable people, efficient and effective resources and systems to deliver outcomes.

Leadership and Influence: Earn trust and respect from key players and exercise beneficial influence.

Membership of the EPRA Board

The Board plays an important role in setting the strategic direction of the organisation and monitoring the organisation's performance.

The key functions of the Board can be described as:

- Business Strategy
- Performance Monitoring & Communication
- Audit and Risk Management
- Policy, Procedures and Delegation

The Board consists of seven members appointed by the Minister, representing a broad spectrum of knowledge and experience in fields appropriate to the activities of the Authority.

Criteria for the appointment of members in accordance with sections 7 and 8 of the *East Perth Redevelopment Act 1991* are:

- Two persons are to be members of the council of the City of Perth who shall be nominated by formal resolution of that council;
- Each of the others is to be a person who in the opinion of the Minister has a relevant qualification such as knowledge of and experience in one or more of the fields of urban planning, business management, property development, financial management, engineering, transport, housing and community affairs; and
- As far as is practicable, the membership of the Authority shall comprise persons who between them have knowledge or experience covering all of the fields mentioned in subsection (b) 1.

Section 8 of the *East Perth Redevelopment Act 1991* relates to appointment of the Chairperson and Deputy Chairperson and states:

The Minister shall appoint one of the members to be Chairperson and another to be Deputy Chairperson of the Authority.

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

EPRA Board Members

Mr Stuart Hicks AO (Chair)	Term expires 31 December 2011
Mr Donald Humphreys (Deputy Chair)	Term expires 31 December 2010
Mr Milan Chetkovich	Last meeting 15 December 2008
Mr Mike Day	Term expires 31 December 2010
Ms Fiona Kalaf	Term expires 31 December 2009
Mr Eric Lumsden	Term expires 31 December 2010
Ms Judy McEvoy*	Term expires 31 October 2009
Mr John Tognolini*	Term expires 31 October 2009

* *Members nominated by the City of Perth.*

Members whose terms have expired remain in office under clause 1(2) of schedule 2 to the *East Perth Redevelopment Act 1991* until a successor is appointed.

OVERVIEW OF AGENCY

Sub Committees to the Board

Two sub committees to the Board, with delegated powers to make determinations on behalf of the Board or informed recommendations to the Board, meet to deal with issues particular to the roles and responsibilities assigned to each committee.

Planning Committee – Mr Mike Day (Chair), Ms Judy McEvoy, Ms Fiona Kalaf (who joined the Committee in June 2008), Mr Tony Morgan (CEO) and Mr Stuart Hicks (ex-officio).

Internal Audit Committee – Mr Milan Chetkovich (Chair for 1 meeting during the financial year 2008/09), Mr Don Humphreys (taking the role of Chair at the meeting of February 2009), Mr Mike Day, Mr John Tognolini (who joined the Committee in August 2008) and Mr Stuart Hicks (ex-officio).

Board Members' Attendance

The Board met 12 times in the financial year with 11 Planning Committee and 2 Internal Audit Committee meetings also taking place. Brackets denote the number of Board meetings members were eligible to attend.

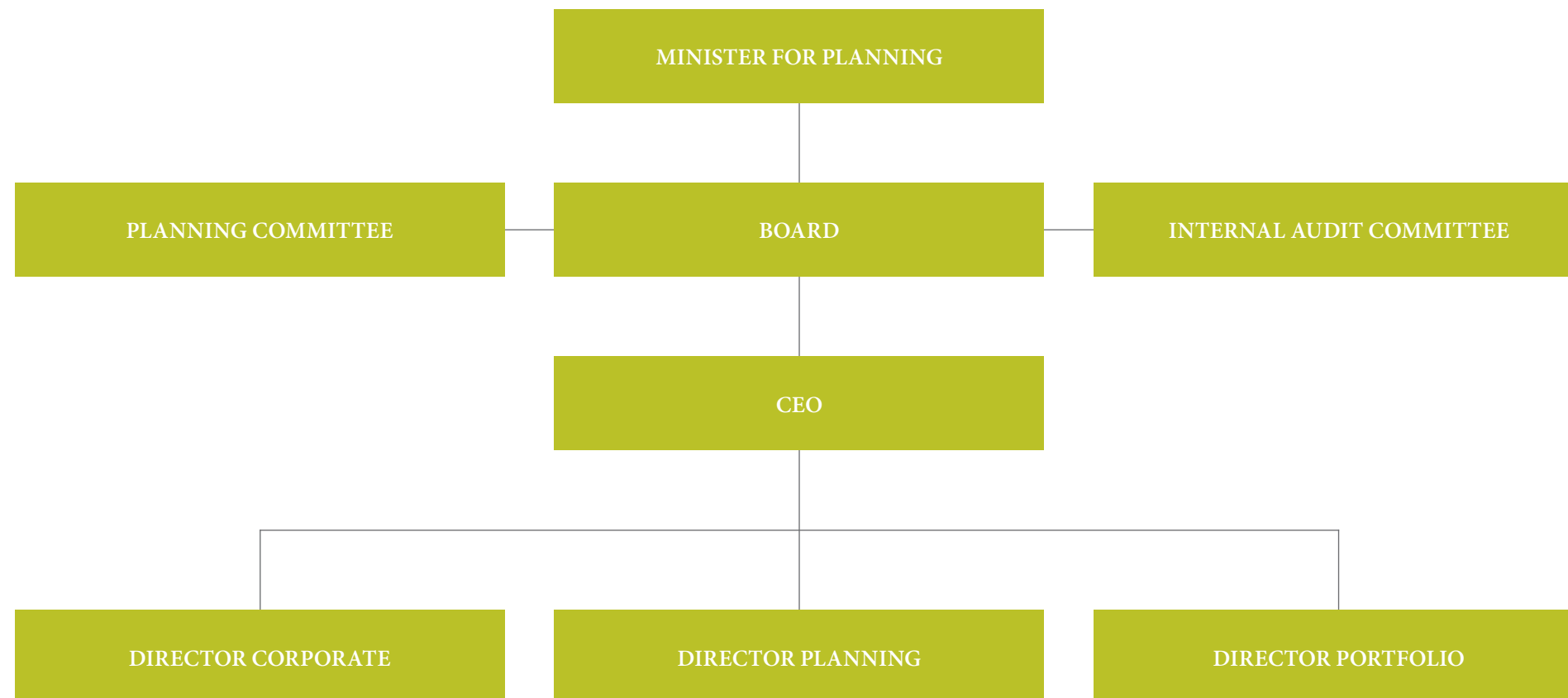
Member	Board Meetings	Planning Committee	Audit Committee
	Total = 12	Total = 11	Total = 2
Stuart Hicks	11(12)		
Donald Humphreys *	5 (5)	1 (1)	
Milan Chetkovich	7 (7)	1 (1)	
Mike Day	10 (12)	10 (11)	2 (2)
Fiona Kalaf	9 (12)	10 (11)	
Eric Lumsden**	2 (5)		
Judy McEvoy	9 (12)	11 (11)	
John Tognolini	11 (12)	2 (2)	

* The Minister approved Mr Humphreys' appointment to the Board on 12 January 2009.

** The Minister approved Mr Lumsden's appointment to the Board on 12 January 2009.

OVERVIEW OF AGENCY

EPRA Organisation Chart and Brief



OVERVIEW OF AGENCY

Management

EPRA's senior management consists of a Chief Executive Officer and three Directors responsible for the Planning, Portfolio and Corporate divisions.

Performance Management Framework

Treasurer's Instruction 903 requires a description of links between agency level desired outcomes and services and how they relate to the goals of the State Government. The new Government Goals have been developed as part of the budget process for 2009-10. The new State Government goals are:

State Building – Major Projects: Building strategic infrastructure that will create jobs and underpin Western Australia's long term economic development.

Financial and Economic Responsibility: Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.

Outcomes Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

Stronger Focus on Regions: Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

Social and Environmental Responsibility: Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long term benefit of the State.

How EPRA's Key Performance Indicators (KPI's) align with the new Government Goals

New Government Goal	EPRA KPI No	EPRA's Statement of Purpose is "to attract thousands of Western Australians back to the city to live, study, work and play" measured by the following Key Performance Indicators
State Building – Major Projects	1	Living in the area
	2	Studying in the area
	3	Working in the area
	4	Playing in the area
Financial and Economic Responsibility	1	Living in the area
	3	Working in the area
Social and Environmental Responsibility	1	Living in the area
	2	Studying in the area
	3	Working in the area
	4	Playing in the area

AGENCY PERFORMANCE

Project Areas

Since 1991, EPRA has been responsible for the regeneration of more than 220 hectares of inner city land, from East Perth, through the CBD, to Northbridge. EPRA is funded by land sales revenue and works within its redevelopment area to deliver social, environmental and economic returns to the State Government.

In the 2008/09 financial year, EPRA continued to plan, undertake and coordinate the redevelopment of its six inner city projects – Claisebrook Village, East Perth Power Station, Riverside, New Northbridge, The Link, and the Perth Cultural Centre. On completion, these projects will generate investment of more than \$4 billion.

The Link

The Link will be a dynamic new destination that embraces the city's lifestyle and character. Running east-west across the heart of the city centre, it will reconnect the CBD with Northbridge and form strong linkages to the foreshore.

This area will be a vibrant mix of transit, commercial and retail zones, public spaces and living opportunities – all of which will draw workers, residents and visitors to the area.

