



epra

REVITALISING URBAN PLACES

ANNUAL REPORT / 10/11



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STATEMENT OF COMPLIANCE

Hon John Day MLA
Minister for Planning
13th Floor, 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 2011.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stuart Hicks'.

Stuart Hicks AO
Chairman

A handwritten signature in black ink, appearing to read 'Don Humphreys'.

Don Humphreys
Member of Accountable Authority

A handwritten signature in black ink, appearing to read 'Tony Morgan'.

Tony Morgan
Chief Executive Officer

EXECUTIVE SUMMARY

This is the 18th Annual Report for the East Perth Redevelopment Authority (EPRA).

Since 1991, EPRA has been responsible for the regeneration of more than 230 hectares of inner-city land from East Perth, through the Perth CBD, to Northbridge. EPRA has enabled the creation of successful communities incorporating new residential and commercial opportunities, public spaces and supporting infrastructure.

Our mandate is to create urban places that people want to be a part of.

Perth is experiencing a unique opportunity in terms of population growth, a strong economy and unprecedented government investment – building Perth's capacity, increasing intensity and activity in the city. Our future growth is about creating a unique sense of place and a distinctive character which builds on our natural assets, re-engages with the river and reconnects our city.

EPRA is delivering revitalised urban places in Perth, meeting the challenges of our future growth and providing a framework for sustainable development. The 2010/11 financial year has seen significant milestones achieved in EPRA's revitalisation program. These include:

- Continued delivery of the Perth City Link project, including the commencement of a \$10 million works program and demolition of the Perth Entertainment Centre building.
- Allocation of \$57 million within the 2011/12 State Budget to help accelerate delivery of City Square to coincide with the completion of the underground rail and bus station.
- Release of the flagship four hectare Waterbank site in the Riverside project area to the market.
- Adoption of Design Guidelines for the WACA and Chemlabs precincts of the Riverside project.
- Continued activation of the Perth Cultural Centre, in particular the new Urban Orchard and Native Wetland, through a program of community events.
- Commencement of the next phase of activation works for the Perth Cultural Centre, including the installation of a children's play space, an LED screen, additional security and feature lighting.
- Implementation of a targeted leasing program for newly refurbished properties on William Street, Northbridge, creating a niche shopping precinct for Perth.
- Commencement of works to construct Museum Street Park, located between Newcastle and Aberdeen Streets.
- Winning one of the highest industry accolades, the National UDIA President's Award and the Award for Excellence in Urban Renewal, for the New Northbridge project, beating strong competition from across Australia.
- Commencement of the Stage 1A and 1B normalisation process for New Northbridge, which will return 70 percent of the project area to the City of Perth and City of Vincent.
- Commencement of the third stage of normalisation for the Claisebrook Village project, which will see a further five percent of the project area returned to the City of Perth in the 2011/12 financial year.



EXECUTIVE SUMMARY



EPRA's projects are recognised nationally and internationally as leading examples of urban renewal. During 2010/11, EPRA hosted a number of delegations to tour the redevelopment projects, including:

- Engineering Heritage Panel (Engineers Australia – WA Division)
- Town Planning Student Association (University of Western Australia and Curtin University students)
- Gold Coast City Council
- Urban Land Development Authority (ULDA)
- Queensland Local Government Association
- Outlook@UDIA WA delegates
- Department of Treasury and Finance – Building Management and Works
- New South Wales Department of Planning

EPRA continued to support industry, community groups, stakeholder groups and place activation in the Perth Cultural Centre by sponsoring the following programs and events:

- Urban Development Institute of Australia (WA) Outlook@UDIA
- Planning Institute of Australia (WA) 2011 Awards for Planning Excellence
- Planning Institute of Australia (WA) 2011 Young Planners Mentoring Program
- Property Council of Australia (WA) – Future Directions

- National Science Week Launch
- City in Bloom
- Unwrapped Market Place
- OnWilliam Hearts Pride
- Awesome Festival
- Dachshund UN
- Northbridge Festival
- Art Gallery of WA – Peggy Guggenheim Exhibition (Corporate Events)
- Heritage Perth Heritage Days
- St Jerome's Laneway Festival
- Smokefree Perth Criteriums
- PIAF Les Girafes
- Artrage FringeWorld
- Freestyle Masters of Hip Hop
- Propel Youth Arts Youth Market
- Wild West Coast Comedy
- WAMI Festival and music program

EXECUTIVE SUMMARY

No sales revenue was generated by EPRA in 2010/11. The Authority's comprehensive deficit for the year was \$(9.756 million) reflecting the stage that EPRA's key projects are currently placed; at development and marketing phases, with sales revenue to come in future years.

	2010/11
Sales Revenues	Nil
Total Comprehensive Deficit	\$(9.756 million)
Net Asset Value	\$89.076 million

During 2010/11, EPRA approved 80 development applications, attracting an investment of \$613,902,974.

This is anticipated to be the final annual report for EPRA. On 23 June 2011, the Minister for Planning introduced legislation into State Parliament to create the Metropolitan Redevelopment Authority. The *Metropolitan Redevelopment Authority Bill 2011* will allow a new amalgamated authority to replace the existing authorities in Armadale, East Perth, Midland and Subiaco. The new Authority is currently expected to commence on January 1, 2012.

EPRA appreciates the support, professionalism and commitment of its Board members, staff and consultants who have all helped to achieve these significant milestones throughout the year.



Stuart Hicks AO
Chairman



Tony Morgan
Chief Executive Officer

OPERATIONAL STRUCTURE

EPRA was established by the *East Perth Redevelopment Act 1991* (the Act) to carry out the renewal of Claisebrook Village in East Perth; a redevelopment that is now considered one of Australia's most successful urban renewal projects. Nearly two decades later, EPRA's redevelopment boundary has been extended to incorporate a range of inner-city regeneration projects including the Perth City Link, Riverside, Perth Cultural Centre, East Perth Power Station and New Northbridge.

EPRA is the responsibility of the Minister for Planning. The Act is administered by the Minister for Planning with the Authority's assistance.

The functions of the Authority under Section 18 of the Act are to:

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

(b) for that purpose:

- i. under Part 4 [of the Act], prepare and keep under review a Redevelopment Scheme for that area; and
- ii. under Part 5 [of the Act], control developments in that area.

