



Subiaco
Redevelopment
Authority

ANNUAL REPORT / 08/09



TABLE OF CONTENTS

Statement of Compliance.....	2
Executive Summary	3
Overview of Agency	5
Agency Performance.....	10
Disclosures and Legal Compliance	12
Certification of Performance Indicators.....	17
Key Performance Indicators.....	18
Certification of Financial Statements	27
Income statement for the year ended 30 June 2009.....	28
Balance sheet as at 30 June 2009.....	29
Statement of changes in equity for the year ended 30 June 2009	30
Cash flow statement for the year ended 30 June 2009.....	31
Notes to the financial statements for the year ended 30 June 2009.....	32
Opinion of the Auditor General	51

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

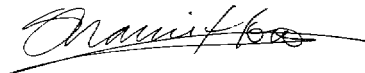
In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament the Annual Report of the Subiaco Redevelopment Authority for the year ended 30 June 2009.

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

Yours sincerely



Mr Don Humphreys
Chairman



Ms Sharni Howe
Member of Accountable Authority



Mr Tony Morgan
Chief Executive Officer

EXECUTIVE SUMMARY

We are pleased to present the 15th annual report for the Subiaco Redevelopment Authority (SRA).

The Subi Centro project is nearing completion, with planning authority for 86 percent of the redevelopment area returned to the City of Subiaco. In the 2008/09 financial year, redevelopment activities were focused on the SRA's remaining redevelopment area, with planning continuing for the Australian Fine China site and delivery of the Centro North site underway.

Highlights

- The Centro North Scheme Amendment No.5 was approved by the Minister for Planning in March 2009. The Design Guidelines for the site were also approved by the SRA Board. This followed the community comment period on these two documents held from June to August 2008.
- The subdivision approval for Centro North was granted by the Minister for Planning in March 2009. Subdivision works are due to start in the 2009/2010 financial year.
- Forward works were completed at the Centro North site in June 2009, including demolition of buildings, recycling of materials for reuse in the development, and removal of redundant infrastructure.
- The SRA Scheme Amendment No. 6 was approved by the Minister for Planning in December 2008. Scheme Amendment No. 6 relates to the general amendment and update of the Scheme text through the removal of redundant or onerous provisions, update of existing ineffective provisions, and introduction of new provisions to cover weaknesses identified during the use and review of the Scheme document.

Project Tours

Subi Centro is recognised nationally and internationally as a model urban renewal project.

Throughout the financial year, eight Subi Centro project tours for various government, educational and planning groups were conducted:

- Albany City Council
- Land Management Corporation (LMC), South Australia
- Department of Infrastructure and Planning (DIP) Queensland
- South Australian Public Works Committee
- South Australian Environment, Resources and Development Committee
- Department of Planning and Infrastructure (DPI)
- Roberts Day, Moreland City Council and Equiset-Grollo Group
- City of Melville – Murdoch Precinct Group



EXECUTIVE SUMMARY



Financial

During the 2008/09 financial year, there were no land sales due to the stage reached in the life cycle of the various SRA projects. The net result was that expenses exceeded income by \$1.88 million.

Development Applications

In the 2008/09 financial year two development applications were approved, attracting a total investment of approximately \$5.4 million. The small number of development applications reflects the life cycle of the Subi Centro project.

Continuity of Term

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

We would like to take the opportunity to thank and express our appreciation to SRA Board members, staff and consultants for their support, professionalism and commitment to the SRA and its redevelopment objectives throughout the 2008/09 financial year.

Mr Don Humphreys
Chairman

Mr Tony Morgan
Chief Executive Officer

OVERVIEW OF AGENCY

Operational Structure

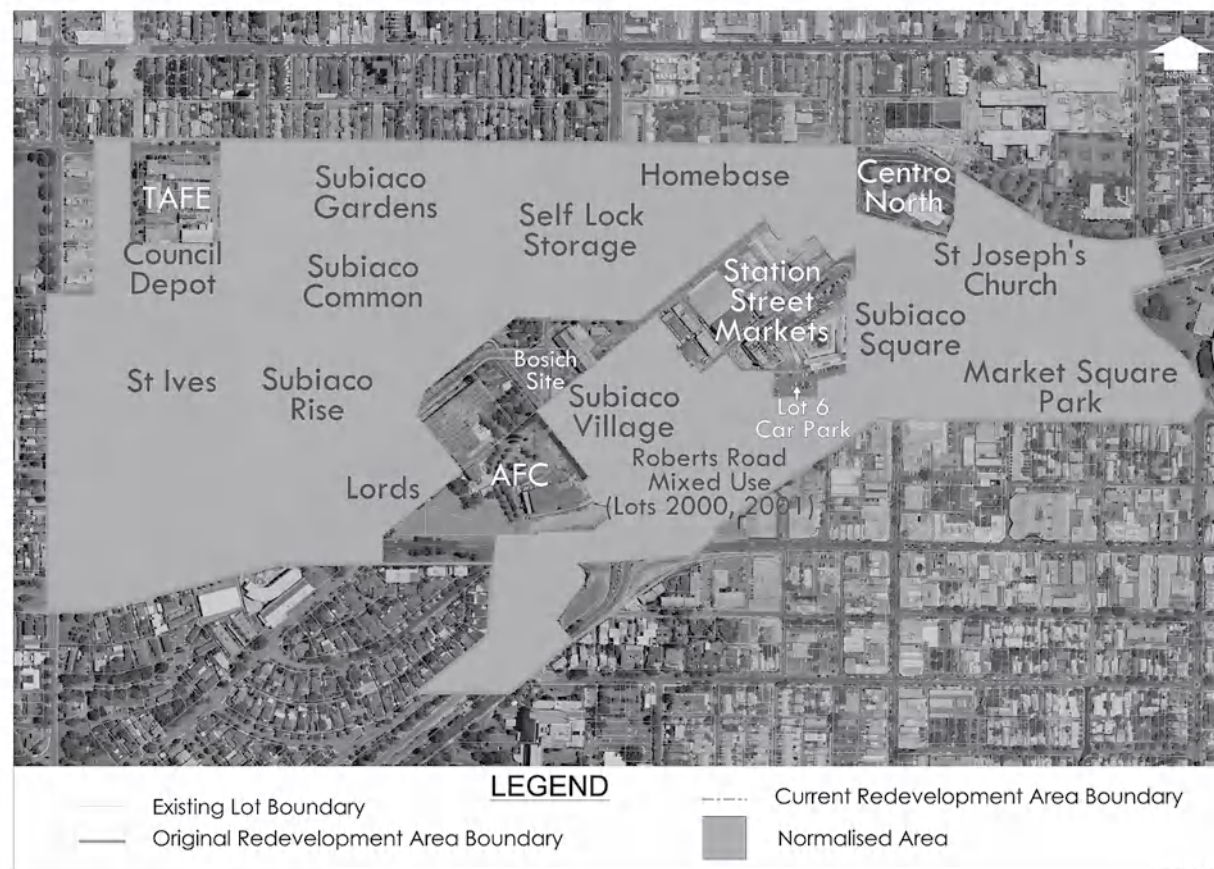
The SRA was established by the *Subiaco Redevelopment Act 1994* (The Act) and is responsible to the Minister for Planning.