Vision:

The Link is an extremely significant project for the evolution of Perth. Not only will it reconnect the city centre with Northbridge for the first time in over 100 years, it will create strong linkages to the foreshore and deliver an intensity of people and activity.

Objectives:

- Deliver a redevelopment project with high quality urban design and built form outcomes that provides a focus for public life, with the creation of a new and improved public realm.
- Improve pedestrian, cyclist and vehicular connections and provide residents, workers and visitors with good access to high quality transit infrastructure.
- Repopulate Perth by bringing residents, workers and students back to the city.
- Provide quality and innovative architecture of an international standard.
- Deliver positive economic, social and environmental outcomes.



Current Status:

- Construction of the State Government's Perth Arena project is underway and is due for completion in 2011.
- Work to prepare the first development site at The Link for sale commenced this year. The first land sales will commence in 2009/10.
- The Public Transport Authority's work on the under grounding of the bus station and railway is currently being programmed.
- In the 2008/2009 financial year EPRA budgeted \$2.9 million to commence redevelopment works on Stages 1 and 2 of the The Link project.
- On 22 May 2009, the Federal Government committed \$236 million, as part of its 'Nation Building' initiatives, in the 2009/10 budget to progress The Link project in partnership with the State Government.
- Two development applications were processed during the 2008/09 financial year.

Project Expectations:

Investment attraction: \$2b

Area (ha): 13.5

New dwellings: 1,650

New population: 3,060

Commercial/retail space (m²): 244,000

New workers: 13,500

AGENCY PERFORMANCE

Perth Cultural Centre Precinct

The Perth Cultural Centre is the State's central place where enjoying arts, culture and accessing knowledge come together. It is one of the most strategically placed publicly-owned landholdings in any Australian city and includes some of the State's most significant cultural and educational institutions.

The focus for this project is on place activation and drawing visitors to the area. The Perth Cultural Centre will be somewhere that people of all ages and backgrounds can interact and a space in which Western Australia's Indigenous and multicultural heritage is celebrated.

The rejuvenation will see an integral part of the city's cultural life reconnected to the surrounding street network and knitted back into the fabric of the city. A coordinated program of entertainment and events will draw people into the spaces that are underutilised at present.



Vision:

At the heart of the city, the Perth Cultural Centre will be a vibrant place that Western Australians are proud of and want to visit – a diverse 'hot-spot' of activity.

Objectives:

- Focus on place management objectives and introduce new activities to draw visitors to the area, creating a vibrant precinct and encouraging increased use of the facilities within the Perth Cultural Centre Precinct.
- Enhance and conserve the architecturally and historically significant buildings in the area, including some structures that date back to the Victorian and Federation eras.
- Increase safety and security in the area through urban design, which will enable the area to act as a catalyst for social and cultural interaction.
- Offer a unique and vital experience populated by creative industries.
- Introduce new residents and businesses to the area, improve accessibility and provide an important link with key city destinations and public transport.

Current Status:

- Construction is underway on the State Government's State Theatre Centre of Western Australia project on the corner of William and Roe Streets.
- Initiatives progressed to develop a place plan for the Perth Cultural Centre, with short, medium and long term deliverables. This included the appointment of US based consultancy practice, Project for Public Spaces to develop a Place Vision and a series of community and stakeholder workshops hosted in February and May 2009.
- EPRA supported a number of significant events in the Perth Cultural Centre including the inaugural St Jerome's Laneways Festival, Earth from Above exhibition, Awesome Festival and Rotary markets.
- Eight development applications were approved during the year with a total value of \$5.6 million. A further 10 development approvals were granted for special events in the Perth Cultural Centre.

Project Expectations:

Area (ha): 9.5 hectares

AGENCY PERFORMANCE

Riverside

Riverside will be a popular destination to live, work and visit, building upon the location's natural assets and existing sporting and educational facilities – WACA, Gloucester Park and Trinity College – to create a unique sense of place.

Residents, workers and visitors will be able to fully engage with the riverine environment, through the many visual and physical connections between public spaces, private realms and the water.

An outdoor public swimming pool will be introduced to this stunning riverside setting. Queens Gardens and the wharves will be meeting places and destinations for all.

Economic, social and environmental objectives will create a sustainable community planned around people. Residents will be accommodated in a variety of medium to high-density dwellings in this pedestrian and cyclist friendly neighbourhood.



Vision:

Riverside will become a bustling, vibrant place with entertainment, commercial, retail, civic and residential uses that take advantage of the unique location.

Objectives:

- A bustling and vibrant urban community that will combine some of Perth's premier sporting facilities with waterfront entertainment and commercial and residential developments to become a draw card for visitors and tourists.
- Create high-density, sustainable residential and commercial development that is supported by mixed use land principles.
- Redevelop Perth's eastern gateway through a new waterfront entertainment precinct that will include a river inlet with jetties and boardwalks, complemented by mixed-use development including cafes and restaurants.
- Attract new businesses and private sector investment to the project area.
- Incorporate buildings and places of heritage significance into the redevelopment, including the heritage listed Western Australian police Headquarters.

Current Status:

- The EPRA Board endorsed the 2008 Riverside Master Plan review in August 2008. The review incorporated changing demographics, population growth projections, sustainability opportunities and landowner proposals for their sites.

- Scheme Amendment 23 and the draft Design Guidelines for the Waterbank precinct were released for key stakeholder and community consultation in November 2008. A number of submissions were received and the documents will be finalised in the 2009/10 financial year.
- The first new development at Riverside, by TRG Properties, in the Queens Precinct was completed in June 2009. Development is also underway on the Fraser's Property Group sites. Development in the Queens precinct will comprise three storey townhouses along Hay Street and up to 23 storey mixed use developments along Adelaide Terrace.
- A total of 11 development applications were approved, with a combined value of \$219 million.
- \$27.35 million was budgeted in the 2008/09 financial year to fund land acquisitions and to commence redevelopment works at Waterbank in the Riverside precinct.

Project Expectations:

Investment attraction: \$750m

Area (ha): 40

New dwellings: 3,400

New population: 5,800

Commercial/retail space: (m²): 81,310

New workers: 1,700

Government investment (\$): 130m

AGENCY PERFORMANCE

New Northbridge

While Northbridge has long been the cultural heart of Perth, exciting developments throughout EPRA's New Northbridge project are adding to the buzz of this cosmopolitan neighbourhood.

The area's character and rich history is being enhanced through the adaptive reuse of heritage buildings, innovative mixed use development and a commitment to social and affordable housing.

Four distinct, valuable heritage precincts have been identified within the project area and 70 significant, historic buildings have been retained.

The development of public open space, beautification of streetscapes, including paving, landscaping, the undergrounding of power, new street furniture, road surfaces and the installation of public artworks, has added life and dynamism at street-level.

Vision:

New Northbridge is providing a safe, friendly and enjoyable environment for the Northbridge community and visitors to live, work and play in. The redevelopment re-establishes linkages with the lively entertainment and business area and the surrounding residential areas, retaining and building on the unique heritage and character of Northbridge.

Objectives:

- Enhance and protect the area's heritage and cultural values, while optimising returns and providing land and property redevelopment opportunities.
- Create an area that is safe, secure, friendly and enjoyable for the Northbridge community to live, work and play in.
- Promote the Transit Oriented Development benefits of New Northbridge, with particular emphasis on Perth's free CAT bus services, cycleways and pedestrian-friendly streetscaping.
- Ongoing commitment to affordable housing with 10 to 15 per cent of new land releases to be reserved for social and affordable housing.
- Attract visitors and businesses to New Northbridge, highlighting the lifestyle benefits of the culturally rich area and the proximity to the CBD.



Current Status:

- Lot 9027 in the Museum Street Precinct was subdivided into Lots 403, 404 and 411 in March 2009. The creation of these lots provides an opportunity to develop the land in order to complete EPRA's vision for this precinct.
- EPRA released Lot 323 Aberdeen Street, Lot 403 William Street, Lot 504 Lindsay Street and Lot 817 Pisoneri Street to the market in April 2009.
- 31 development applications were approved this financial year, attracting total investment of \$19 million.
- Five developments were completed in the 2008/09 financial year.

Project Expectations:

Investment attraction: \$300m

Area (ha): 27

New dwellings: 460

New population: 1,250

Commercial/retail space (m²): 70,000

Government investment (\$): 60m

AGENCY PERFORMANCE

East Perth Power Station

A key destination on the Swan River, the East Perth Power Station will capitalise on the exceptional accessibility benefits presented by the site's proximity to major arterial roads, rail networks and the river.

The rejuvenated heritage listed Power Station building, in its magnificent foreshore setting, will combine with a variety of engaging leisure activities to create a unique place and experience for visitors and residents alike.

Forward works to clean up the site were undertaken in 2004 and stabilisation works to the Power Station building were undertaken in 2005. Master Planning to establish a framework for future land use is now being finalised.

Vision:

The redevelopment of the East Perth Power Station site will create a vibrant waterfront community with a mix of living and working opportunities that is a destination of great character and enjoyment for Perth's citizens and visitors.

Objectives:

- Optimise the Transit Oriented Development benefits presented by the site's proximity to road, rail and potential future water facilities.
- Secure a suitable tenant for the Power Station building.
- Continue master planning for the site, creating a key destination for Perth.
- Develop a Conservation Management Plan for the heritage building and Interpretation Strategy for the heritage machinery in the building.