EPRA Redevelopment Area



OPERATIONAL STRUCTURE

EPRA's Vision – A Vital Perth where people want to live, work and visit

EPRA's Values – Listen, Lead, Communicate and Innovate

EPRA's Strategic Objectives

Quality Outcomes: Deliver regeneration projects of enduring quality

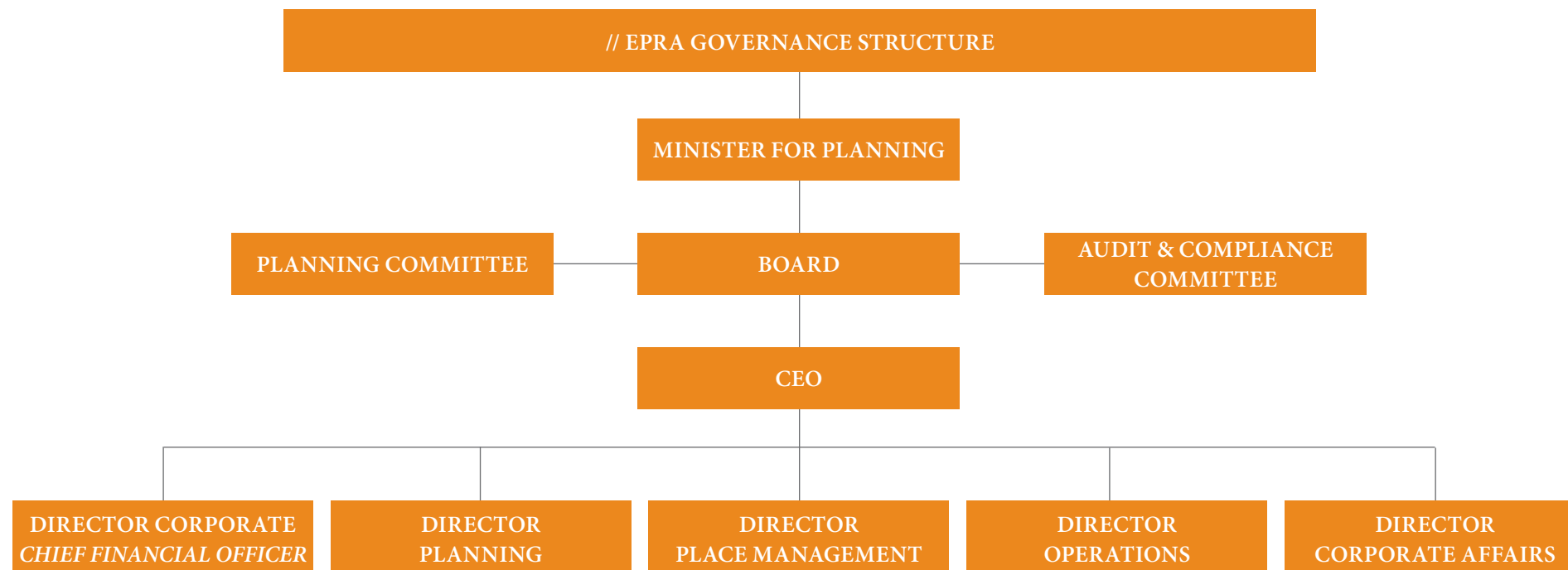
Exceptional Capability: Build and sustain capable people, efficient and effective resources and systems to deliver outcomes

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

EPRA's Redevelopment Goals

- To build a Sense of Place
- To promote Economic Wellbeing
- To promote Urban Efficiency
- To promote Social Inclusion
- To enhance Connectivity
- To enhance Environmental Integrity

Organisational Chart



EPRA BOARD AND COMMITTEES

The EPRA Board

The EPRA Board sets the strategic direction of the organisation and monitors its performance.

The Board's key functions are:

- Business Strategy
- Performance monitoring and communication
- Audit and risk management
- Policy and delegation

The EPRA Board is comprised of seven members, each appointed by the Minister for Planning. In August 2010, Mr Mike Day resigned leaving the Board with six members. The EPRA Board acknowledges the significant contribution Mr Day made to the Board and committees during his tenure. The position vacated by Mr Day has not been filled.

The Act requires that of the seven Board members, two must be members of the council of the City of Perth and the others must, in the opinion of the Minister, have relevant qualifications. A relevant qualification is 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.

Board members are remunerated according to Public Sector Commission guidelines. Those members who are public servants are not remunerated.

EPRA Committees

The Act enables the Board to appoint committees of such members, or members and others, as it sees fit. EPRA Board has appointed two committees – a Planning Committee and an Audit and Compliance Committee.

The Planning Committee determines major development applications and approves

amendments to planning policies, design guidelines and heritage inventories. The Audit and Compliance Committee assists the Board in fulfilling and discharging its responsibilities in relation to accounting policies, financial reporting practice, financial and internal control systems, internal and external audit functions and EPRA's risk management framework.

EPRA Board and Committee Members

Members	Board	Planning Committee	Audit and Compliance Committee	Term Expires
Mr Stuart Hicks AO	Chair	Member (<i>ex officio</i>)	Member (<i>ex officio</i>)	31 December 2011
Mr Don Humphreys	Deputy Chair	Temporary Member (from 3 September 2010)	Chair	31 December 2011
Mr Mike Day*	Member	Chair	Member	Resigned 20 August 2010
Ms Fiona Kalaf	Member	Member	Member (Appointed 18 October 2010)	31 December 2011
Mr Eric Lumsden	Member			31 December 2011
Ms Judy McEvoy**	Member	Chair (from 6 September 2010)		31 October 2011
Mr John Tognolini**	Member		Member	31 October 2011
Mr Tony Morgan (CEO)		Member		8 January 2014

* Mr Mike Day resigned from the EPRA Board on 20 August 2010.

** Members nominated by the City of Perth.

EPRA BOARD AND COMMITTEES

EPRA Board and Committee Members' Attendance at Meetings

Members	Board (12 meetings in 2010/11)	Planning Committee (7 meetings in 2010/11)	Audit and Compliance Committee (3 meetings in 2010/11)
Mr Stuart Hicks AO	11	3 (<i>Ex officio</i> member)	–
Mr Don Humphreys	9	2 (2)	3
Mr Mike Day*	2 (2)	1 (1)	1 (1)
Ms Fiona Kalaf	11	5	2
Mr Eric Lumsden	4	Not a member	Not a member
Ms Judy McEvoy**	10	6	Not a member
Mr John Tognolini**	12	Not a member	3
Mr Tony Morgan (CEO)		6	

* Mr Mike Day resigned from the EPRA Board on 20 August 2010.

** Members nominated by the City of Perth.



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 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 (KPIs) align with the State Government Goals

State 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
	5	Efficiency Indicators
Outcomes Based Service Delivery	Not Applicable	EPRA is a land redevelopment authority, and as such does not sell its services to the public.
Stronger Focus on Regions	Not Applicable	Not Applicable
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

In the 2010/11 financial year, EPRA continued to plan, undertake and coordinate the redevelopment of its six inner-city projects. These include Perth City Link, Riverside, the Perth Cultural Centre, New Northbridge, Claisebrook Village and East Perth Power Station. On completion, it is estimated that these projects will generate more than \$7 billion in private sector investment as well as contribute to the regeneration of Perth.

EPRA's Redevelopment Goals provide the strategic context for all projects within the redevelopment area and form the basis of the specific objectives that govern the delivery of each project.

Perth City Link

Perth City Link is arguably the most significant inner-city transit oriented development in Australia. The project will reconnect the city centre with Northbridge for the first time in over 100 years, create strong links to the foreshore and inject new life into the CBD.

The work to deliver Perth City Link is well underway. During 2010/11, demolition of the Perth Entertainment Centre commenced and the Public Transport Authority began planning and design work to sink the rail line, with major works due to commence in the 2011/12 financial year.

The project is an important part in the overall revitalisation program for our city and will deliver improved connectivity and access, increased residential, retail and commercial opportunities and high quality public open spaces. Perth City Link will help boost the city's capacity and act as a catalyst for future development in the city and Northbridge by attracting an estimated \$3 billion dollars of investment into Western Australia.

Objectives

- Deliver a redevelopment project with high quality urban design and built form outcomes that focuses on public life and creates a new and improved public realm.
- Improve pedestrian, cyclist and vehicle 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.

Highlights of 2010/11

- In September 2010, the Perth City Link Design Guidelines were revised to enable the development of City Square.