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

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

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

SRA Redevelopment Area



OVERVIEW OF AGENCY



SRA Purpose:

To revitalise the redevelopment area

SRA Vision:

Subi Centro – accessible, liveable, vibrant.

SRA Strategic Objectives:

As determined by the Board, the following were the strategic objectives to June 2009:

- Deliver SRA's vision through planning and development of the (remaining) redevelopment areas;
- Ensure the services of a suitably qualified management team;
- Effective financial and risk management;
- Deliver effective stakeholder relationships; and
- Continue to be innovative and show leadership in all aspects of Place Making.

Membership of the SRA 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
- Policy, Procedures and Delegation
- Internal Audit and Risk Management

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

- (a) Two persons who in the opinion of the Minister have a relevant qualification;
- (b) Two persons are to be nominated by the City of Subiaco who are members of the Council of, or employees of, the City of Subiaco; and
- (c) One person to then be nominated by the Minister responsible to whom the administration of the *Transport Coordination Act 1966* is for the time being committed by the Governor.

Section 8 of the *Subiaco Redevelopment Act 1994* details the following regarding the appointment of the Chairperson and Deputy Chairperson

- 1) The member appointed under section 7(1)(a) is to be the Chairperson of the authority
- 2) The Minister is to appoint another member to be the Deputy Chairperson of the Authority

OVERVIEW OF AGENCY

Board Remuneration

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

SRA Board Members

Mr Donald Humphreys (Deputy Chair)	Term expires 30 June 2010
Mr Bill Griffiths	Last meeting 30 September 2008
Ms Sharni Howe	Term expires 30 June 2011
Ms Lynley Hewitt*	Term expired 31 December 2008 (last meeting 25 June 2009)
Mr Andrew McTaggart*	Term expired 31 December 2008 (last meeting 25 June 2009)

* *Members nominated by the City of Subiaco.*

Members whose terms have expired remain in office under clause 1(2) of schedule 2 to the *Subiaco Redevelopment Act 1994* until a successor is appointed.

Sub Committees to the Board

Internal Audit Committee – The SRA has a committee with delegated authority to deal with internal audit matters. Members of the committee were Councillor Lynley Hewett (Chair), Mr Bill Griffiths (attended one meeting during the financial year 2008/09, term ended in September 2008), Ms Sharni Howe (replacing Mr Griffiths; attended one meeting during financial year 2008/09) and Mr Don Humphreys.

Board Members' Attendance

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

Member	Board Meetings	Audit Committee
	Total = 11	Total = 2
Donald Humphreys	11 (11)	2 (2)
Bill Griffiths	4 (4)	1 (1)
Sharni Howe*	10 (11)	1 (1)
Lynley Hewitt	10 (11)	2 (2)
Andrew McTaggart	9 (11)	

* The Minister approved Ms Howe's appointment to the Board on 1 July 2008.