Current Status:

- The State Government announced that the Museum would not relocate to the East Perth Power Station in February 2009. As a result, EPRA is investigating options for the use of the Power Station building.
- EPRA is continuing to plan for the 8.5hectare East Perth Power Station site and is working closely with the Town of Vincent and other stakeholders. EPRA will finalise its master plan for the site in the 2009/10 financial year.

- The Title for Lot 600 was transferred from Western Power to EPRA in April 2009 to enable EPRA to undertake development on the site of the East Perth Power Station building. This has met the requirements of the 2004 agreement between EPRA and Western Power.
- In 2008/09 \$7.45 million was budgeted for EPRA to continue its planning and works for the East Perth Power Station project.

Project Expectations:

Investment attraction: \$345m

Area (ha): 8.5

New dwellings: 635

New population: 1,100

Commercial/retail space (m²): 19,300

New workers: 1,100



AGENCY PERFORMANCE

Claisebrook Village

Claisebrook Village is recognised as one of the State's best urban renewal projects. It has transformed 137.5 hectares of former industrial land into a successful inner city community, combining quality residential and commercial development with beautiful parkland, waterways and public art.

Vision:

To transform a 19th Century industrial area into a modern urban community while retaining and emphasising the site's heritage and the project's riverside location.

Objectives:

- Promote the benefits of Transit Oriented Development to residents and workers in the area to increase the use of public transport, such as Claisebrook train station and extension of the Central Area Transit (CAT) bus routes.
- Conserve both the natural and built environment through the creation of a sustainable inner city community. The area's cultural heritage has also been conserved through the restoration of buildings, such as the Boans Warehouse, and the delivery of an interpretive public art collection.
- Create vibrant and active public open spaces. The project encompasses more than 22 hectares of public open space, pathways, parklands and foreshore recreation areas.

- Attract key businesses and investment to the project area to generate employment and add to Claisebrook's vibrancy.

Current Status:

- EPRA's work in Claisebrook Village is 85% complete. Planning control of 73% of the project area was returned to the City of Perth in January 2002. A further 12% will be normalised in the 2009/10 financial year.
- EPRA entered into a Lease Agreement with St Bartholomew's House Inc for Lot 152 Lime Street in May 2009. The Lease is for a period of 40 years at peppercorn rental for St Bart's to develop another social housing facility in the area.
- A total of 14 development applications were approved in the financial year, attracting investment of \$9.3 million.



- EPRA completed the first stage of Claisebrook Cove maintenance works near Mardalup Park. The final stage of maintenance works commenced this year and will be completed in the 2009/10 financial year.

Project Expectations:

Investment attraction: \$685m

Area (ha): 137.5

New dwellings: 1,450

New population: 2,500

Commercial/retail space (m²): 130,000

Government investment (\$): 127m

Significant Issues and Trends

The Western Australian economy has recently experienced one of the biggest economic booms in its history. More than anything else it is the pace of investment which is central to the WA outlook, with large investment projects generating much of the State's economic cycle.

The outlook for business investment in WA remains highly dependant on China, where economic growth has been cut back sharply over the past year from a combination of global and domestic negatives.

However China's predicted recovery in 2010 due to a large program of infrastructure spending, will foster Western Australia's economic recovery through continued strong business alliances and tourism activity fuelling demand for new quality and serviced apartment accommodation.

DISCLOSURES AND LEGAL COMPLIANCE

Ministerial Directives

EPRA's enabling legislation requires that if the Minister gives a direction to the Authority, it shall be in writing and tabled in Parliament. There were no Ministerial directions during the 2008/09 financial year.

Enabling Legislation

Section 19(9) of the *East Perth Redevelopment Act 1991* (the Act) requires all approvals given by the Minister under subsection 19(2)(a) of the Act to be included in the annual report.

Section 19(2)(a) requires Ministerial Approval for the Authority to acquire, manage or dispose of land with a value in excess of \$1,000,000.

The following settlements occurred during the 2008/09 financial year:

- Lot 561 Newcastle Street to Golden Sea Property Development Pty Ltd for the sum of \$1,060,000;
- Lot 450 Newcastle Street to Heyspring Land Pty Ltd for the sum of \$3,100,000; and
- Lot 551 William Street and Lots 557 and 558 Newcastle Street to Golden Sea Property Development Pty Ltd for the sum of \$4,050,000.

Pricing Policies

As a redevelopment authority EPRA sells land to the private sector to develop in accordance with EPRA's planning framework. EPRA has a Valuation Policy that guides the setting of reserve prices for its land sales.

Disclosures Relating to Employees

As per Treasurer's Instruction 903, the table below is a summary of the number of employees by category.

Level	2006/2007		2007/2008		2008/2009	
	Male	Female	Male	Female	Male	Female
G2	1	0	1	0	1	0
9	1	1	0	0	1	1
8	3	2	3	1	3	0
7	1	1	2	1	3	2
6	2	4	4	2	5	5
5	7	7	6	8	3	4
4	1	8	1	6	2	6
3	0	6	1	3	1	4
2	0	2	1	5	1	5
1	0	4	0	3	0	2
Total – gender	16	35	19	29	20	29
Total – workers	51		48		49	

Figures quoted in this table relate to substantive levels rather than acting positions. It does not include temporary staff; staff who are seconded out; staff on leave without pay, or staff on maternity leave.

DISCLOSURES AND LEGAL COMPLIANCE



Staff Development

EPRA values its employees and continually seeks to identify and provide opportunities for staff to develop their technical and personal competencies. Staff have attended a variety of role specific professional development courses facilitated by Australian Institute of Company Directors, Australian Institute of Management; Bandt Gatter and Associates; Australian Human Resources Institute and the Institute of Public Administration of WA.

Policies to Assist Employees

EPRA has developed a number of policies to assist EPRA employees. These include a:

- Grievance Policy;
- Work from Home Policy;
- Employee Assistance Policy;
- Education Assistance Policy; and
- Strategic HR Plan

Industrial Relations

There were no changes to the Industrial Relations environment within EPRA.

Workers Compensation

There was one (1) workers compensation claim this year.

The injury was minor and the individual was able to continue to work throughout the rehabilitation process.

Governance Disclosures

EPRA operates a contract administration system that requires senior officers to declare confidentiality and interest in respect to any existing or proposed contract.

EPRA maintains a standing agenda item on all Board and Committee meetings which seeks declarations of any conflict of interest to ensure compliance with Section 13(2) of the *East Perth Redevelopment Act 1991 – Particular duties of members*.

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.

EPRA paid a total of \$15,746.93 for insurance to indemnify its Board Members, CEO and Executive 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*.

DISCLOSURES AND LEGAL COMPLIANCE

Marketing and Advertising

Electoral Act 1907, S175ZE

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

Market Research	Amount \$ (exc GST)
– Synovate	34,635.00
Media Advertising (including multimedia)	
– 303	39,035.91
– Marketforce Express	7,162.75
– Media Decisions WA	31,681.75
Marketing and Public Relations	
– Purple Communications	60,176.10
– Linkletters	8,486.00
– Mills Wilson	1,650.00
– Rare Creative Thinking	270,643.28
– Two Dozen Marketing and Design	34,805.79
– Media Monitors	9,700.09

Publications

Publications by EPRA are available at its office at 12 Lindsay Street, Perth WA 6000 and online at www.epra.wa.gov.au.

The principal publications are:

- East Perth Redevelopment Scheme, Scheme Text and Planning Policies
- Annual reports for the years ending 1993-2009
- Riverside (Gateway) Master Plan
- Riverside Master Plan Review 2008
- Draft East Perth Power Station Master Plan
- The Link Master Plan
- The Link Scheme Report 2009
- Corporate Brochure
- Urbano magazines
- Customer Service Charter
- The Link and Perth Cultural Centre Heritage Inventory
- New Northbridge Master Plan
- Project design guidelines
- Project and marketing information
- The Union Bakery Redevelopment brochure

EPRA's Disability Access and Inclusion Plan Outcomes 2007-2012

EPRA has a Disability Access and Inclusion Plan which is available from the EPRA website. EPRA also developed a Disability Access and Inclusion Implementation Plan (DAIP) for 2008/09.

The following points are a brief outline of EPRA's current initiatives to address each of the six Disability Access and Inclusion Plan Outcomes:

Outcome 1: Individuals with disabilities have the same opportunities as individuals without disability to access the services of, and events organised by, a public authority.

- EPRA ensures that employees, consultants, agents and contractors are aware of the relevant requirements for providing access in accordance with the Australian Standard and Building Code of Australia.

Outcome 2: Individuals with disabilities have the same opportunities as individuals without disability to access the buildings and other facilities of a public authority.

- Access and Inclusion components are incorporated into contracts and letters of engagement to ensure consultants, agents and contractors are aware of access requirements.

DISCLOSURES AND LEGAL COMPLIANCE

Outcome 3: Individuals with disabilities receive information from a public authority in a format that will enable them to access the information as readily as individuals without disability are able to access it.

- The launch of EPRA's new website meets the requirements of the W3C Web Content Accessibility Guidelines and all project information is available in various formats.

Outcome 4: Individuals with disabilities receive the same level and quality of service from the staff of a public authority as individuals without disability receive from the staff of that public authority.

- EPRA ensures employees are educated and updated with DAIP related knowledge and awareness through incorporating the Disability access DVD into the staff induction process.

Outcome 5: Individuals with disabilities have the same opportunities as individuals without disability to make complaints to a public authority.

- EPRA is prepared to provide a grievance mechanism process and outcome satisfaction survey forms in alternative formats.

Outcome 6: Individuals with disabilities have the same opportunities as individuals without disability to participate in any public consultation by a public authority.