- The State Government and Seven Entertainment Pty Ltd entered into a Land Rationalisation Agreement in November 2010 that sets timeframes for demolition of the Perth Entertainment Centre building and facilitates the land exchange necessary to deliver the Perth City Link project.
- In May 2011, EPRA commenced a \$10 million works program at the western end of the Perth City Link project area. The works will create two development sites and extend Milligan Street to provide access to the new Perth Arena.
- Seven Entertainment Pty Ltd commenced demolition of the Perth Entertainment Centre building.
- The State Government allocated \$57 million in the 2011/12 State Budget, over the forward estimates, which includes funds to help accelerate delivery of City Square to coincide with the completion of the underground rail and bus station.

Project Expectations

Investment attraction: \$3 billion (estimated)

Area: 13.5 ha

New dwellings: 1,650

New population: 3,060

Commercial /retail space: 244,000 m²

New workers: 13,500

Expected year of completion: 2020+

AGENCY PERFORMANCE

Perth Cultural Centre

The Perth Cultural Centre is one of the most strategically placed publicly-owned landholdings in any Australian city and home to the State's key cultural and learning institutions. Through a coordinated program of events, improvement works and longer-term place planning, EPRA is creating a place where people of all ages and backgrounds can interact and drawing many Western Australians into the city to rediscover the cultural heart of Perth.

Over the past 12-18 months, EPRA has refurbished sixteen properties with heritage significance on the eastern side of William Street in the Perth Cultural Centre precinct with many now leased by an eclectic mix of established and emerging Western Australian businesses.

The Perth Cultural Centre is fast becoming one of Perth's favourite meeting places and a premier events destination.



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 be 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.

Highlights of 2010/11

- During 2010/11, EPRA has focused on place activation in the Perth Cultural Centre. Through a program of community events including planting days, public lectures, concerts, festivals and ephemeral public art, thousands of people have been drawn into the city to enjoy the revitalised Perth Cultural Centre, particularly the new Urban Orchard and Native Wetland.
- In June 2011, works commenced to deliver the next phase of short-term improvements for the Perth Cultural Centre, including the installation

of a nature-inspired children's play space, an LED screen, additional CCTV cameras and a new bollard system, as well as wayfinding signage and feature lighting.

- EPRA implemented a targeted leasing program for the 27 newly refurbished tenancies on William Street. This niche shopping precinct has attracted many new independent retail, food and beverage and creative industries.
- Two new Western Australian businesses also took occupancy of the new food and beverage kiosks in the Perth Cultural Centre and began trading in time for the busy summer holiday season.
- EPRA supported a number of significant events in the Perth Cultural Centre including the St Jerome's Laneway Festival, Fringe World, 'O' Day, National Self Help and Support Group Awareness Day, POPSICLE fashion pop up shops, Unwrapped, City in Bloom, Perth Criterium Bike Race and Lés Girafes.
- In June 2011, development works commenced to create Museum Street Park between the new Central Institute of Technology building and the state heritage listed St John's Church on Aberdeen Street, providing a popular pedestrian route for Northbridge residents and workers. The park will feature a series of steps, public art, lighting and landscaped podiums.
- The Perth Cultural Centre has been identified as the "People's Space" for CHOGM, which will be held in Perth in October 2011.

AGENCY PERFORMANCE

Riverside

Riverside will transform the eastern gateway to Perth and create a bustling, vibrant place with entertainment, commercial, retail, civic and residential uses that take advantage of the unique location.

The project will see existing sporting and educational icons such as the WACA, Gloucester Park and Trinity College integrated with new development to create a cosmopolitan waterfront community that encourages Western Australians to interact with the Swan River.

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 a high-density, sustainable residential and commercial development that is supported by mixed land use 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 cafés 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.

Highlights of 2010/11

- In July 2010, EPRA called for expressions of interest for the right to develop the flagship four-hectare Waterbank site. Of the national and international submissions received, three consortia were shortlisted and invited to submit detailed proposals. EPRA expects to select a preferred proponent before the end of 2011.
- During the 2010/11 financial year, Design Guidelines were adopted for the WACA and Chemlabs precincts of the Riverside project.

Project Expectations

Investment attraction: \$2.6 billion (estimated)

Area: 40 ha

New dwellings: 3,400

New population: 5,800

Commercial /retail space: 81,000 m²

New workers: 1,700

Government investment: \$113 million

Expected year of completion: 2020+



AGENCY PERFORMANCE

New Northbridge

New Northbridge is an award-winning urban renewal project that has transformed a vacant and neglected land corridor into a thriving residential and business community. The area has been redeveloped to reflect the rich history and culture of Northbridge and, by re-establishing links with the lively entertainment and business area and the surrounding residential areas, provide a modern, safe and enjoyable place for Perth's growing inner-city community and visitors.

New Northbridge is almost complete with the major stages of normalisation underway. The project has successfully restored the status of the area as a cultural and commercial hub, and added more than 460 new residences and 70,000 square metres of new commercial space to the existing urban fabric.



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 and diverse housing choices.
- Attract visitors and businesses to New Northbridge, highlighting the lifestyle benefits of the culturally rich area and proximity to the CBD.

Highlights of 2010/11

- In September 2010, New Northbridge was recognised as the best Urban Renewal Project at the 2010 UDIA WA Awards for Excellence. The project also won the overall President's Award which is awarded to the best entry across all categories.
- EPRA commenced the Stage 1A and 1B Normalisation process for New Northbridge in December 2010. Stage 1A and 1B will return 70 per cent of New Northbridge back to the respective local government authorities – the City of Perth and City of Vincent.
- In March 2011, the New Northbridge project was also awarded one of the highest industry accolades, taking out the National UDIA President's Award and the Award for Excellence in Urban Renewal, beating strong competition from across Australia.

Project Expectations

Investment attraction: \$300 million (estimated)

Area: 27 ha

New dwellings: 460

New population: 1,250

Commercial/retail space: 70,000 m²

Government investment: \$60 million

Expected year of completion: 2012

AGENCY PERFORMANCE

East Perth Power Station

A key destination on the Swan River, the East Perth Power Station will become a vibrant waterfront community combining urban living, working and leisure opportunities.

Forward works to clean up the site were undertaken in 2004 and stabilisation works to the power station building were undertaken in 2005.

EPRA continues to monitor market conditions to ensure a landmark development opportunity is achieved for the site, which will integrate with the surrounding neighbourhood and support positive economic and social activity.

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.
- Develop a Conservation Management Plan for the heritage building and interpretation strategy for the heritage machinery in the building.

Highlights of 2010/11

- Asset management of the East Perth Power Station site is ongoing including maintenance of the buildings, landscaping and a regular security program.
- EPRA is continuing to plan for the 8.5 hectare site and is working closely with the City of Vincent and other stakeholders.

Project Expectations

Investment attraction: \$345 million (estimated)

Area: 8.5 ha

New dwellings: 635

New population: 1,100

Commercial/retail space: 19,300 m²

New workers: 1,100



AGENCY PERFORMANCE

Claisebrook Village

Claisebrook Village is recognised as one of the State's best urban renewal projects. The project has transformed a 19th century industrial area into a modern urban community while retaining and emphasising the heritage of the site and its riverside location. Today, Claisebrook Village is home to 2,500 residents and combines commercial and residential development with beautiful parkland, waterways and public art.

EPRA's work in Claisebrook Village is 90 per cent complete. Planning control of 73 per cent of the project area was returned to the City of Perth in January 2002. The remaining 17 per cent will be normalised in two stages over the coming years.



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.
- Conserve the area's cultural heritage 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.