Management

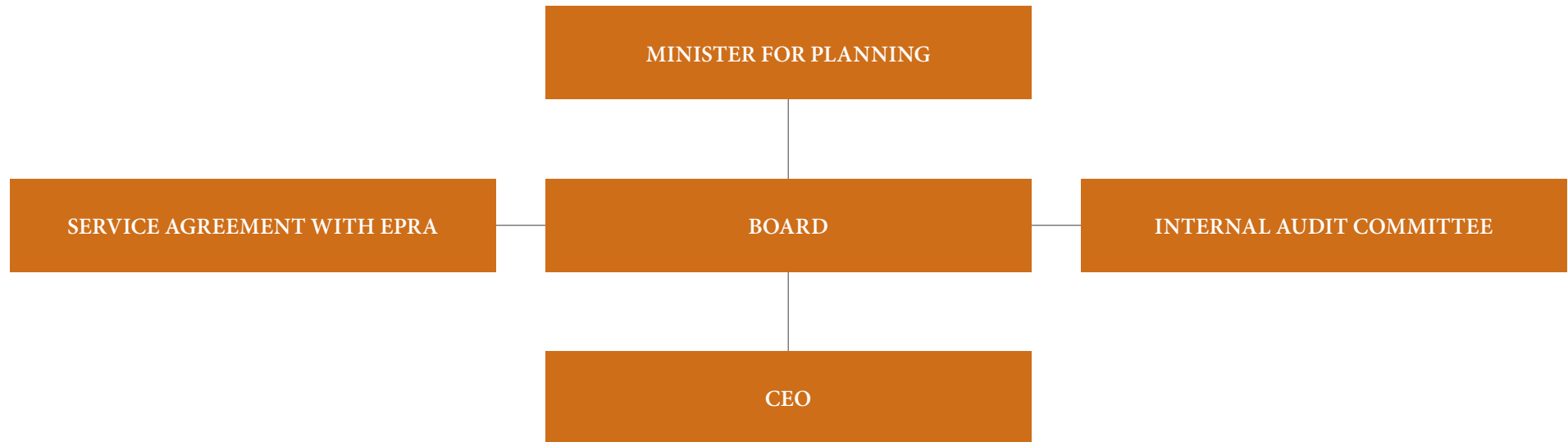
Under its Act, the SRA is restricted to employing only a Chief Executive Officer. Other staff, resources and services are provided by EPRA through a Service Agreement. The Service Agreement provides the following services:

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

Matters relating to recruitment, staff development and industrial relations are contained in EPRA's 2008/09 Annual Report.

OVERVIEW OF AGENCY

SRA Organisation Chart



OVERVIEW OF AGENCY

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. 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.

The SRA's Key Performance Indicators (KPI's) align with the new Government Goals in the following ways:

New Government Goal	SRA KPI Number	SRA's Statement of Purpose is "to revitalise run down former industrial sites within the redevelopment area" measured by the following Key Performance Indicators
State Building – Major Projects	1	Expand residential, retail, commercial and recreational opportunities in the redevelopment area
	2	Balance and complement the existing community fabric
	3	Promote medium density mixed use development and diversity of housing stock
	4	Increase the use of public and alternative transport in the area
Financial and Economic Responsibility	1	Expand residential, retail, commercial and recreational opportunities in the redevelopment area
	3	Promote medium density mixed use development and diversity of housing stock
Social and Environmental Responsibility	1	Expand residential, retail, commercial and recreational opportunities in the redevelopment area
	2	Balance and complement the existing community fabric
	3	Promote medium density mixed use development and diversity of housing stock
	4	Increase the use of public and alternative transport in the area

AGENCY PERFORMANCE



Subi Centro

Vision:

The SRA is transforming 80 hectares of former industrial land in the heart of Subiaco into a vibrant and sustainable inner city community.

Acknowledged as one of Australia's best urban renewal projects, Subi Centro is a cosmopolitan mix of townhouses, apartments, parkland and commercial and retail space.

Eighty six per cent of the redevelopment area is now complete and has been returned to the City of Subiaco for ongoing management. Work is now progressing on the remaining areas including the Australian Fine China and the Centro North sites.

Objectives:

- Expand residential, retail, commercial and recreational opportunities in the redevelopment area
- Balance and complement the existing community fabric
- Promote medium density mixed use development and diversity of housing stock
- Increase the use of public and alternative transport in the area

AGENCY PERFORMANCE

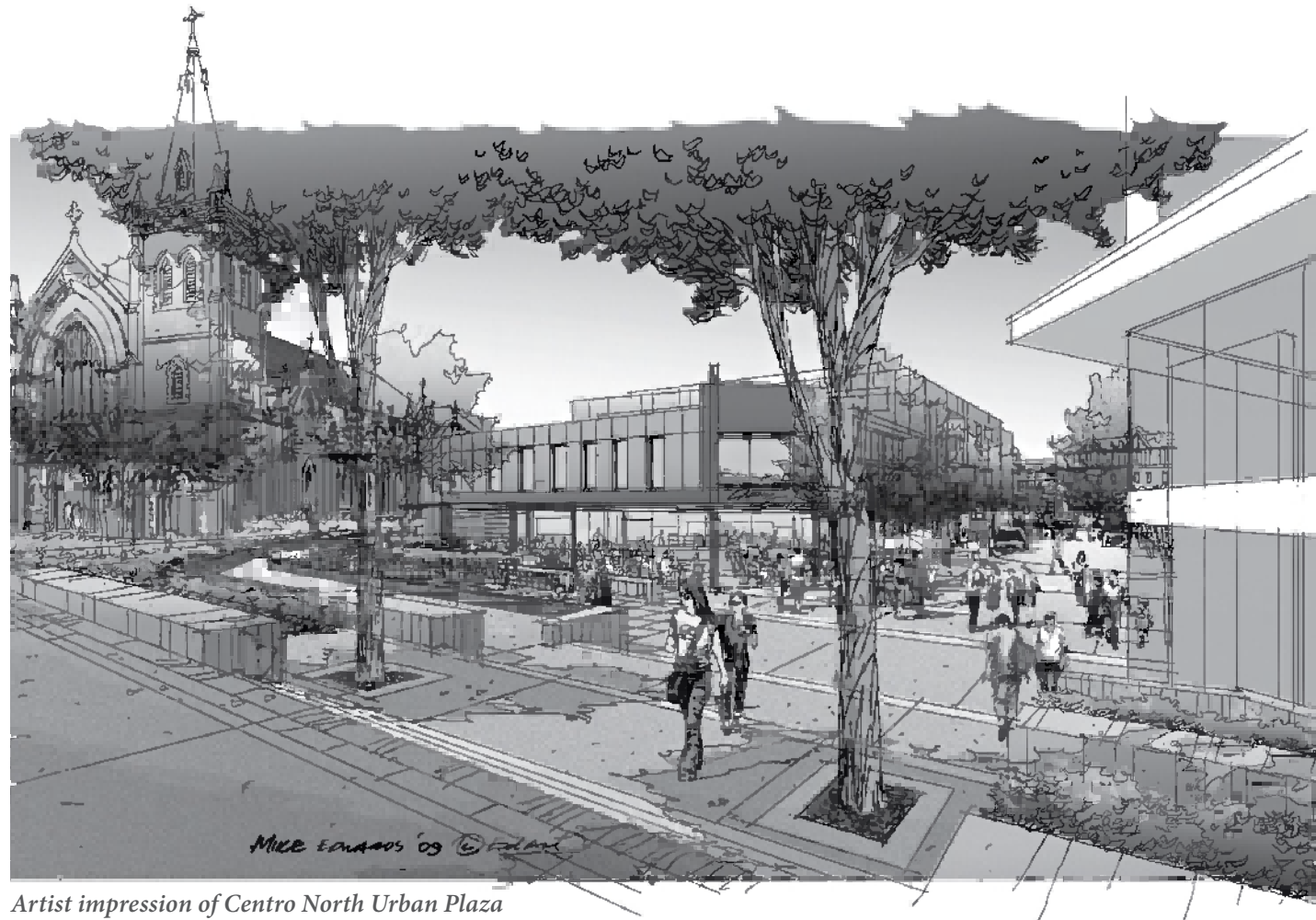
Current Status:

Australian Fine China

- Works to realign an existing water distribution main through the Australian Fine China site were completed in December 2008. The water main was required to be relocated so that it would not be underneath future buildings on the site.
- The SRA is working with stakeholders to finalise plans for the Australian Fine China site.

Centro North

- The Centro North Scheme Amendment No.5 was approved by the Minister for Planning in March 2009. The Design Guidelines were also approved by the SRA Board. This followed the community comment period on these two documents held from June to August 2008.
- Forward works were completed at the Centro North site in June 2009, including demolition of buildings, recycling of materials for reuse in the development, and removal of redundant infrastructure.
- The subdivision approval for Centro North was granted by the Minister for Planning in March 2009. Subdivision works are due to start in the 2009/2010 financial year.



Artist impression of Centro North Urban Plaza

DISCLOSURES AND LEGAL COMPLIANCE

Project Expectations:

Project area: 80 hectares
 Number of dwellings: 1,600 new residences
 Housing a population of: 3,000 new residents
 Commercial/retail space: 250,000m²
 Retail space: 18,000m²
 Commercial and retail activity: 4,500 jobs
 SRA's investment: \$150m
 Investment attraction: approx \$550m

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 current economic conditions and tight credit market has resulted in a number of projects being delayed with only those under construction likely to proceed to completion.

The positioning of the SRA's product in the market place will be paramount as the quality and landmark nature of the SRA's projects will continue to solicit interest from the market.

Ministerial Directives

The SRA'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 22(3) of the *Subiaco Redevelopment Act 1994* (the Act) requires all approvals given by the Minister under subsection 21 of the Act to be included in the Annual Report.

Section 21(2)(b) allows the Authority to subdivide, amalgamate, improve, develop and alter land. In March 2009, the Minister approved the subdivision of Lot 13590 Station Street Subiaco (Centro North Precinct).

Section 21(3) requires Ministerial Approval for the Authority to enter into contracts in excess of \$1,000,000. The Minister granted approval to award a contract to the Delta Group for the Water Main Realignment at the AFC site for the sum of \$1,060,356 in July 2008.

Governance Disclosures

There have been no disclosures of any conflict of interest with senior officers of the agency, relating to factors such as shares, contracts, benefits, or any other matter. The SRA operates a contract administration system that requires senior officers to declare confidentiality and interest in respect to any existing or proposed conflict. There are no known cases of any conflict of interest in the 2008/09 reporting period.

The SRA 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 *Subiaco Redevelopment Act 1994 – Particular functions of members*.

The SRA paid \$24,940.71 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:

	Amount \$ (exc GST)
Market Research	
– Synovate	61,771.82
Media Advertising (including multimedia)	
– 303	10,471.65
– Marketforce Express	3,867.82
– Media Decisions WA	10,586.46
Marketing and Public Relations	
– Purple Communications	20,939.57
– Linkletters	3,876.00
– Two Dozen Marketing and Design	4,510.00
– Rare Creative Thinking	16,310.93

Publications

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

No information of a personal nature concerning members of the public is kept by the SRA. A copy of the *Subiaco Redevelopment Act 1994* is available from the State Law Publisher.

The principal publications kept by the SRA are:

- Subiaco Redevelopment Scheme, Planning Policies and Residential Design Manual 1996
- Annual reports for the years ending 1993-2009
- Urbano Magazines
- Design Guidelines

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*.

The SRA 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.



DISCLOSURES AND LEGAL COMPLIANCE



Disability Access and Inclusion Plan Outcomes 2007-2012

The SRA has a Disability Access and Inclusion Plan (DAIP) which is available on the SRA website. The following points are a brief outline of the SRA's current initiatives to address each of the six Disability Access and Inclusion Plan Outcomes:

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

- SRA 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.

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.

- Materials have been provided in alternative formats when requested. Application forms and information sheets are available electronically.

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.

- SRA 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.

- SRA 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.

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

DISCLOSURES AND LEGAL COMPLIANCE

Legislation Affecting Activities

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

*Statutory Corporations (Liability of Directors)
 Act 1996*

Strata Titles Act 1985

Subiaco Redevelopment Act 1994

Swan and Canning Rivers Management Act 2006

Taxation Administration Act 2003

Trade Practices Act 1985

Transfer of Land Act 1893

*Workers Compensation and Injury Management
 Act 1981*

Compliance with Public Sector Standards and Ethical Codes

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

Record Keeping

The SRA has complied with the *State Records Act 2000*.