- EPRA is committed to improving community awareness about consultation processes and monitoring the DAIP to ensure implementation and satisfactory outcomes.

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
East Perth Redevelopment Act 1991
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
Interpretation Act 1984
Industrial Relations Act 1979
Land Administration Act 1997
Native Title (State Provisions) Act 1999
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
Strata Titles Act 1985
Swan and Canning Rivers Management Act 2006
Taxation Administration Act 2003
Taxation Practices Act 1985
Transfer of Land Act 1893
Workers Compensation and Injury Management Act 1981

Compliance with Public Sector Standards and Ethical Codes

In accordance with the requirement of section 31(1) of the *Public Sector Management Act 1994*, EPRA reports that one internal investigation was undertaken relating to disciplinary matters under section 80 of the *Public Sector Management Act 1994*.

There were no other compliance issues that arose during the financial year regarding the public sector standards, the WA Code of Ethics or EPRA's Code of Conduct.

To ensure all staff and Board Members have high levels of awareness relating to compliance requirements EPRA also conducted training in Public Sector Standards and Ethical Codes through the full day training course "A Guide to Accountable and Ethical Decision making in the WA Public Sector". This was organised through the Department of Premier and Cabinet Accountability Support Unit.

DISCLOSURES AND LEGAL COMPLIANCE

Record Keeping

The EPRA record keeping policy holds all staff, contractors and organisation performing outsourcing services on behalf of EPRA responsible for their involvement with records. This policy incorporates all legislative, business, administrative, financial, evidential and historical requirements.

EPRA complies with the *State Records Act 2000*. In 2008-09 record keeping training and evaluation requirements were in place to ensure such compliance and EPRA's staff induction program addresses employee roles and responsibilities regarding record keeping and includes mandatory records training for all new employees.

Corruption Prevention

EPRA has developed policies and procedures to protect against corruption, which supplement the corporate governance policy framework made up of Premier's Circulars, Treasurer's Instructions and other publications of the Government of Western Australia. These also include the General Corporate Governance Arrangements recommended by the Australian Institute of Company Directors.

EPRA has also established a Code of Ethics which fits the overall ethics direction for the public sector set out by the Commissioner for Public Sector Standards.

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*.

EPRA is not represented on the Strategic Management Council, however it is committed to substantive policy and has developed a number of initiatives aimed at increasing social inclusion and diversity.

Occupational Health and Safety

EPRA is committed to Occupational Health and Safety (OH&S) and has a documented and verifiable OH&S Management system which is reflective of its OH&S Policy. In the 2008/09 reporting year, EPRA had a Lost Time Injury (LTI) rate of one (1). EPRA will continue to focus its efforts on working to reduce and maintain the rate to zero (0).

The Senior Managers and the Human Resource and Corporate Services Manager form the basis of occupational safety and health consultation within EPRA. Those involved in OH&S at EPRA are accessible and effectively utilised by staff in the discussion and resolution of occupational safety and health issues.

EPRA has in place a documented injury management system in accordance with the Workers Compensation and Injury Management Act 1981. The system is made available to staff through formal communication systems.

In 2008, half (50%) of EPRA's managers attended a training session held by CGU Safety Services on Occupational Safety and Health. Managers were informed of their responsibilities under the *Occupational Safety and Health Act 1981*.

Indicator	2008-2009
Number of fatalities	Zero (0)
Lost time injury/disease (LTI/D) incidence rate	One (1)
Lost time injury severity rate	Zero (0)
Percentage of injured workers returned to work within 28 weeks*	100%
Percentage of managers trained in occupational safety, health and injury management responsibilities	50%

* Denotes a new reporting requirement or measure in 2008-2009. Refer to Public Sector Commissioner's Circular 2009-11 for details on calculation of the indicator.

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 EPRA's performance, and fairly represent the performance of EPRA for the financial year ended 30 June 2009.



Mr Stuart Hicks
Chairman



Don Humphreys
Member of Accountable Authority



Mr Tony Morgan
Chief Executive Officer

Date: 21 August 2009

KEY PERFORMANCE INDICATORS

Outcome Statement:

EPRA aims to attract thousands of Western Australians back into the city to live, study, work and play.

Effectiveness Indicators:

These indicators quantify how well EPRA is achieving its outcomes.

Due to changes in source databases, this data should only be read in conjunction with the accompanying explanatory notes following.

Claisebrook Village

	2002	2003	2004	2005	2006	2007	2008	2009
Living in the Area¹	1,247	1,314	1,314	1,319	1,440	2,257	2,257	2,257
Studying in the Area								
Educational Institutions	1	1	1	1	1	1	1	1
No of Students ²	1,763	2,289	2,742	2,873	2,984	2,931	2,926	3,500
Working in the area								
Businesses <50 staff ³	265	283	401	341	342	341	339	326
Businesses >50 staff ³	5	4	3	5	4	5	4	4
Playing in the area								
Visitors to public facilities ⁴	2,065,992	1,969,250	2,572,440	1,659,150	2,524,223	4,010,608	3,101,406	2,701,223

Key Finding:

The number of residents in Claisebrook Village remains unchanged from the last financial year as this project is nearing completion. As a result of the near completion of Claisebrook Village the measure of attracting people to live in the area is not one which can continue to increase beyond the space available and allowable residential density. Similarly, the number of businesses in the area has experienced only a slight change whilst the number of students studying in the area has increased by 19.6%.

The number of visitors to public facilities in Claisebrook Village has experienced a decrease since the peak number achieved in the 2006-07 financial year. Results since the 2002 reporting year show a wide variation in annual figures; however an overall trend is yet to be established.

KEY PERFORMANCE INDICATORS

New Northbridge

	2002	2003	2004	2005	2006	2007	2008	2009
Living in the Area¹	1,199	1,256	1,477	1,489	1,904	2,491	2,657	2,699
Studying in the Area*								
Educational Institutions	0	0	0	0	0	0	0	0
No of Students ²	0	0	0	0	0	325	430	1500
Working in the area								
Businesses <50 staff ³	115	112	116	97	97	98	228	226
Businesses >50 staff ³	1	1	1	3	3	2	2	4
Playing in the area								
Visitors to public facilities ⁴	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: Calculations for visits to public facilities are not applicable for New Northbridge due to the inability of respondents to separate frequency of visiting this area from frequency of visiting the broader Northbridge area.

Key Finding:

The number of people living in the New Northbridge project area has increased with 42 new residents since the 2007/08 financial year. This increase can be attributed to the addition of single and multiple residential dwellings in the project area throughout the financial year.

There has been a significant increase in the number of students enrolled in the School of Print and Technology, a facility of the Central Metropolitan College of TAFE within the New Northbridge project area. The figures for the 2008/09 reporting year have increased considerably as this building was only partially complete when figures for the 2007/08 reporting year were recorded. For the purpose of gathering statistics, the School of Print and Technology is not counted as an 'Educational Institution', as it is only one facility.

Businesses with less than 50 staff has decreased in number by two businesses whilst the number of business with more than 50 staff has increased by a further two businesses. These figures are expected to rise in the near future as the construction of approved mixed use developments are completed.

KEY PERFORMANCE INDICATORS

Riverside

	2002	2003	2004	2005	2006	2007	2008	2009
Living in the Area¹	266	266	266	266	266	749	1,021	1,119
Studying in the Area								
Educational Institutions	1	1	1	1	1	1	1	1
No of Students ²	1,126	1,148	1,179	1,186	1,196	1,202	1,200	1,200
Working in the area								
Businesses <50 staff ³	27	25	29	22	22	22	48	46
Businesses >50 staff ³	6	5	5	5	5	5	5	6
Playing in the area								
Visitors to public facilities ⁴	1,691,172	1,217,886	1,567,584	813,516	1,629,754	573,886	2,031,690	1,566,645

Key Finding:

Throughout the financial year, a slight increase of 98 new residents was recorded for the Riverside project area whilst the figures for the number of students studying in the area, and the number of businesses in the project area have predominantly remained the same.

These figures are expected to rise significantly once construction on new precincts within Riverside are completed. They will deliver an abundance of new dwellings housing new residents as well as providing additional commercial and retail floor space that will attract new workers to the area.

The number of people visiting the area is also expected to increase once the Riverside precincts are progressed.

KEY PERFORMANCE INDICATORS



EPRA Methodology Notes to Accompany Effectiveness Results

Living in the Area:

¹ Results derived by multiplying the total number of residential dwellings (from EPRA data) times the average number of residents per dwelling. The average number of residents per dwelling is:

- 2.123 in East Perth Project Area+
- 1.999 in New Northbridge+
- 1.994 in Riverside+

+ (As indicated by the 2006 Australian Bureau of Statistics census data)

Average number of residents per dwelling is always calculated with the most recently available Australian Bureau of Statistics census data.

Studying in the Area:

² Institutions identified through 2007 Australian Business Directory Database, followed by a telephone census with educational institutions, conducted by Synovate. Includes full-time and part-time students.

* Student numbers for New Northbridge are derived from the Central Metropolitan College of TAFE's School of Print and Technology, a high technology facility which EPRA has successfully attracted to its project area. As the main campus of the Central Metropolitan College of TAFE is located outside the project area, only the student numbers attributable to the print facility are recorded. The Central

Metropolitan College of TAFE's School of Art and Design is also located in the New Northbridge project area, however this was a pre-existing facility and therefore its student number have never been included.