Highlights of 2010/11

- During 2010/11, EPRA commenced Stage 3 of normalisation of Claisebrook Village. Together with Stage 2, also to be completed in 2011, these two stages of normalisation will return a further 17 per cent of planning authority for the project area to the City of Perth (CoP) and mark the completion of 90 per cent of the project.
- In April 2011, EPRA undertook a review of the nearly completed Claisebrook Village project area to assess how the redevelopment performed against the original project objectives.

Project Expectations

Investment attraction: \$685 million (estimated)

Area: 137.5 ha

New dwellings: 1,450

New population: 2,500

Commercial/retail space: 130,000 m²

Government investment: \$127 million

Expected year of completion: 2011

SIGNIFICANT ISSUES IMPACTING THE AGENCY

Western Australia is experiencing unprecedented economic and population growth on the back of the current resource economy, with more than \$221 billion worth of projects planned or already underway. Consideration of Perth's global positioning and context is required to ensure our city can effectively accommodate this growth and inner-city redevelopment has a significant role to play in Perth's future.

Large investment projects are generating much of Perth's economic cycle. In the city alone, more than \$9 billion will be invested in committed development projects. EPRA is contributing significantly to this investment attraction with major redevelopment projects including Riverside and Perth City Link being delivered to the market.

Perth city's transformation is focused on establishing key destinations and activity links with great buildings, streets and urban spaces linked by an exceptional transport network.

A key focus of the EPRA business during the financial year has been on place making. A place based approach puts people first and considers issues such as sociability, use and activities, access and linkages and comfort and image. EPRA is committed to delivering its projects via a place based approach and has established a dedicated Place Management Directorate. Place making is central to all aspects of EPRA's work including project planning, development, sales and asset management.

Partnerships and sound stakeholder relationships continue to be fundamental to the EPRA business. EPRA has worked closely with state and local government, industry and the community throughout the financial year in the areas of planning, policy development, place making and investment attraction. Key areas of collaboration have included a community and housing needs assessment, a post project review of Claisebrook Village and place planning in the Perth Cultural Centre.



DISCLOSURES AND LEGAL COMPLIANCE

Ministerial Directives

Section 25(1) of the Act provides “*The Minister may give directions in writing to the Authority with respect to the performance of its functions, either generally or in relation to a particular matter, and the Authority shall give effect to any such direction*”.

There were no Ministerial directives during the 2010/11 financial year.

Ministerial Approvals

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

There were no Ministerial approvals in accordance with this Section of the Act to report for the 2010/11 financial year.

Pricing Policies

EPRA does not sell services to the public; therefore, no information is provided either about pricing policies or references to public documents containing pricing or rating information.

Major Capital Projects

Please refer to “Agency Performance” for information about EPRA’s major capital projects.



DISCLOSURES AND LEGAL COMPLIANCE

Disclosures Relating to Employees

Summarised below are details of employees by category as at 30 June 2011. Figures relate to substantive positions and do not include staff who are in acting positions, temporary, or on secondment, leave without pay, or maternity leave.

Level	2008/2009		2009/2010		2010/2011	
	Male	Female	Male	Female	Male	Female
G2	1	0	1	0	1	0
9	1	1	2	1	1	1
8	3	0	3	0	2	0
7	3	2	2	3	1	3
6	5	5	4	4	3	4
5	3	4	3	7	1	5
4	2	6	2	9	1	9
3	1	4	1	4	2	3
2	1	5	0	5	0	1
1	0	2	0	2	0	1
SCL 6	0	0	0	0	1	0
SCL 5	0	0	0	0	0	0
SCL 4	0	0	0	0	1	1
SCL 3	0	0	0	0	0	0
SCL 2	0	0	0	0	2	3
SCL 1	0	0	0	0	2	2
Total – gender	20	29	18	35	18	33
Total – workers	49		53		51	

Note: SCL refers to specialised calling levels and applies to a number of EPRA's planning officers.

Staff Development

EPRA values its employees and continually seeks to identify and provide opportunities for staff to develop their personal and professional competencies. Staff have attended a variety of role specific professional development courses facilitated by the Australian Institute of Management, the National Tax and Accountant's Association, the Institute of Public Administration of WA and the Murdoch Executive Education Centre. As part of ongoing personal development, EPRA staff have also had the opportunity to attend seminars by the Property Council, Place Leaders Association and the Urban Development Institute of Australia.

Policies, Procedures and Programs to Assist Employees

EPRA has a number of policies, procedures and programs to assist its employees, including:

- Grievance Procedures
- Occupational Health and Safety
- Injury Management Rehabilitation
- Home Based Work
- Employee Assistance Program
- Education Assistance Policy and Procedures

DISCLOSURES AND LEGAL COMPLIANCE

Industrial Relations

There were no changes to the industrial relations environment within EPRA during 2010/11.

Workers Compensation

There were no workers compensation claims during 2010/11.

Governance Disclosures

EPRA's contract administration system requires senior officers to declare interests in any existing or proposed contracts they are involved in administering. During the 2010/11 year, no interests were declared.

All EPRA Board and Committee agendas have a standing item which invites Board and Committee members to declare conflicts of interest in accordance with the requirements of Section 13(2) of the *East Perth Redevelopment Act 1991 (Particular functions of members)*.

All interests declared during 2010/11 have been recorded on EPRA's Interests Register. During 2010/11, there has been one disclosure of a conflict of interest from a senior officer of the Authority, relating to share ownership.

During 2010/11, EPRA paid \$15,991.79 for insurance to indemnify its directors (as defined in Part 3 of the *Statutory Corporations (Liability of Directors) Act 1996* against liability incurred under Sections 13 or 14 of the *Statutory Corporations (Liability of Directors) Act 1996*.

Marketing and Advertising

In compliance with the *Electoral Act 1907*, s175ZE, the following expenditure for 2010/11 is reported:

Market Research Organisations	Total Amounts
– Synovate	\$49,612.50
Media Advertising Organisations (including multimedia)	
– AdCorp	\$13,042.05
– Optimum Media Decisions WA	\$115,794.75
Marketing and Public Relations Organisations	
– Linkletters	\$6,426.00
– Mills Wilson	\$76,609.57
– Rare Creative Thinking	\$201,413.29
– Media Monitors	\$20,520.46
– Block Branding	\$104,746.59
– Market United	\$272,358.57
– Last Pixel	\$55,960.00

Publications

Copies of EPRA publications are available online from www.epra.wa.gov.au or can be obtained from 12 Lindsay Street, Perth WA 6000. Publications available are:

- EPRA Redevelopment Scheme, Scheme Text, planning policies and documents
- Design Guidelines
- Annual Reports from 2001-2011
- Customer Service Charter
- EPRA Corporate Brochure
- Urbano magazines
- Project communications and marketing brochures

DISCLOSURES AND LEGAL COMPLIANCE

EPRA's Disability Access and Inclusion Plan Outcomes 2010/11

EPRA's Disability Access and Inclusion Plan (DAIP) is available online from www.epra.wa.gov.au. Initiatives during 2010/11 to address the six DAIP outcomes were:

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 conducted a number of public events within its projects areas during 2010/11. For those that were conducted in venues such as the Perth Cultural Centre, EPRA ensured the venue was accessible and event promoters/holders provided adequate facilities for people with disabilities. During 2010/11, EPRA engaged Access Consultants to review new works' programs to ensure access was appropriately designed for people with disabilities.

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

- Universal Access requirements for buildings and the public realm are included in EPRA's Planning Policies and Design Guidelines.

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.