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



DISCLOSURES AND LEGAL COMPLIANCE



Corruption Prevention

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

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

Workers Compensation

There were no workers compensation claims for SRA in 2008/09.

Occupational Health and Safety

SRA is committed to Occupational Health and Safety (OH&S) and will continue to focus its efforts on working to maintain the LTI rate of zero (0). In 2008/2009 reporting year, SRA had an LTI rate of zero (0).

SRA, through its service agreement, utilises EPRA's policies and mechanisms for consultation with employees on Occupational Health and Safety matters including injury management systems.

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% (as per service agreement)

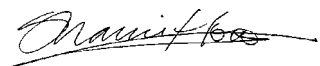
* Denotes a new reporting requirement or measure in 2008-2009. Refer to Public Sector Commissioner's Circular 2009-11 for details on calculation of the indicator.

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



Mr Don Humphreys
Chairman



Ms Sharni Howe
Member of Accountable Authority



Mr Tony Morgan
Chief Executive Officer

Date: 27 August 2009

KEY PERFORMANCE INDICATORS

Subi Centro

Statement of Purpose:

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

The SRA was established to plan, remediate and redevelop the land in the redevelopment area into a mixed use neighbourhood within the wider Subiaco urban area. Mixed use includes a variety of residential, retail, commercial and community uses rather than a predominance of single use development. The proximity of uses enables a reduction in the dependence of motor vehicles.

Normalisation

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

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

1. Expand residential, retail, commercial and recreational opportunities in the redevelopment area¹

Indicator 1A – Increase in the total number of residential units in the redevelopment area

An important measure of the success of the redevelopment is the amount by which the number of residential units in the area increases.

Number of Residential Units complete (cumulative):

1997	2002	2003	2004	2005	2006	2007	2008	2009
Nil (base year)	421	448	801	917	981	1005	1034	1037

Key Finding:

From 2006 onwards, there has only been a gradual increase in the number of residential units complete in the redevelopment area. This reflects the near completion of the SRA's redevelopment activities in Subiaco with 86 per cent of land normalised. Additional residential development will occur in the coming years with the delivery of the Centro North and Australian Fine China redevelopment projects.

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

KEY PERFORMANCE INDICATORS

Indicator 1B – Increase in commercial and other non-residential and non-retail floor space in the redevelopment area

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

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

1997	2002	2003	2004	2005	2006	2007	2008	2009
147,400 (base year)	162,470	165,288	180,594	183,868	197,978	200,589	205,629	205,629

Key Finding:

Since the base year of 1996/97, there has been an increase of nearly 40 per cent in floor space to the 2008/09 financial year, providing opportunities for increased economic activity in the area. From 2008 to 2009, the figure has remained the same reflecting the near completion of the redevelopment area with the exception of the Centro North and Australian Fine China sites that are in the process of being redeveloped.

Indicator 1C – Increase in retail space in the redevelopment area

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

Retail space in the redevelopment area, in m²:

1998	2002	2003	2004	2005	2006	2007	2008	2009
7,900 (base year)	14,874	14,874	15,623	15,983	16,103	16,103	16,103	16,202

Key Finding:

Since the base year the amount of retail floor space has more than doubled with significant investment, workers and consumers attracted to the redevelopment area. From 2006 to 2008 the amount of retail floor space did not increase as the development of the main hub of Subi Centro, Station Square, is complete. The slight increase from last year can be attributed to the completion of a small café tenancy adjacent to Station Square.

The redevelopment of Centro North and Australian Fine China sites will increase these numbers.

KEY PERFORMANCE INDICATORS

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

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

Public parks and gardens (fully landscaped and developed) in hectares:

1997	2002	2003	2004	2005	2006	2007	2008	2009
2.18 (base year)	5.58	5.699	5.699	5.699	5.727	5.727	5.727	5.727

Key Finding:

The amount of public parks and gardens has more than doubled from an initial space of 2.18 hectares to 5.727 hectares in 2008/09. There has not been an increase in the amount of public space since the 2006 financial year as all development stages of public space have been completed. New public parks and gardens will be created with the delivery of the Centro North and Australian Fine China redevelopment projects.

2. Balance and complement the existing community fabric

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

Indicator 2A – The change in size and composition of the residential population of the Subiaco redevelopment area²

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

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

KEY PERFORMANCE INDICATORS

Household Composition:

	One Parent Families	Couples No Children	Two Parent Families	Families of Other Related Individuals	Group Households	Lone Person Households
2006						
SRA	4%	39%	15%	1%	3%	38%
Subiaco	6%	28%	18%	1%	6%	35%
2001						
SRA	6%	33%	41%	1%	2%	10%
Subiaco	8%	20%	32%	2%	10%	20%

Key Finding:

Compared to the wider Subiaco area, the SRA's redevelopment area has a higher percentage of households comprising couples with no children. In addition, the SRA redevelopment area has had an increase in lone person households increasing by 18 per cent from 2001 to 2006. This is consistent with other census data that confirms the trend towards smaller household structures in the Perth Area³. The change in household composition from 2001 to 2006 demonstrates that the SRA is providing a range of accommodation which meets the changing demographics of society. The SRA aims to further accommodate the change in household composition with the delivery of the Centro North and Australian Fine China redevelopment projects.

Indicator 2B – The change in size and composition of the working population in the redevelopment area

As at 30 June 2009, there were a total number of 3,922 workers⁴ in the redevelopment area employed in businesses occupying commercial floor space. This figure has significantly increased from the base year (1997) when the total amount of workers in the redevelopment area amounted to 1,416.