Working in the Area:

³ Number of businesses identified through 2007 Australian Business Directory Database, followed by a telephone census, with organisations to determine number of employees, conducted by Synovate.

Note: The previous database used for this research from 2004 to 2007 was the 2005 Marketing Pro Database. As this database is no longer updated, the 2008/09 results onwards have been derived from the 2007 Australian Business Directory Database. As each Database uses slightly different methodologies to build the database, the methodology for these results has changed slightly. Therefore, a direct comparison of results is not recommended.

Playing in the Area:

⁴ Synovate conducted a telephone survey of 400 adults (aged 18 years and over) in the Perth metropolitan area. ABS 2006 census data estimates a population of 1,099,399 adults (18+) living in the Perth metropolitan area in 2006. Telephone numbers were randomly generated from Australia on Disc, which generates household numbers. A sample of 400 provides results with a maximum sampling accuracy of $\pm 4.9\%$ at the 95% confidence level. Interviewing commenced on 24 June 2009 and was completed by 29 June 2009.

KEY PERFORMANCE INDICATORS



EPRA Efficiency Indicators

These relate inputs to outputs to quantify how well EPRA is using its resources and show dollar of operating costs per dollar of land sales made, and capital works conducted, during the year.

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	Target
\$ per \$ of:								
Land Sales	0.105	0.196	0.275	0.131	0.195	0.413	0.447	0.373
Capital Works	0.191	0.252	0.271	0.233	0.678	0.874	0.831	1

Key Findings

Land Sales

In 2008-2009, for every dollar received from a land sale, it cost 44.7 cents in operating costs associated with the sales. The reason for the increase in this ratio is due to reduced sales activity in 2008-2009 due to the stage of the project life cycle.

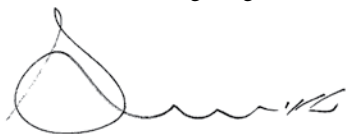
Capital Works

The capital works indicator was consistent with the previous year reflecting a similar ratio of capital works to expenses. These levels are increased on previous years again due to the stage of the projects.

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

The accompanying financial statements of the East Perth 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 2009.

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.



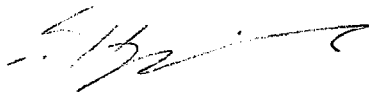
Mr Stuart Hicks
Chairman



Don Humphreys
Member of Accountable Authority



Mr Tony Morgan
Chief Executive Officer



Mr Sean Henriques
Chief Finance Officer

Date: 21 August 2009

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$' 000	2008 \$' 000
INCOME			
Sales	4	13,003	10,585
Interest revenue	5	2,350	2,900
Rental revenue		368	321
Other revenue		1,601	897
Total Income		17,323	14,703
EXPENSES			
Cost of sales	4	7,941	5,277
Employee benefits expense	6	4,376	3,915
Supplies and services	7	1,763	2,134
Depreciation and amortisation expense	8	355	191
Sales and marketing expenses		536	684
Property and estate management		1,011	1,274
Communications expense		268	157
Economic and community development		201	195
Development control expense		670	383
Revaluation decrement		58	–
Environmental remediation		1,690	–
Other expenses		526	333
Total expenses		19,395	14,543
SURPLUS/(DEFICIT) for the year		(2,072)	160

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

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 \$' 000	2008 \$' 000
ASSETS			
Current Assets			
Cash and cash equivalents	9	43,191	44,197
Inventories	10	2,175	3,384
Receivables	11	340	406
Other current assets	12	–	0
Total Current Assets		45,706	47,986
Non-Current Assets			
Inventories	10	38,512	37,723
Property, furniture and equipment	12	4,041	4,690
Investment properties	13	19,720	18,870
Intangible assets	14	651	326
Total Non-Current Assets		62,924	61,608
TOTAL ASSETS		108,630	109,595
LIABILITIES			
Current Liabilities			
Payables	16	3,004	1,748
Income in advance	17	131	59
Provisions	18	473	538
Total Current Liabilities		3,608	2,345

BALANCE SHEET AS AT 30 JUNE 2009

Balance Sheet continued

	Note	2009 \$' 000	2008 \$' 000
Non-Current Liabilities			
Provisions	18	1023	681
Other non-current liabilities	19	534	301
Total Non-Current Liabilities		1557	982
TOTAL LIABILITIES		5,165	3,327
NET ASSETS		103,465	106,268
EQUITY	20		
Contributed equity		21,890	21,890
Capital reserve		10,338	10,338
Asset revaluation reserve		963	1,694
Retained earnings		70,274	72,346
TOTAL EQUITY		103,465	106,268

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$' 000	2008 \$' 000
Balance of equity at start of year		106,268	87,238
CONTRIBUTED EQUITY			
Balance at start of period		21,890	3,020
Contribution By Owners		–	18,870
Balance at end of period		21,890	21,890
RESERVES			
Capital Reserve			
Balance at start of period		10,338	10,338
Balance at end of period		10,338	10,338
Asset Revaluation Reserve			
Balance at start of period		1,694	1,694
Gains/(losses) from asset revaluation		(731)	–
Balance at end of period		963	1,694
RETAINED EARNINGS			
Balance at start of period		72,346	72,186
Surplus/(deficit) for the period		(2,072)	160
Balance at end of period		70,274	72,346
Balance of equity at end of year	20	103,465	106,268
Total income and expense for the year (a)		(2,803)	160

(a) The aggregate net amount attributable to each category of equity is: deficit for the year \$2,072,000 plus loss from asset revaluation \$731,000 (2008: Profit of \$160,000 plus gains/(loss from asset revaluation \$0).

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$' 000	2008 \$' 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		14,945	11,807
Interest received		2,515	2,855
GST receipts on sales		1,022	1,092
Receipts from taxation authority		1,500	67
Payments			
Employee benefits		(4,081)	(3,585)
Supplies and services		(1,763)	(2,135)
GST Payments on purchases		(1,551)	(875)
Net Payments to taxation authority		(1,021)	(284)
Other payments		(3,602)	(2,624)
Net cash provided by operating activities	21	7,963	6,318
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(230)	(71)
Purchase of capital works in progress		(7,464)	(4,335)
Purchase/sale of land			(195)
Expenditure on Investment properties		(742)	–
Purchase of intangible assets		(532)	(152)
Net cash provided by/(used in) investing activities		(8,969)	(4,753)
Net increase/(decrease) in cash and cash equivalents		(1,006)	1,565
Cash and cash equivalents at the beginning of period		44,197	42,632
CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD	21	43,191	44,197

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1. Australian equivalents to International Financial Reporting Standards

General

The Authority's financial statements for the year ended 30 June 2009 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 2009.

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, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

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).

The financial report has been prepared on a going concern basis.

(c) Reporting Entity

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(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:

- **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.
- **Sale of goods (other than land)**
Revenue from the disposal of other assets is recognised when the Authority has passed control of the asset.
- **Provision of services or goods**
Revenue is recognised on delivery of the services or goods to the customer.
- **Contribution Revenue**
Non-reciprocal contributions are recognised as revenue upon receipt by the Authority. Reciprocal contributions are recognised as revenue once the conditions limiting the contributions are discharged.
- **Interest**
Revenue is recognised as the interest accrues.
- **Rental Revenue**
The Authority receives rental income in relation to certain buildings leased within the redevelopment area. Rental income is due on the first day of each month and all amounts are settled within seven days. Revenues are recognised for rental income when it becomes due and payable to the Authority.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

(e) Property, Furniture and Equipment

Capitalisation/Expensing of assets:

Items of property 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.

Initial recognition and measurement:

All items of property, furniture and equipment are initially 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.

Subsequent measurement:

After recognition as an asset, the Authority uses the revaluation model for the measurement of land and buildings and the cost model for all other property, furniture and equipment. Land and buildings are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, furniture and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Where market evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(e) Property, Furniture and Equipment (continued)

Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the written-down current replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date. Colliers International also provided valuation services during the year.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets. Professional judgment by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Refer to note 12 'Property, furniture and equipment' for further information on revaluations.

Asset Revaluation Reserve:

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 12 'Property, Furniture and Equipment'.

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.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	40 Years
Office Furniture and Equipment	7-8 Years
Computer Equipment	4 Years

(f) Intangible Assets

Capitalisation/Expensing of assets:

Acquisitions of intangible assets costing over \$5,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred of less than \$5,000 are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially measured at cost. For assets acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Authority have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Software (a)	3 Years
Website	3 Years

(a) Software that is not integral to the operation of any related hardware.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(f) Intangible Assets (continued)

Computer Software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Web site costs

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

(g) Impairment of Assets

Property, furniture, equipment and intangible assets are tested for any indication of impairment at each balance sheet 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 balance sheet date.

See note 15 'Impairment of assets' for the outcome of impairment reviews and testing.

(h) Leases

The Authority holds operating leases for motor vehicles where the lessor effectively retains the entire risks and benefits incident to ownership of the motor vehicles held under the operating leases. 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 motor vehicles.

(i) Financial Instruments

The Authority has two categories of financial instrument:

- Loans and receivables (includes cash and cash equivalents, receivables, term deposits);
- Non-trading financial liabilities (payables)

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
 - Receivables

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(i) Financial Instruments (continued)

Financial Liabilities

- Payables
- Income in Advance
- Employee Benefits
- Other Liabilities

Initial recognition and measurement is 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.

(j) 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.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories consist of developed land, capital works and undeveloped land. See note 10 'Inventories'

(l) 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(i) 'Financial Instruments' and note 11 'Receivables'.