- Online information from EPRA meets the Web Content Accessibility Guidelines. EPRA's website has been designed to be accessible to people with disabilities who may use assistive technologies. The accessibility features on the website include instructions for resizing text and printing pages and a list of software plug-ins users may require to view the content and information about compatibility with other software. EPRA also provides documents available from the website in other formats upon request.

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 maintains staff awareness on disability access information through its staff induction processes. A DAIP training package is included in the induction material for new permanent staff. During 2010/11 senior staff attended legislative compliance training which addressed the requirements of the *Disability Services Act 1993*, specifically in relation to DAIP plans.

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

- An Access Comment Form is accessible to the public via EPRA's website (www.epra.wa.gov.au). The form enables people with disabilities to provide feedback about access difficulties or improvements relating to services and events; buildings and facilities; information; staff awareness; consultation processes and grievance procedures. Feedback can be returned via a number of ways, including to a dedicated email address.

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.

DISCLOSURES AND LEGAL COMPLIANCE

Legislation Affecting EPRA's Activities

Aboriginal Heritage Act 1972
Auditor General Act 2006
Building Bill 2010
Commercial Tenancy (Retail Shops) Agreement Act 1985
Competition and Consumer Act 2010
Construction Contracts Act 2004
Contaminated Sites Act 2003
Corruption and Crime Commission Act 2003
Disability Services Act 1993
Disability Discrimination Act 1992
Duties Act 2008
Electoral Act 1907
Environmental Protection Act 1986
Environment Protection and Biodiversity Conservation Act 1999
East Perth Redevelopment Act 1991
Equal Opportunity Act 1984
Fair Trading Act 2010
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
Insurance Commission of WA Act 1986
Industrial Relations Act 1979
Jetties Act 1926

Land Administration Act 1997
Land Tax Assessment Act 2002
Local Government Act 1995
Local Government (Miscellaneous Provisions) Act 1960
Main Roads Act 1930
Minimum Conditions of Employment Act 1993
Occupational Health and Safety Act 1984
Planning and Development Act 2005
Public Interest Disclosure Act 2003
Public Sector Management Act 1994
Public Transport Authority Act 2003
Public Works Act 1902
Salaries and Allowances Act 1975
Stamp Act 1921
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
Transfer of Land Act 1893
Workers Compensation and Injury Management Act 1981

Compliance with Public Sector Standards and Ethical Codes

In accordance with the requirements of Section 31(1) of the *Public Sector Management Act 1994*, EPRA reports that no internal investigations were undertaken during 2010/11 relating to breaches of discipline as defined under Section 80 of the *Public Sector Management Act 1994*.

There were no other compliance issues that arose during 2010/11 regarding the Public Sector Standards, the WA Code of Ethics or EPRA's Code of Conduct. During 2010/11 EPRA's Code of Conduct and Code of Ethics were reviewed.

Record Keeping Plan

EPRA's Record Keeping Plan governs the Authority's record keeping and complies with the *State Records Act 2000*. The Authority also has a Record Keeping Policy which holds all staff, contractors and organisations who perform outsourced services on behalf of EPRA responsible for their records involvement. The policy incorporates all legislative, business, administrative, financial, evidential and historical requirements.

EPRA's electronic document and records management system manages information efficiently and effectively to meet legislative requirements. The system controls information and satisfies audit requirements, enabling EPRA to promote best practice information management, ensuring search ability and access to current and accurate information.

DISCLOSURES AND LEGAL COMPLIANCE

In 2010/11, EPRA conducted various activities to ensure adherence to its Record Keeping Plan, including training sessions for new staff and providing regular and frequent reminders to current staff about their record keeping responsibilities and legislative compliance requirements. Detailed refresher training was also conducted on the use of the organisation's electronic record keeping system. This training will continue on an annual basis.

EPRA also commenced a thorough offsite file audit of hard copy records to ensure accuracy and integrity of information (this audit will continue in 2011/12) and conducted the annual review of its retention and disposal schedule.

Substantive Equality

All departments represented on the Strategic Management Council are required to set out in their annual report the progress achieved in implementing the *Policy Framework for Substantive Equality*.

While EPRA is not represented on the Strategic Management Council, it is committed to substantive equality and has developed a number of initiatives aimed at increasing social inclusion and diversity. Examples of these include the preparation of planning policies facilitating the development of affordable, diverse, universally accessible and adaptable housing.

However, as a redevelopment authority, the focus of EPRA is on land redevelopment. This therefore limits the extent of its ability to report on substantive equality.

Occupational Health and Safety

EPRA's Occupational Health and Safety (OHS) policy and injury management system is accessible to all staff through the intranet. The objective of the policy is to provide a safe and healthy work environment for employees in accordance with OHS legislation.

During 2010/11 seven officers completed the nationally recognised Emergency Warden course, five officers completed the nationally recognised Confine Small Workplace Emergencies course (fire extinguisher) and six officers completed or renewed their Senior First Aid Certificate.

EPRA also commissioned an audit of its OHS systems in 2010/11. The results of the audit are being implemented to develop EPRA's current OHS management systems and policy to ensure they are adequate to meet the requirements of the National Work Health and Safety Act which is set to come into effect on 1 January 2012. During the year senior staff attended legislative compliance training which provided an update on obligations and responsibilities for the Authority and its officers under the new legislation.

Indicator	2010/2011
Number of fatalities	Nil
Lost time injury/disease incidence rate	Nil
Lost time injury severity rate	Nil
Percentage of injured workers returned to work within 28 weeks	Not Applicable
Percentage of managers trained in occupational safety, health and injury management responsibilities	53%

DETAILED KEY PERFORMANCE INFORMATION

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 2011.



Stuart Hicks AO
Chairman



Don Humphreys
Member of Accountable Authority



Tony Morgan
Chief Executive Officer

Date: 22 August 2011

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 and methodology, this data should only be read in conjunction with the accompanying footnotes.

Methodology Notes

The methodology notes for each project area are referenced as footnotes to the statistics.

Key Findings

The key findings for each Key Performance Indicator are located within the statistic table for each project area.

KEY PERFORMANCE INDICATORS

Claisebrook Village

KPI	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Key Findings
Living in the Area¹	1,247	1,314	1,314	1,319	1,440	2,257	2,257	2,257	2,571	2,571	The number of residents living in Claisebrook Village has remained constant during the 2010/11 financial year with no new residential development approved. Given that Claisebrook Village is nearing completion there are limited opportunities for further residential growth.
Studying in the Area²											
Educational Institutions	1	1	1	1	1	1	1	1	1	1	
No of Students	1,763	2,289	2,742	2,873	2,984	2,931	2,926	3,500	3,500	2,788	
Working in the Area³											The number of small businesses in Claisebrook Village has decreased from 2009-2010. The number of businesses employing more than 50 staff increased during the same period.
Businesses <50 staff	265	283	401	341	342	341	339	326	341	257	
Businesses >50 staff	5	4	3	5	4	5	4	4	5	14	
Playing in the area⁴											The number of visitors to public facilities in Claisebrook Village has increased by 33% from 2009/10.
Visitors to public facilities	2,065,992	1,969,250	2,572,440	1,659,150	2,524,223	4,010,608	3,101,406	2,701,223	1,978,920	2,638,560	

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 Claisebrook (as indicated by 2006 ABS census data).