Key Finding:

There has been an increase of 2,506 new workers since 1997. This shows the growing confidence of business investment in the redevelopment area. The Centro North and Australian Fine China redevelopment will allow for new commercial and retail space to be created. The working population of the redevelopment area will continue to increase when these sites are developed.

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

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

⁴ Figure derived from a detailed employment count undertaken by the SRA in June 2009.

KEY PERFORMANCE INDICATORS

Indicator 3A – The diversity and density of housing stock in the redevelopment area, compared with other areas⁵

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

Comparisons of Housing Stock:

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

Key Finding:

The above table demonstrates that the SRA's redevelopment area has a lower percentage of separate houses and a higher percentage of apartments compared to the Subiaco and Perth average. In comparison to the wider Subiaco area, the redevelopment area represents a greater mix of housing types than what is available in the Perth Metro area as a whole. The larger proportion of compact housing in the SRA's redevelopment area is consistent with the SRA's commitment to delivering accommodation nodes close to public transport and other amenities.

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

⁵ Data derived from ABS Censuses 1996, 2001 and 2006

KEY PERFORMANCE INDICATORS

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

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

Train Passenger Counts:

	1996	1998	2002	2006	2007	2008	2009
Subiaco Train Station Week Total	9,017	8,126	15,426	19,173	19,838	16,491*	18,089

Key Finding:

Throughout the financial year, this measure has increased significantly. The increase in train passenger counts is reflective of greater public transport use in an area that is a well connected, Transit Orientated Development centre.

⁶ Figures supplied by the Public Transport Authority (PTA)

* Due to a change in methodology by the PTA in calculating Train Passenger Counts, the Subiaco Train Station Week Total figure published from 2008 onwards, is not comparable to data published in previous years.

KEY PERFORMANCE INDICATORS

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

Car Ownership:

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

Key Finding:

The SRA's redevelopment area has experienced a reduction in three or more car households compared to 2001, whilst a growing number of households now have less than two cars demonstrating a trend of reduced car ownership in areas with greater accessibility to public transport and other amenities.

⁷ Data derived from ABS Censuses 1996, 2001 and 2006

KEY PERFORMANCE INDICATORS

Indicator 4Bii – Measures of alternative transport use. Method of travel to work⁸

Method of Travel to Work:

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

Key Finding:

In contrast to the wider Subiaco and Perth Metro area, the use of private vehicles in the SRA's redevelopment area has decreased since 2001. Increased emphasis is being placed on the use of alternative methods of transport such as public transport and bicycles. This result reflects positively on the SRA's implementation of Transit Oriented Development principles within Subi Centro.

⁸ Data derived from ABS Censuses 1996, 2001 and 2006

KEY PERFORMANCE INDICATORS

5. Output Indicator – Efficiency

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

	2002	2003	2004	2005	2006	2007	2008	2009	Target (2009 budget)
Inventory	4.3%	4.9%	16.8%	24.8%	8.0%	4.4%	3.30%	5.10%	3.80%
Sales	18.8%	7.8%	7.6%	9.08%	18.5%	37.3%	0%	0%	29%

Key Findings

Inventory

At the end of 2008/09, operating costs represented 5.1 per cent of inventories. In 2007-2008 the percentage was 3.3 per cent. The increase is due to the increase in operating expenses in 2008-2009.

Sales

There were no sales during 2008/09 due to the current life stage of the project, with development in most precincts either complete or underway and planning for remaining precincts in progress.

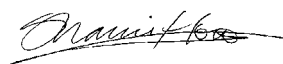
CERTIFICATION OF FINANCIAL STATEMENTS

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



Ms Sharni Howe
Member of Accountable Authority



Mr Tony Morgan
Chief Executive Officer



Mr Sean Henriques
Chief Finance Officer

Date: 27 August 2009

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$' 000	2008 \$' 000
INCOME			
Sales	4	–	–
Interest revenue	5	44	459
Other revenue	6	67	33
Total Income		111	492
EXPENSES			
Cost of sales	4	–	–
Depreciation	7	2	2
Administration		1,682	804
Sales and marketing		74	95
Property and estate management		141	109
Communication		7	50
Development control		87	59
Total expenses		1,993	1,119
DEFICIT FOR THE YEAR		(1,882)	(627)

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	8	759	2,539
Receivables	10	405	125
Other current assets	11	20	74
Inventories	9	2,226	2,226
TOTAL CURRENT ASSETS		3,410	4,964
Non-Current Assets			
Inventories	9	37,092	31,380
Property, furniture and equipment	12	–	2
Total Non-Current Assets		37,092	31,382
TOTAL ASSETS		40,502	36,346
LIABILITIES			
Current Liabilities			
Payables	13	918	1,056
Borrowings	14	6,176	–
Total Current Liabilities		7,094	1,056
TOTAL LIABILITIES		7,094	1,056
NET ASSETS		33,408	35,290
EQUITY			
Retained profits	15	33,408	35,290
TOTAL EQUITY		33,408	35,290

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		35,290	35,917
RETAINED PROFITS			
Balance at start of year		35,290	35,917
Deficit for the year		(1,882)	(627)
BALANCE OF EQUITY AT END OF YEAR	15	33,408	35,290
Total Income and Expenses for the year	a)	(1,882)	(627)

a). The aggregate net amount attributable to each category of equity is: deficit \$1,882,000 (2008: deficit \$627,000).