(m) 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(i) 'Financial Instruments' and note 16 'Payables'.

(n) Provisions

Provisions are liabilities of uncertain timing and amount. The Authority only recognises a provision where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. See note 18 'Provisions'.

(n)(i) Provisions – Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments, consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(n) Provisions (continued)

The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

PriceWaterhouseCoopers performed an actuarial assessment of long service leave for the year ended 30 June 2009.

Superannuation

The Government Employees Superannuation Board (GESB) in accordance with legislative requirements administers public sector superannuation arrangements in WA.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members, or to the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Authority makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS Scheme are defined benefit schemes. These benefits are wholly unfunded and the liabilities for future payments are provided for at balance sheet date. The liabilities under these schemes have been calculated separately for each scheme annually by Mercers Human Resource Consulting Actuaries using

the projected unit credit method. The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The GSS Scheme, the WSS Scheme, and the GESB Scheme, where the current service superannuation charge is paid by the Authority to the GESB, are defined contribution schemes. The liabilities for current service superannuation charges under the GSS Scheme, the WSS Scheme, and the GESBS Scheme are extinguished by the concurrent payment of employer contributions to the GESB.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, from an agency perspective, apart from the transfer benefits, it is a defined contribution plan under AASB 119.

See also note 2(o) 'Superannuation expense'.

(n)(ii) Provisions – Other

Employment On Costs

Employment on-costs, including workers' compensation insurance and payroll tax, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of the Authority's 'Employee benefits expense' and the related liability is included in Employment on-costs provision. See 'Other expenses' and note 18 'Provisions'.

(o) Superannuation Expense

The superannuation expense of the defined benefit plans is made up of the following elements:

- Current service cost;
- Interest cost (unwinding of the discount);
- Actuarial gains and losses; and
- Past service cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(o) Superannuation Expense (continued)

Actuarial gains and losses of the defined benefit plans are recognised immediately as income or expense in the income statement.

The superannuation expense of the defined contribution plans is recognised as and when the contributions fall due.

See also note 2(n) (i) 'Provisions – Employee Benefits' under Superannuation.

(p) Accrued Salaries

Accrued salaries (refer note 16 'Payables') represents the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(q) Comparative Figures

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

(r) Investment Property

Investment property, principally comprising freehold land and buildings, is not occupied by the Authority and derives long-term rental yields. Investment property is carried at fair value, as mandated by TI 954, representing open-market value determined annually by external valuers. Changes in fair value are recorded in the income statement as part of revaluation decrement.

(s) Rental Income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease term and is recognised as income in the periods in which it is earned.

(t) Significant Estimates and Judgements

Estimated recovery of Inventory and Investment Properties is based on market information as at 30th June 2009. Events and circumstances could change in the future resulting in the recoverable amount being less than the cost.

3. Disclosure of changes in accounting policy

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards and Australian Accounting Interpretations

effective for annual reporting periods beginning on or after 1 July 2008 that impacted on the Authority:

AASB 1004 'Contributions'.

(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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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

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
AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]. This Standard amends AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. The Authority does not expect any financial impact when the Standard is first applied prospectively.	1 July 2009

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 3 'Business Combinations' (March 2008)	1 July 2009
AASB 123 'Borrowing Costs' (June 2007). Standard has been revised to mandate the capitalization of all borrowing costs attributable to the acquisition, construction or production of qualifying assets. The Authority would capitalise borrowing costs directly attributable to development projects under construction; therefore there 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. The AASB has deferred the withdrawal of the option to expense borrowing costs for public sector agencies (AASB Action Alert Issue No. 121 – 19 December 2008). The AASB has approved the issue of ED 176 'Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities' for comment, which proposes that not-for-profit public sector entities be able to choose whether to expense or capitalise borrowing costs relating to qualifying assets by deferring the mandatory adoption of the capitalisation approach (AASB Action Alert Issue No. 122 – 9 February 2009).	1 January 2009

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Title	Operative for reporting periods beginning on/after
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
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 2007-10 'Further 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 [AASBs 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
4. Trading profit		
Sales	13,003	10,585
Cost of Sales:		
Opening inventory	(41,106)	(41,597)
Purchases	(7,688)	(4,786)
Transfers to/(from) investment properties	166	–
	(48,628)	(46,383)
Closing inventory	40,687	41,106
Cost of Goods Sold	(7,941)	(5,277)
Trading Profit	5,062	5,307
See note 2(k) 'Inventories' and note 10 'Inventories'		
5. Interest revenue		
Interest Revenue	2,350	2,900
	2,350	2,900

Interest Revenue includes interest earned on cash held at the bank, at call, short term deposit accounts and at Treasury.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
6. Employee benefits expense		
Wages and salaries (a)	3,536	3,253
Superannuation – defined contribution plans	324	296
Superannuation – defined benefit plans (see note 18)	227	81
Long Service Leave (b)	117	87
Annual Leave (b)	40	56
Other related expenses	131	141
	4,376	3,915

(a) Includes the fringe benefits tax component.

(b) Includes a superannuation contribution component.

7. Supplies and Services

Consultants and contractors	709	718
Building occupancy	122	126
General Office Expenses	541	667
Other Supplies and Services	391	623
	1,763	2,134

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
8. Depreciation and amortisation expense		
Depreciation		
Buildings	79	77
Office furniture and equipment	27	21
Computer Equipment	40	28
Total depreciation	147	125
Amortisation		
Intangible assets	208	65
Total amortisation	208	65
Total depreciation and amortisation	355	191
9. Cash and cash equivalents		
Bank account	1,380	4,903
Short term deposits/at call funds	41,811	39,295
	43,191	44,197

The term deposits mature on a monthly or a three monthly basis and are bearing fixed interest rates between 3.21% and 7.70% (2008: 6.70% and 7.70%) and the at call funds are bearing floating interest rates between 1.85% and 4.85% (2008: 4.35% and 4.85%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
10. Inventories		
The aggregate carrying amount of inventories recognised and included in the financial statements is as follows:		
Current	2,175	3,384
Non-current	38,512	37,723
	40,687	41,106
Current		
Developed Land (at cost)	2,175	3,384
	2,175	3,384
The following represents the transfers to and from developed land inventories:		
Balance at 1 July (at cost)	3,384	2,389
Transferred from undeveloped land (excluding lots repurchased)	2,413	4,011
Transferred from capital works in progress	3,344	2,261
Transferred to cost of sales	(7,941)	(5,277)
Purchases	976	–
Balance at 30 June (at cost)	2,175	3,384
Non-Current		
Capital Works (at cost)	34,372	31,169
Undeveloped Land (at cost)	4,140	6,553
	38,512	37,723

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
10. Inventories (continued)		
The following represents capital works undertaken, offset by components transferred to developed land inventories and transfers to investment properties.		
Balance at 1 July	31,169	28,840
Additional works	6,744	4,590
Less transfers to developed land	(3,344)	(2,261)
Less transfers to investment properties	(197)	–
Balance at 30 June (at cost)	34,372	31,169
The following represents acquisitions of undeveloped land, offset by transfers to developed land inventories:		
Balance at 1 July	6,553	10,368
Cost of land acquired commercially	–	195
Less transfers to developed land	(2,413)	(4,011)
Balance at 30 June (at cost)	4,140	6,553

Included in inventories, Undeveloped Land, is land leased to external parties, pending redevelopment. The gross amount of leased land at 30 June 2009 is \$396,848 (2008: \$396,848).

Inventories are recorded at the lower of cost and net realisable value. An internal valuation of Developed Land at market value, Capital Works in Progress and Undeveloped Land at net realisable value as at 30 June 2009 amounted to \$55.75million (2008: net realisable and market value amounted to \$44.223 million). The cost of the inventories amounted to \$40.69 million (2008: \$41.106 million). The internal valuations have been determined taking into account advice from external valuers, and both internal and external property advisors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
11. Receivables		
Trade receivables	193	139
Provision for impairment of receivables (note (a))	(18)	(33)
	175	105
Other receivables (note (b))	165	300
	340	406
1 to 3 months	172	65
3 to 6 months		40
Over 6 months (past due not impaired)	21	33
	193	139
(a) Impaired trade receivables		
There were no impaired trade receivables for EPRA in 2009. Movements in the provision for impairment of receivables are as follows:		
At 1 July	(33)	–
Provision for impairment recognised during the year	–	(33)
Amounts received during the year that has been previously impaired	4	–
Receivables written off during the year as uncollectible (i)	11	–
	(18)	(33)

Past due not impaired

As at 30 June 2009, trade receivables of \$21k are past due but not impaired. These relate to a number of debtors with no history of default.

(i) Receivables amounting to \$11k have been written off as at 30 June 2009. The write off was effected on the grounds that all reasonable actions have been taken to recover the debt and it is considered improbable to recover the debt.

(b) Other receivables

The amount includes interest accrued on the treasury investment for the last three months of the financial year. Interest is earned on the deposit at a rate of 3.213% p.a. on the principal amount of \$16.68m. It also includes rental income not received as at 30 June 2009.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
12. Property, furniture and equipment		
Land		
12 Lindsay Street at fair value (a)	1,260	1,500
	1,260	1,500
Buildings		
12 Lindsay Street at fair value (a)	2,676	3,110
Accumulated depreciation	(156)	(77)
	2,520	3,033
	3,780	4,533
Office furniture and equipment		
At cost	228	179
Accumulated depreciation	(86)	(59)
	141	120
Computer equipment		
At cost	242	119
Accumulated depreciation	(122)	(82)
	120	37
Total Property, Furniture and Equipment	4,041	4,690

(a) Land and buildings were revalued as at 30 June 2009 by the Western Australian Land Information Authority (Valuation Services). The fair value of all land and buildings has been determined by reference to recent market transactions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

12. 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.