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

³ Previously Synovate used the 2004 Marketing Pro Database and the 2007 Australian Businesses Directory Database to determine businesses in the area. This was followed up by a telephone census to determine businesses that currently have over 50 employees. Due to development, growth and subsequent changes in the area, the telephone numbers in the current available directory (2007) are no longer representative of businesses in the area. In order to get a true reflection of the number of people working in the area, Synovate conducted a door-to-door census of businesses in the area. As slightly different methodologies were used to build the database in each report, the Authority would not recommend a direct comparison of results between 2011 and prior years.

⁴ Synovate conducted a telephone survey of 401 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 401 provides results with a maximum sampling accuracy of $\pm 4.90\%$ at the 95% confidence level. Interviewing commenced on 17 May 2011 and was completed on 23 May 2011.

KEY PERFORMANCE INDICATORS

New Northbridge⁵

KPI	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Key Findings
Living in the Area⁶	1,199	1,256	1,477	1,489	1,904	2,491	2,657	2,699	3,018	3,026	Numbers of people living in the New Northbridge project area continued to increase with an increase of 1827 residents since 2002. The New Northbridge Project Area is nearing completion and there are limited opportunities for further growth in the residential population.
Studying in the Area⁷											Student numbers increased by over 2000 with the opening of the new Central Institute of Technology building on the northern side of Aberdeen Street.
Educational Institutions	0	0	0	0	0	0	0	0	0	1 ⁸	
No of Students	0	0	0	0	0	325	430	1,500	1,631	3,704 ⁹	
Working in the area¹⁰											The number of small businesses in New Northbridge has decreased from 2009/2010. The number of businesses employing more than 50 staff has increased by 60 percent.
Businesses <50 staff	115	112	116	97	97	98	228	226	180	113	
Businesses >50 staff	1	1	1	3	3	2	2	4	8	13	
Playing in the area											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.
Visitors to public facilities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

⁵ The New Northbridge maps used to collect the 2010/11 data were updated to better reflect the redevelopment area.

⁶ 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 1.999 in New Northbridge (as indicated by 2006 ABS census data).

⁷ Institutions identified through 2007 Australian Businesses Directory Database, followed by a telephone census with educational institutions, conducted by Synovate. Both full-time and part-time students are included.

⁸ During 2010/11 the new Perth Central Institute of Technology located on the northern side of Aberdeen Street was completed. EPRA's 2011 statistics report this campus as an educational institution located within New Northbridge. The Central TAFE campus located on the southern side of Aberdeen Street has not been counted as an educational institution in previous years as it is outside the New Northbridge boundary.

⁹ From 2007-2010, EPRA reported student numbers enrolled in the School of Print and Technology (a Central TAFE facility rather than educational institution) as this facility was within New Northbridge. The student numbers reported in 2011 reflect the total number of students attending all Central Perth TAFE facilities and educational institutions within New Northbridge, including those attending at the new Perth Central Institute of Technology located on the northern side of Aberdeen Street.

¹⁰ Previously Synovate used the 2004 Marketing Pro Database and the 2007 Australian Businesses Directory Database to determine businesses in the area. This was followed up by a telephone census to determine businesses that currently have over 50 employees. Due to development, growth and subsequent changes in the area, the telephone numbers in the current available directory (2007) are no longer representative of businesses in the area. In order to get a true reflection of the number of people working in the area, Synovate conducted a door-to-door census of businesses in the area. As slightly different methodologies were used to build the database in each report, the Authority would not recommend a direct comparison of results between 2011, 2010-2008 and 2007 and earlier.

KEY PERFORMANCE INDICATORS

Riverside

KPI	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Key Findings
Living in the Area¹¹	266	266	266	266	266	749	1,021	1,119	1,320	1,248	The decrease in the number of residents is attributed to the Frasers development reducing residential units and increasing serviced apartment numbers. There has been an increase of 982 residents living within the Riverside project area since 2002 and this figure is anticipated to significantly increase as the project continues to deliver an abundance of new dwellings for new residents.
Studying in the Area¹²											
Educational Institutions	1	1	1	1	1	1	1	1	1	1	
No of Students	1,126	1,148	1,179	1,186	1,196	1,202	1,200	1,200	1,245	1,244	The number of students studying within Riverside remains static.
Working in the Area¹³											The number of workers within the Riverside project area decreased during the 2010/2011 financial year largely due to a review and refinement of the study area to accurately reflect the current Riverside Project boundary. The project continues to deliver additional commercial and retail floor space that will attract new workers to the area.
Businesses <50 staff	27	25	29	22	22	22	48	46	41	7	
Businesses >50 staff	6	5	5	5	5	5	5	6	9	5	
Playing in the Area¹⁴											The number of people visiting the area has doubled since the 2009/2010 financial year.
Visitors to public facilities	1,691,172	1,217,886	1,567,584	813,516	1,629,754	573,886	2,031,690	1,566,645	1,121,388	2,550,608	

11 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 1.994 in Riverside (as indicated by 2006 ABS census data).

12 Institutions identified through 2007 Australian Businesses Directory Database, followed by a telephone census with educational institutions, conducted by Synovate. Both full-time and part-time students are included.

13 Previously Synovate used the 2004 Marketing Pro Database and the 2007 Australian Businesses Directory Database to determine businesses in the area. This was followed up by a telephone census to determine businesses that currently have over 50 employees. Due to development, growth and subsequent changes in the area, the telephone numbers in the current available directory (2007) are no longer representative of businesses in the area. In order to get a true reflection of the number of people working in the area, Synovate conducted a door-to-door census of businesses in the area. As slightly different methodologies were used to build the database in each report, the Authority would not recommend a direct comparison of results between 2011, 2010-2008 and 2007 and earlier. Synovate proposes the reasons for the businesses within Riverside with less than 50 employees changing significantly include the recently empty building in the block surrounded by De Vlamingh Avenue, Plain Street, Adelaide Terrace and Hay Street.

14 Synovate conducted a telephone survey of 401 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 401 provides results with a maximum sampling accuracy of $\pm 4.90\%$ at the 95% confidence level. Interviewing commenced on 17 May 2011 and was completed on 23 May 2011.

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	2009/10	2010/11	Target
\$ per \$ of:										
Land Sales	0.105	0.196	0.275	0.131	0.195	0.413	0.447	0.881	0.000	1.153
Capital Works	0.191	0.252	0.271	0.233	0.678	0.874	0.831	0.284	0.56	0.207

Key Findings

Land Sales

It was not possible to calculate this KPI for the 2010/2011 year as there was no sales revenue for the year due to the stage in the project life cycle.

Capital Works

There was a significant reduction in capital works during 2010-2011 which influenced the higher dollar per capital works indicator of 56.0 cents. The reduction in capital works is representative of the stages reached in several of the major projects with projects such as Riverside and Perth City Link only in the early stages of planning, when capital works costs are low. Again, when measured against a relatively stable operating cost base, this has the effect of driving up the cost per dollar incurred on capital works.

The capital works indicator was higher than the target as the amount spent on capital works during the 2010-2011 was significantly less than budget.

EPRA New Key Effectiveness and Efficiency Measures

In 2009, EPRA reviewed the current Key Effectiveness Indicators. As a result, a new set of Key Effectiveness Indicators were formulated, aligning better with EPRA's redevelopment goals. During 2010, testing and validation of the key measures of the Key Effectiveness Indicators was not finalised. Until it is, EPRA continues to report on the current Key Effectiveness and Efficiency Indicators.

CERTIFICATION OF FINANCIAL STATEMENTS FOR YEAR ENDED 20 JUNE 2011

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 2011 and the financial positions as at 30 June 2011.

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.