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		–	–
Interest received		60	520
GST receipts on sales		3	1
GST receipts from taxation authority		859	488
Other Receipts		256	108
Payments			
Supplies and services		(1,961)	(1,062)
GST payments on purchases		(825)	(603)
Payments to taxation authority		(22)	(7)
Net cash provided by/(used in) operating activities	16	(1,630)	(554)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of capital works in progress		(6,326)	(7,248)
Net cash provided by/(used in) investing activities		(6,326)	(7,248)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		6,176	–
Net cash provided by/(used in) financing activities		6,176	–
Net increase/(decrease) in cash and cash equivalents		(1,780)	(7,802)
Cash and cash equivalents at the beginning of year		2,539	10,341
CASH AND CASH EQUIVALENT ASSETS AT THE END OF YEAR	8	759	2,539

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.

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.

(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.
- **Provision of services or goods**
Revenue is recognised on delivery of the service or goods to the customer.
- **Interest**
Revenue is recognised as the interest accrues.

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

(e) Property, Furniture and Equipment

Capitalisation/Expensing of assets:

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

Recognition and measurement:

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

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

Depreciation:

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

Depreciation on assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Office furniture and equipment	10 years
Computer equipment	4 years

(f) Impairment of Assets

Property, furniture and equipment are tested for any indication of impairment at each 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.

(g) Financial Instruments

The Authority has three categories of financial instruments:

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

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables

Financial Liabilities

- Payables
- Borrowings

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

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

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

(h) Cash and Cash Equivalents

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

(i) Inventories

Inventories are valued at lower of cost and net realisable value. Inventories consist of developed land, capital works and undeveloped land. See note 9 'Inventories'.

(j) Receivables

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

(k) Payables

Payables are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services at the amounts payable.

The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(g) 'Financial Instruments and note 13 'Payables'.

(l) Employee Benefits

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

(m) Dividends

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

(n) Comparative Figures

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

(o) Borrowings

All borrowing costs for qualifying assets (inventories) are capitalised. The Authority capitalises borrowing costs each month.

(p) Significant Estimates and Judgements

Fair value of borrowings:

The Authority recognises its borrowings amount as per the accounting policy initially at the fair value before measuring the liability at amortised cost. The Authority has determined that its interest rate on borrowings is equal to its discount rate and that the timing of the cash flows will be consistent to the agreement therefore the fair value equals the nominal value of the loan at inception.

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

3. Disclosure of changes in accounting policy

(a) Voluntary changes in Accounting Policy

There has been no voluntary changes in accounting policies.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 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 already capitalises borrowing costs directly attributable to buildings 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
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	–	–
Cost of Sales:		
Opening inventory	(33,606)	(25,568)
Purchases	(5,712)	(8,038)
	(39,318)	(33,606)
Closing inventory	39,318	33,606
Cost of Goods Sold	–	–
Trading Profit	–	–

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

5. Interest revenue

Interest Revenue	44	459
	44	459

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

6. Other revenue

Development Application Fees	67	19
Others	–	14
	67	33

7. Depreciation

Computer Equipment	2	2
Total depreciation	2	2

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

	2009 \$' 000	2008 \$' 000
8. Cash and cash equivalents		
Cash at bank	211	344
Short term at call funds	548	2,195
	759	2,539

The at call deposits are 30 days terms with fixed interest rates between 2.9% and 7.15% (2008- 6.15% and 7.15%).

9. Inventories

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

Current	2,226	2,226
Non-current	37,092	31,380
	39,318	33,606

Current

Developed Land	2,226	2,226
	2,226	2,226

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

Balance at 1 July	2,226	–
Additions	–	2,226
Balance at 30 June (at cost)	2,226	2,226

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

	2009 \$' 000	2008 \$' 000
Non-Current		
Capital Works and Undeveloped Land	37,092	31,380
	37,092	31,380

The following represents capital works and undeveloped land:

Balance at 1 July	31,380	25,568
Additional capital works and land	5,712	5,812
Balance at 30 June (at cost)	37,092	31,380

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

10. Receivables

Trade receivables (note a)	317	2
	317	2
Other receivables (note (b))	88	123
	405	125

Aging of Trade Receivables

1 to 3 months	1	1
3 to 6 months	–	–
Over 6 months (past due not impaired)	316	1
	317	2

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

	2009	2008
	\$' 000	\$' 000

(a) Impaired receivables

There were no impaired trade receivables as at 30 June 2009 as the authority is continuing to seek recovery of these debts.

Past due not impaired

As at 30 June 2009, trade receivables of \$316k are past due but not impaired. These relate to a small number of debtors with no history of default.

Movements in the provision for impairment of receivables are as follows:

Balance at 1 July	–	(24)
Provision for impairment written off during the year	–	24
Balance at 30 June	–	–

(b) Other receivables

The amount relates to GST receivable from the Australian Taxation Office as at the 30 June 2009.

11. Other Current Assets

Prepayments	20	74
	20	74

12. Property, furniture and equipment

Computer equipment

At cost	10	10
Accumulated depreciation	(10)	(8)
	0	2
Total Property, Furniture and Equipment	0	2

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

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

For the year ended 30 June 2009	Furniture and Equipment \$' 000	Computer Equipment \$' 000	Total \$' 000
Carrying amount at the start of the year	–	2	2
Depreciation	–	(2)	(2)
Carrying amount at the end of the year	–	0	0

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

	2009 \$' 000	2008 \$' 000
13. Payables		
Trade payables	10	3
Refundable Deposit Bonds	58	174
Accrued expenses	120	871
Other payables	730	8
	918	1,056

See also note 2(k) 'Payables' and note 20 'Financial Instruments'.

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

	2009 \$' 000	2008 \$' 000
14. Borrowings		
Current		
WA Treasury Corporation Loan	6,176	–
	6,176	–

The interest charges on borrowings are capitalised to the appropriate projects.