	Land \$' 000	Buildings \$' 000	Office Furniture and Equipment \$' 000	Computer Equipment \$' 000	Total \$' 000
For the year ended 30-June-2009					
Carrying amount at the start of the year	1,500	3,033	120	37	4,690
Additions	–	58	48	123	229
Depreciation	–	(79)	(27)	(40)	(147)
Transfers	–	–	–	–	–
Valuation Increments/(Decrements)	(240)	(491)	–	–	(731)
Carrying amount at the end of the year	1,260	2,520	141	120	4,041
For the year ended 30-June-2008					
Carrying amount at the start of the year	1,500	3,050	115	79	4,744
Additions	–	60	26	–	85
Depreciation	–	(77)	(21)	(28)	(125)
Transfers (a)	–	–	–	(14)	(14)
Valuation Increments	–	–	–	–	–
Carrying amount at the end of the year	1,500	3,033	120	37	4,690

(a) An amount of 14K had been transferred to Software in 2007-08. Refer to Intangibles note 14.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
13. Investment properties		
At Fair value		
Opening balance at 1 July	18,870	–
Acquisitions	–	18,870
Capitalised subsequent expenditure	742	–
Net gain (loss) from fair value adjustment (b)	(58)	–
Transfer (to) from inventories	166	–
Closing balance at 30 June	19,720	18,870
(a) Amounts recognised in profit and loss for investment properties		
Revaluation Decrement	58	–
Rental income	270	294
Direct operating expenses from property that generated rental income	35	40

(b) Valuation basis

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The 2009 revaluations were based on independent assessments made by Colliers International.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
14. Intangible assets		
Software at cost	986	454
Accumulated amortisation	(336)	(128)
	651	326
Reconciliation:		
Carrying amount at start of year	326	33
Additions	532	345
Transfers in	–	14
Amortisation expense	(208)	(65)
	651	326
15. Impairment of assets		
There were no indications of impairment to property, furniture, equipment and intangible assets at 30 June 2009 not recognised in the financial statements.		
16. Payables		
Trade payables	1502	643
GST payable to the Australian Taxation Office	18	19
Accrued Expenses	1,484	1,085
	3,004	1,748

See also note 2(m) 'Payables' and note 25 'Financial Instruments'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
17. Income in advance		
Corporate Service Fee	130	58
Rental Revenue	1	1
Sundry income	0	1
	131	59
18. Provisions		
Current		
Employee benefits provision:		
Annual leave (a)	300	268
Long service leave (b)	114	205
Superannuation	34	37
	448	511
Other provisions		
Employment on-costs (c)	25	27
	25	27
	473	538
Non-Current		
Employee benefits provision:		
Long service leave (b)	235	132
Superannuation	15	8
Defined benefit superannuation plans (d)	759	532
	1,009	673

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
18. Provisions (continued)		
Other provisions		
Employment on-costs (c)	14	8
	14	8
	1,023	681
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of balance sheet date	230	203
More than 12 months after balance sheet date	70	65
	300	268
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of balance sheet date	30	89
More than 12 months after balance sheet date	319	248
	349	337
(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense is included in 'Other expenses'.		
Movements in provisions for employee on costs during the financial year, are set out below:		
Carrying amount at start of year	35	25
Additional provisions recognised	4	10
Carrying amount at end of year	39	35

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

18. Provisions (continued)

(d) Defined benefit superannuation plans

The amounts recognised in the Income Statement are as follows:

	Pension Scheme	
	2009 \$' 000	2008 \$' 000
Current service cost	19	17
Interest cost (unwinding of the discount)	35	27
Net actuarial loss/(gain) recognised	173	37
Total included in 'Employee benefits expense' (see Note 6)	227	81
The amounts recognised in the Balance Sheet are as follows:		
Present value of unfunded obligations	759	532
Liability in the balance sheet	759	532

The Authority has no legal liability to make up the liability other than by continuing to comply with the employer funding arrangements as detailed below.

Reconciliation of the unfunded liability recognised in the balance sheet is as follows:

	Pension Scheme	
	2009 \$' 000	2008 \$' 000
Liability at start of year	532	451
Current service cost	19	17
Interest costs (unwinding of the discount)	35	27
Net actuarial losses/(gains) recognised	173	37
Liability at the end of year	759	532

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

18. Provisions (continued)

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

	2009	2008	2007	2006
Discount rate	5.34%	6.64%	7.50%	5.81%
Future salary increases	4.50%	4.50%	4.50%	4.50%

	2009 \$' 000	2008 \$' 000	2007 \$' 000	2006 \$' 000
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Historic summary

Pension scheme:

Present value of unfunded obligation	759	532	451	341
Deficit	759	532	341	341

Pre-transfer benefit – Gold State Superannuation Scheme:

Present value of unfunded obligation	–	–	–	2
Deficit	–	–	–	2

Experience adjustments arising on plan liabilities:

Pension scheme	53	121	78	388
Pre-transfer benefit – Gold State Superannuation Scheme	–	–	(2)	4

The historic summary is to present information for the current reporting period and the previous four reporting period. AASB 1 allows an exemption to apply this requirement on a prospective basis from 2006.

Pension Scheme

The Pension Scheme is a unit-based scheme. The level of pension payable is determined by the number of units purchased, the length of service and the final salary of the member. The employer liability is funded only on the emergence of a member's pension benefit entitlement and is recouped by the Government Employees Superannuation Board fortnightly following the payment of each pension.

No employer contributions were paid to the Pension Scheme for the year ended 30 June 2009.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

18. Provisions (continued)

Gold State Superannuation Scheme

The Gold State Superannuation Scheme is a lump sum scheme. The Authority is required under the *State Superannuation Regulations 2001* to make concurrent employer contributions direct to the Scheme in respect of contributory members who are the Authority's employees.

The employer contribution rate for 2008-09 for contributory members was 12% (2008: 12%) of a member's salary, based on a 5% member contribution. The employer contribution rate is proportionately less or more where members elect a contribution rate of 3%, 4%, 6% or 7% of salary.

In respect of those members who transferred their membership from the Pension Scheme, the employer liability in relation to service or period of employment constituted as service for the purposes of the *Superannuation and Family Benefits Act 1938*, is calculated at a rate of 12% of final average salary for each year of such service, based upon a 5% member's average contribution rate to the scheme (this rate is proportionately less where a member's average contribution rate is less than 5%). This employer liability becomes payable on the payment of the benefit to the member.

No employer contributions were paid to the Gold State Superannuation Scheme for the year ended 30 June 2009.

	2009 \$' 000	2008 \$' 000
19. Other Liabilities		
Non-current		
Public art and Parking fund contribution (a)	534	301
	534	301

(a) Parking fund represents cash in lieu of parking spaces as required under the East Perth Redevelopment Scheme. The funds are to be used to provide public facilities. The public art fund represents developer contributions to the Percent for Art scheme. This requires that all developments over \$1m contribute 1% of the construction costs to public art. The public art may be delivered as part of the development or paid to EPRA for the delivery of public art within the project area.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$' 000	2008 \$' 000
20. Equity		
Contributed equity		
Balance at the start of the year	21,890	3,020
Capital Contribution	–	18,870
Balance at end of year	21,890	21,890
<p>The Authority undertook stabilisation of the East Perth Power Station building with contributions from the Government of Western Australia in 2003-04 and Western Power in 2004-05. The Government's contribution of \$3.02m was in the form of a non-repayable capital appropriation and in accordance with Treasurer's Instruction 955, has been designated as contributions by owners. During 2007-2008, The State of Western Australia acting through the Minister Planning & Infrastructure transferred to EPRA \$18.87m in land and buildings.</p>		
Reserves		
Capital Reserve		
Balance at start of year	10,338	10,338
Movements during the year	–	–
Balance at end of year	10,338	10,338
Asset Revaluation Reserve		
Balance at start of year	1,694	1694
Net revaluation increments/(decrements):		
Land and Buildings	(731)	–
Balance at end of year	963	1,694
Retained Earnings		
Balance at start of year	72,346	72,186
Result for the period	(2,072)	160
Balance at end of year	70,274	72,346

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

21. 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:

	2009 \$' 000	2008 \$' 000
Cash and cash equivalents	43,191	44,197
	43,191	44,197
Reconciliation of surplus/(deficit) to net cash flows provided by/(used in) operating activities		
Surplus/(Deficit)	(2,072)	160
Non-cash items:		
Depreciation and amortisation	355	191
Revaluation Decrement on Investment Properties	58	–
(Increase)/decrease in assets:		
Receivables	65	(61)
Other current assets	–	13
Inventory charged to Cost of Sales	7,941	5,277
Increase/(decrease) in liabilities:		
Payables	1,084	322
Income in advance	72	–
Current provisions	(65)	149
Other non-current liabilities	233	439
Non-current provisions	342	355
Change in GST in receivable/payables	(50)	(526)
Net cash provided by/(used in) operating activities	7,963	6,318

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

22. Commitments

Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

	2009 \$' 000	2008 \$' 000
Within 1 year	8,450	2,370
	8,450	2,370

Lease commitments

Commitment in relation to non-cancellable operating leases contracted for at the reporting date but not recognised in the financial statements as liabilities are payable as follows:

Within 1 year	29	39
Later than 1 year and not later than 5 years	20	72
	49	110

23. Contingent liabilities and Contingent Assets

Contingent Liabilities

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

Contamination Management

The Authority is obligated to manage the contamination of the East Perth Gas-Works site and adjacent areas of the Swan River by direction from the Minister for the Environment. There is a containment management strategy in place. Under this strategy, \$1.69 million was expended during the financial year ended 30 June 2009 as part of the scheduled management and maintenance of the infrastructure and a further amount of \$469k is expected to be spent in 2009-10 which is expected to complete the project. EPRA undertakes regular testing of the area and there is no evidence of any adverse impact of the site on the Swan River, and the test results support the satisfactory operation of the current containment strategy employed by EPRA. It is not possible to reliably estimate the potential financial effect of any claims should a contamination event occur in the future.