Stuart Hicks AO
Chairman



Tony Morgan
Chief Executive Officer



Don Humphreys
Member of Accountable Authority



Mark Reutens
Chief Financial Officer

Date: 22 August 2011

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$' 000	2010 \$' 000
INCOME			
Sales	4	–	5,454
Interest revenue	5	839	1,380
Rental revenue		387	283
Other revenue	6	1,668	2,863
Total Income		2,894	9,979
EXPENSES			
Cost of sales	4	–	3,672
Employee benefits	7	4,951	4,686
Supplies and services	8	1,989	1,232
Depreciation and amortisation	9	472	481
Sales and marketing		963	968
Property and estate management		2,730	1,819
Communications		340	213
Economic and community development		14	35
Development control		199	227
Environmental remediation		17	572
Other expenses	10	1,837	390
Total expenses		13,512	14,294
(DEFICIT) FOR THE PERIOD	22	(10,618)	(4,315)
OTHER COMPREHENSIVE INCOME			
(Loss)/Gain in asset revaluation	22	862	(319)
Total Other Comprehensive Income		862	(319)
Total Comprehensive Deficit for the period		(9,756)	(4,634)

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$' 000	2010 \$' 000
ASSETS			
Current Assets			
Cash and cash equivalents	11	9,089	27,848
Inventories	12	1,738	944
Receivables	13	528	725
Total Current Assets		11,355	29,517
Non-Current Assets			
Inventories	12	52,789	46,473
Property, furniture and equipment	14	4,351	3,605
Investment properties	15	26,110	25,030
Intangible assets	16	234	560
Total Non-Current Assets		83,483	75,667
TOTAL ASSETS		94,838	105,184
LIABILITIES			
Current Liabilities			
Payables	18	3,001	3,543
Income in advance	19	159	178
Provisions	20	712	534
Total Current Liabilities		3,872	4,256

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$' 000	2010 \$' 000
LIABILITIES			
Non-Current Liabilities			
Provisions	20	1,412	1313
Other non-current liabilities	21	478	784
Total Non-Current Liabilities		1,890	2097
TOTAL LIABILITIES		5,762	6,353
NET ASSETS		89,076	98,831
EQUITY			
	22		
Contributed equity		21,890	21,890
Capital reserve		10,338	10,338
Asset revaluation reserve		1,506	644
Retained earnings		55,341	65,959
TOTAL EQUITY		89,076	98,831

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

STATEMENT OF RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2011

	Note	Contributed Equity \$'000	Capital Asset Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2009		21,890	11,243	70,332	103,465
Changes in accounting policy or correction of prior periods errors			58	(58)	–
Total Comprehensive Income for the year		–	(319)	(4,315)	(4,634)
Balance as at 30th June 2010		21,890	10,982	65,959	98,831
Balance as at 1st July 2010		21,890	10,982	65,959	98,831
Total Comprehensive Income for the year		–	862	(10,618)	(9,755)
Balance as at 30th June 2011	22	21,890	11,844	55,341	89,076

The Statement of Retained Earnings should be read in conjunction with the accompanying notes.

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$' 000	2010 \$' 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		2,115	7,449
Interest received		922	1,317
GST receipts on sales		252	379
Receipts from taxation authority		2,240	1,749
Payments			
Employee benefits		(4,674)	(4,448)
Supplies and services		(1,989)	(1,189)
GST Payments on purchases		(2,170)	(1,820)
Net Payments to taxation authority		(238)	(353)
Other payments		(5,283)	(4,893)
Net cash provided by/(used in) operating activities	23	(8,825)	(1,808)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(10)	(24)
Purchase of capital works in progress		(7,306)	(9,380)
Expenditure on Investment properties		(2,599)	(3,882)
Purchase of intangible assets		(19)	(249)
Net cash provided by/(used in) investing activities		(9,934)	(13,535)
Net increase/(decrease) in cash and cash equivalents		(18,759)	(15,343)
Cash and cash equivalents at the beginning of period		27,848	43,191
CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD	11	9,089	27,848

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. Australian Accounting Standards

General

The Authority's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Authority has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by *TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'*. No Australian Accounting Standards that have been issued or amended [but not operative] have been early adopted by the Authority for the annual reporting period ended 30 June 2011.

2. Summary of Significant Accounting Policies

(a) General Statement

The financial statements constitute general purpose financial statements that have 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 Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has had 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, except for land and buildings 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).

(c) Reporting Entity

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

(d) Contributed Equity

AASB Interpretation 1038 *Contributions by Owners made to Wholly – Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by *TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(e) 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 is recognised from the sale of goods and disposal of other assets when the significant risk and rewards of ownership transfer to the purchaser and can be measured reliably.
- **Provision of Services**
Revenue is recognised on delivery of the services to the client or by reference to the stage of completion of the transaction.
- **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.
- **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.

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Property, Plant and Equipment

Capitalisation/Expensing of Assets:

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are expensed directly to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial Recognition and Measurement:

Property, plant and equipment are initially recognised at cost.

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

Subsequent Measurement:

Subsequent to initial recognition as an asset, the Authority uses the revaluation model for the measurement of land and buildings and historical cost for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical 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 2011

(f) Property, Plant and Equipment (continued)

In the absence of market based evidence, 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 depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period. 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 and in determining estimated useful life. 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 14 'Property, Plant and equipment' for further information on revaluations.

Derecognition:

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset Revaluation Surplus:

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 14 'Property, Plant 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.

Depreciation 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

Land is not depreciated.

(g) Intangible Assets

Capitalisation/Expensing of Assets:

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

All acquired intangible assets are initially recognised 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(g) Intangible Assets (continued)

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.

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.

(h) Impairment of Assets

Property, plant and equipment are tested for any indication of impairment at the end of each reporting period. 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, where the replacement cost is falling or where there is a significant change in useful life. 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.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

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-based 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 the end of each reporting period.

See note 17 'Impairment of Assets' for the outcome of impairment reviews and testing.

(i) 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. Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased motor vehicles.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(j) Financial Instruments

In addition to cash and bank overdraft, the Authority has three categories of financial instrument:

- Receivables
- Financial liabilities (payables)
- Held to maturity investments (includes short term deposits).

Financial Instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables

Financial Liabilities

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

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or face 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.

(k) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise 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.

(l) Accrued Salaries

Accrued salaries [refer to Note 18] represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(m) Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories consist of developed land, capital works and undeveloped land. See note 12 'Inventories'.

(n) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(j) 'Financial Instruments' and note 13 'Receivables'.

(o) Payables

Payables are recognised at the amounts payable when the Authority becomes obliged to make future payments as a result of a purchase of assets or services at fair value, as they are generally settled within 30 days. See note 2(j) 'Financial Instruments' and note 18 'Payables'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(p) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. See note 20 'Provisions'.

(p)(i) Provisions – Employee Benefits

Provisions – Employee Benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual Leave

The liability for annual and long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual and long service leave expected to be settled more than 12 months after the reporting period 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 end of the reporting period. 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.

The expected future payments are discounted using market yields at the end of the reporting period 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 reporting period.

PricewaterhouseCoopers performed an actuarial assessment of long service leave for the year ended 30 June 2011.

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 the end of the reporting period. 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 end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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(q) 'Superannuation Expense'.

(p)(ii) Provisions – Other

Employment On Costs

Employment on-costs, including workers' compensation insurance, 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 included as part of 'Other expenses' and are not included as part of the Authority's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. See note 10 'Other expenses' and note 20 'Provisions'.