15. Equity

Retained Profits		
Balance at start of year	35,290	35,917
Deficit for the period	(1,882)	(627)
Balance at end of year	33,408	35,290

16. 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	759	2,539
	759	2,539

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

	2009 \$' 000	2008 \$' 000
Reconciliation of deficit for the period to net cash flows provided by/(used in) operating activities		
Deficit	(1,882)	(627)
Non-cash items:		
Depreciation	2	2
(Increase)/decrease in assets:		
Receivables	(315)	(7)
Other current assets	56	65
Inventory charged to Cost of Sales		–
Increase/(decrease) in liabilities:		
Payables	638	73
Other current liabilities	(144)	61
Net Tax receipts/(payments)		(6)
Change in GST in receivable/payables	15	(116)
Net cash provided by/(used in) operating activities	(1,630)	(554)

17. Commitments

Capital expenditure commitments

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

Within 1 year	2,297	1,087
	2,297	1,087

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

18. Contingent liabilities and Contingent Assets

Contingent Liabilities

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

Contamination of site – Pioneer Road Services (PRS)

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

Contingent Assets

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

19. 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 \$200,000.

Significant variances between estimates and actual results for the financial year.

	2009 Actual \$' 000	2009 Estimates \$' 000	Variance \$' 000
Income			
Sales Revenue	–	7,475	(7,475)
Interest Revenue	44	352	(308)
Expense			
Cost of Sales	–	3,694	(3,694)

Sales Revenue & Cost of sales

No sales took place this year. The expected sale of property did not settle until after the completion of the financial year.

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

19. Explanatory Statement (continued)

Interest Revenue

Interest revenue was less than expected due to the fall in interest rates and expected sales not settling within the financial year.

Significant variances between actual and prior year actual for the financial year.

	2009 \$' 000	2008 \$' 000	Variance \$' 000
Income			
Interest Revenue	44	459	(415)
Expense			
Administration Expenses	1,682	804	878

Administration Expenses

The increase of the administration expenses was a result of the increase in service fee under the EPRA service fee agreement.

Interest Revenue

Interest revenue declined on the prior year due to the falling interest rates on reduced cash balances.

20. 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, payables and WATC loan. 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 20(c) 'Financial Instruments Disclosures' and Note 10 '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.

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

20. Financial Instruments (continued)

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.

(b) Categories of Financial Instruments

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

	2009 \$' 000	2008 \$' 000
Financial Assets		
Cash and cash equivalents	211	344
Restricted cash and cash equivalents	548	2,195
Receivables (i)	337	76
Financial Liabilities		
Payables	918	1,056
Borrowings	6,176	–

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

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

20. Financial Instruments (continued)

(c) Financial Instrument Disclosures

Credit Risk, Liquidity Risk and Interest Rate Risk Exposures

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

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

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

	Weighted Average Interest Rate	Fixed Interest Rate Less Than 1 Year \$' 000	Variable Interest Rate Less Than 1 Year \$' 000	Non Interest Bearing \$' 000	Total \$' 000
30 June 2009					
Financial assets:					
Cash assets – At Call	5.58%	548	–	–	548
Cash assets – Bank Account	2.86%	–	211	–	211
Receivables		–	–	337	337
Total financial assets		548	211	337	1,096
Financial liabilities:					
Payables		–	–	918	918
Borrowings	3.16%	–	6,176	6,176	
Total financial liabilities		–	6,176	918	7,094
		548	(5,965)	(581)	(5,998)

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

20. Financial Instruments (continued)

	Weighted Average Interest Rate	Fixed Interest Rate Less Than 1 Year \$' 000	Variable Interest Rate Less Than 1 Year \$' 000	Non Interest Bearing \$' 000	Total \$' 000
30 June 2008					
Financial assets:					
Cash assets – At Call	7.03%	2,195	–	–	2,195
Cash assets – Bank Account	4.88%	–	344	–	344
Receivables		–	–	76	76
Total financial assets		2,195	344	76	2,615
Financial liabilities:					
Payables		–	–	1,056	1,056
Total financial liabilities		–	–	1,056	1,056
		2,195	344	(980)	1,559

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

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

	Carrying Amount \$' 000	-1% change Surplus \$' 000	Equity \$' 000	+1% change Surplus \$' 000	Equity \$' 000
30-Jun-09					
Financial assets:					
Cash assets – At Call	548	(6)	(6)	6	6
Cash assets – Bank Account	211	(2)	(2)	2	2
Receivables	337	–	–	–	–
Financial liabilities:					
Payables	918	–	–	–	–
Borrowings	6,176	62	62	(62)	(62)
Total Increase/(Decrease)		54	54	(54)	(54)
30-Jun-08					
Financial assets:					
Cash assets – At Call	2,195	(22)	(22)	22	22
Cash assets – Bank Account	344	(3)	(3)	3	3
Receivables	76	–	–	–	–
Financial liabilities:					
Payables	1,056	–	–	–	–
Total Increase/(Decrease)		(25)	(25)	25	25

(d) Fair Values

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

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

21. 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	1	1
\$ 10,001 – \$ 20,000	4	3
\$ 20,001 – \$ 30,000	–	1
	\$' 000	\$' 000
Total remuneration of the members of the Board of the Authority is:	65	65
	65	65

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

Remuneration of Senior Officers

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

22. Remuneration of Auditors

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

	23	22
Auditing the accounts, financial statements and performance indicators	23	22

23. 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.

OPINION OF THE AUDITOR GENERAL



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION To the Parliament of Western Australia

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

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

The financial statements comprise the Balance Sheet as at 30 June 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.

Subiaco 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 Subiaco 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