Contingent Assets

In addition to the assets included in the financial statement, there are no contingent assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

24. Explanatory Statement

This statement provides details of any significant variations between estimates and actual results for 2009 and between the actual results for 2008 and 2009. Significant variations are considered to be those greater than 10% and \$500,000.

Significant variances between estimate and actual results for the financial year

	2009 Actual \$' 000	2009 Estimates \$' 000	Variance \$' 000
Income			
Sales Revenue	13,003	16,255	(3,252)
Interest Revenue	2,350	1,779	571
Expense			
Cost of Sales	7,941	9,519	(1,577)

Income:

Sales revenue was lower than the estimate due to the deferred settlement of certain sites into the following financial year.

Interest Revenue was higher than the estimate as a result of the higher cash balances held by the Authority.

Expenses:

Cost of sales was lower than the estimate due to the deferral of settlement for certain sites into the following financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

24. Explanatory statement (continued)

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

	2009 \$' 000	2008 \$' 000	Variance \$' 000
Income			
Sales Revenue	13,003	10,585	2,419
Interest Revenue	2,350	2,900	(550)
Other Revenue	1,601	897	704
	2009 \$' 000	2008 \$' 000	Variance \$' 000
Expense			
Cost of Sales	7,941	5,277	(2,665)
Environmental Remediation	1,690	–	(1,690)

Income:

Sales revenue increased in 2008-09 as a result of a higher number of lots sold in this financial year.

Interest revenue declined as a result of the drop in interest rates on the term deposits and at call deposits.

Other revenue increased due to the increase in the service fee.

Expenses:

Cost of sales increased in 2008-09 as result of a higher number of lots sold in this financial year.

Environmental remediation costs increased as a result of the maintenance of the contamination cell at the former site of the East Perth Gas works.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

25. 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

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority. The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 25(c) 'Financial Instruments Disclosures' and Note 11 'Receivables'.

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. At the balance sheet date, there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due. The Authority is exposed to liquidity risk through its trading in the normal course of business.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

25. Financial Instruments (continued)

(b) Categories of Financial Instruments

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

	2009 \$' 000	2008 \$' 000
Financial Assets		
Cash and cash equivalents:bank account	1,380	4,903
Cash and cash equivalents:short term deposit /at call funds	41,811	39,295
Receivables	340	406
Financial Liabilities		
Payables (i)	2,986	1,729
Income in advance	131	59
Provisions	1,496	1,219
Other Liabilities	534	301

(i) The amount of payables excludes GST payable to the ATO (statutory amount).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

25. 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. An adjustment for discounting has been made where material.

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.

Interest rate exposures and ageing analysis of financial assets (a)

30-Jun-09	Weighted Average Interest Rate	Fixed Interest Rate Less Than 1 Year \$' 000	Variable Interest Rate \$' 000	Non Interest Bearing \$' 000	Total \$' 000
Financial assets:					
Cash and cash equivalents: short term deposit/at call funds	5.29%	41,811	–	–	41,811
Cash and cash equivalents: bank account	2.61%	–	1,380	–	1,380
Receivables		–	–	340	340
Total financial assets		41,811	1,380	340	43,531
Financial liabilities:					
Payables (i)		–	–	2,986	2,986
Income in advance		–	–	131	131
Provisions		–	–	1,496	1,496
Other Liabilities		–	–	534	534
Total financial liabilities		–	–	5,147	5,147
		41,811	1,380	(4,807)	38,384

(i) The amount of financial liabilities measured at amortised cost excludes GST payable to the ATO (statutory receivable/payable).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

25. Financial Instruments (continued)

	Weighted Average Interest Rate	Fixed Interest Rate Less Than 1 Year \$' 000	Variable Interest Rate \$' 000	Non Interest Bearing \$' 000	Total \$' 000
30-Jun-08					
Financial assets:					
Cash and cash equivalents: short term deposit/at call funds	6.84%	39,295	–	–	39,295
Cash and cash equivalents: bank account	4.61%	–	4,903	–	4,903
Receivables		–	–	406	406
Other assets		–	–	–	–
Total financial assets		39,295	4,903	406	44,603
Financial liabilities:					
Payables (i)		–	–	1,729	1,729
Income in advance		–	–	59	59
Provisions		–	–	1,219	1,219
Other Liabilities		–	–	301	301
Total financial liabilities		–	–	3,308	3,308
		39,295	4,903	(2,903)	41,294

(i) The amount of financial liabilities measured at amortised cost excludes GST payable to the ATO (statutory receivable/payable).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

25. Financial Instruments (continued)

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 in respect of a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-1% change		+1% change	
30-Jun-09	Carrying Amount \$' 000	Surplus \$' 000	Equity \$' 000	Surplus \$' 000	Equity \$' 000
Financial assets:					
Cash and cash equivalents: short term deposit/at call funds	41,811	(418)	(418)	418	418
Cash and cash equivalents: bank account	1,380	(14)	(14)	14	14
Receivables	340	–	–	–	–
Financial liabilities:					
Payables (i)	2,986	–	–	–	–
Income in advance	131	–	–	–	–
Provisions	1,496	–	–	–	–
Other Liabilities	534	–	–	–	–
Total Increase/(Decrease)		(432)	(432)	432	432

(i) The amount of financial liabilities measured at amortised cost excludes GST payable to the ATO (statutory receivable/payable).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

25. Financial Instruments (continued)

		-1% change		+1% change	
	Carrying Amount	Surplus	Equity	Surplus	Equity
30-Jun-08	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Financial assets:					
Cash and cash equivalents: short term deposit/at call funds	39,295	(393)	(393)	393	393
Cash and cash equivalents: bank account	4,903	(49)	(49)	49	49
Receivables	406	–	–	–	–
Other assets	–	–	–	–	–
Financial liabilities:					
Payables (i)	1,729	–	–	–	–
Income in advance	59	–	–	–	–
Provisions	1,219	–	–	–	–
Other Liabilities	301	–	–	–	–
Total Increase/(Decrease)		(442)	(442)	442	442

(i) The amount of financial liabilities measured at amortised cost excludes GST payable to the ATO (statutory receivable/payable).

(d) Fair Values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

26. 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:

	2009	2008
\$ 0 –\$ 10,000	2	4
\$ 10,001 –\$ 20,000	5	4
\$ 20,001 –\$ 30,000	–	1
\$ 30,001 –\$ 40,000	1	–
	\$' 000	\$' 000
Total remuneration of the members of the Board of the Authority is:	109	98
	109	98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Remuneration of Senior Officers

The number of senior officers, other than senior officers reported as members of the Accountable Authority, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2009	2008
\$ 30,001 – \$ 40,000	1	–
\$ 40,001 – \$ 50,000	–	–
\$ 50,001 – \$ 60,000	–	–
\$ 60,001 – \$ 70,000	1	–
\$ 70,001 – \$ 80,000	–	–
\$ 80,001 – \$ 90,000	–	–
\$ 90,001 – \$ 100,000	–	–
\$ 100,001 – \$ 110,000	–	–
\$ 110,001 – \$ 120,000	–	–
\$ 120,001 – \$ 130,000	1	2
\$ 130,001 – \$ 140,000	2	1
\$ 140,001 – \$ 150,000	–	–
\$ 150,001 – \$ 160,000	–	–
\$ 160,001 – \$ 170,000	–	–
\$ 170,001 – \$ 180,000	–	–
\$ 180,001 – \$ 190,000	–	–
\$ 190,001 – \$ 200,000	–	–
\$ 200,001 – \$ 210,000	–	–
\$ 210,001 – \$ 220,000	–	–
\$ 220,001 – \$ 230,000	–	–
\$ 230,001 – \$ 240,000	–	1
\$ 240,001 – \$ 250,000	–	–
\$ 250,001 – \$ 260,000	1	–
	\$' 000	\$' 000
The total remuneration of senior officers is:	733	607
	733	607

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

27. Remuneration of Auditors

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

Auditing the accounts, financial statements and performance indicators	23	25
	23	25

28. 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.

29. Supplementary Information

Write offs

	2009 \$' 000	2008 \$' 000
Bad debts written off during the financial year	11	-

OPINION OF THE AUDITOR GENERAL



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION To the Parliament of Western Australia

EAST PERTH REDEVELOPMENT AUTHORITY
FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2009

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

The financial statements comprise the Balance Sheet as at 30 June 2009, 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 www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.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.

East Perth Redevelopment Authority

Financial Statements and Key Performance Indicators for the year ended 30 June 2009

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the East Perth Redevelopment Authority at 30 June 2009 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 2009.

COLIN MURPHY
AUDITOR GENERAL
3 September 2009