(q) Superannuation Expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

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

(r) Comparative Figures

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

(s) 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 Statement of Comprehensive Income.

(t) 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.

(u) Significant Estimates and Judgements

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Authority evaluates these judgements regularly.

Estimated recovery of Inventory and Investment Properties is based on market information as at 30th June 2011. Events and circumstances could change in the future resulting in the recoverable amount being less than the cost.

Several estimations and assumptions used in calculating the Authority's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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 unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Authority has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Authority. Where applicable, the Authority plans to apply these Australian Accounting Standards from their application date.

Title	Operative for reporting periods beginning on/after
<p><i>AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].</i></p> <p>The amendment to AASB 7 <i>Financial Instruments: Disclosures</i> requires modification to the disclosure of categories of financial assets. The Authority does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.</p>	1 January 2013
<p><i>AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5,8,108,110,112,119,133,137,139,1023 & 1031 and Interpretations 2,4,16,1039 & 1052].</i></p> <p>This Standard introduces a number of terminology changes. There is no financial impact on the Authority resulting from the application of this revised Standard.</p>	1 January 2011

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Title	Operative for reporting periods beginning on/after
<i>AASB 1053 Application of Tiers Of Australian Accounting Standards</i>	1 July 2013
This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	
The Standard does not have any financial impact on the Authority. However it may affect disclosures in the financial statements of the Authority if the reduced disclosure requirements apply. The Department of Treasury and Finance has not yet determined the application or the potential impact of the new Standard for agencies.	
<i>AASB 2010-2 Amendments to Australian Accounting Standards arising from reduced Disclosure requirements.</i>	1 July 2013
This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.	
The Standard is not expected to have any financial impact on the Authority. However this Standard may reduce some note disclosures in financial statements of the Authority. The Department of Treasury and Finance has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	
<i>AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & AASB 1054]</i>	1 July 2011
This Amending Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. The Department of Treasury and Finance has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	
<i>AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1,3,4,5,101,107,112,118,119,121,132,133,134,137,139,140,1023 & 1038 and Interpretations 112,115,127,132 & 1042] (October 2010)</i>	1 January 2011
This Standard introduces a number of terminology changes as well as minor presentation changes to the notes to the Financial Statements. There is no financial impact on the Authority resulting from the application of this revised Standard.	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Title	Operative for reporting periods beginning on/after
<p><i>AASB 2010-6 Amendments to Australian Accounting Standards –Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7].</i></p> <p>This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.</p> <p>The Standard is not expected to have any financial impact on the Authority. The Department of Treasury and Finance has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p>	1 July 2011
<p><i>AASB 9 Financial Instruments</i></p> <p>This Standard supersedes <i>AASB 139 Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued on 6 December 2010 and the Authority is currently determining the impact of the Standard. The Department of Treasury and Finance has not yet determined the application or the potential impact of the Standard for agencies.</p>	1 January 2013
<p><i>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]</i></p> <p>This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 Financial Instruments in December 2010. The Department of Treasury and Finance has not yet determined the application or the potential impact of the Standard for agencies.</p>	1 January 2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
4. Trading profit		
Sales	–	5,454
Cost of Sales:		
Opening inventory	(47,418)	(40,687)
Purchases	(7,110)	(10,403)
	(54,528)	(51,090)
Closing inventory	54,528	47,418
Cost of Goods Sold	–	(3,672)
Trading Profit	–	1,782

See note 2(m) 'Inventories' and note 12 'Inventories'

5. Interest revenue

Interest Revenue	839	1,380
	839	1,380

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

6. Other revenue

Service fee	1,616	1,563
Other Revenue (a)	52	212
Gain on Investment property valuation	–	1,088
	1,668	2,863

(a) The 2010 figure for 'Other Revenue' has been revised from the previous audited figure to show change in investment in fair value of investment properties as a result of change in accounting policy for accounting for fair value movements in investment properties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
7. Employee benefits		
Wages and salaries (a)	4,107	3,907
Superannuation – defined contribution plans (b)	390	348
Superannuation – defined benefit plans (see note 20)	139	140
Long Service Leave	95	141
Annual Leave	82	67
Other related expenses	138	83
	4,951	4,686

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).
Employment on-costs expenses, such as workers' compensation insurance, are included in note 10 'Other expenses'.
Employment on-costs liability is included at note 20 'Provisions'.

8. Supplies and Services

Consultants and contractors	942	497
Building occupancy	168	139
General Office Expenses	545	523
Other Supplies and Services	333	72
	1,989	1,232

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
9. Depreciation and Amortisation		
Depreciation		
Buildings	62	68
Office furniture and equipment	30	31
Computer Equipment	35	41
Total depreciation	127	141
Amortisation		
Intangible assets	345	340
Total amortisation	345	340
Total depreciation and amortisation	472	481
10. Other expenses		
Payroll tax	252	203
Board allowance	110	124
Revaluation loss	1,452	–
Other expenses	24	63
	1,837	390
11. Cash and Cash Equivalents		
Bank account	1,063	2,700
Short term deposits/at call funds	8,026	25,148
	9,089	27,848

The term deposits mature on a monthly or a three monthly basis and are bearing fixed interest rates between 4.96% and 5.1% (2010: 3.37% and 4.53%) and the at call funds are bearing floating interest rates between 5.2% and 5.5% (2010:3.65% and 5.10%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
12. Inventories		
The aggregate carrying amount of inventories recognised and included in the financial statements is as follows:		
Current	1,738	944
Non-current	52,789	46,473
	54,528	47,418
Current		
Developed Land (at cost)	1,738	944
	1,738	944
The following represents the transfers to and from developed land inventories:		
Developed Land		
Balance at 1 July (at cost)	944	2,175
Transferred from undeveloped land (excluding lots repurchased)	295	371
Transferred from capital works in progress	499	–
Transferred to cost of sales	–	(3,672)
Purchases	–	2,070
Balance at 30 June (at cost)	1,738	944
Non – Current		
Capital Works (at cost)	49,152	42,541
Undeveloped Land (at cost)	3,637	3,932
	52,789	46,473

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

The following represents capital works undertaken, offset by components transferred to developed land inventories and transfers to investment properties.

	2011 \$' 000	2010 \$' 000
12. Inventories (continued)		
Capital works		
Balance at 1 July	42,541	34,372
Additional works	7,110	8,332
Less transfers to developed land	(499)	(163)
Balance at 30 June (at cost)	49,152	42,541

The following represents acquisitions of undeveloped land, offset by transfers to developed land inventories:

Undeveloped land		
Balance at 1 July	3,932	4,140
Less transfers to developed land	(295)	(208)
Balance at 30 June (at cost)	3,637	3,932

Inventories are recorded at the lower of cost and net realisable value (2011: \$54.53M; 2010: \$47.42M). An internal valuation of Developed Land at market value, Capital Works in Progress and Undeveloped Land as at 30 June 2011 showed inventories were held at lower of cost and net realisable value. The internal valuations have been determined taking into account advice from external valuers, and both internal and external property advisors.

See note 2 (m) 'Inventories and note 4 'Trading Profit'

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
13. Receivables		
Trade receivables	115	238
Provision for impairment of receivables	(9)	(9)
GST Receivable	126	210
	232	439
Other receivables	296	286
	528	725
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of year	(9)	(18)
Doubtful debts expense recognised in the Statement of Comprehensive Income	–	(4)
Amounts recovered during the year	–	13
Amounts written off during the year	–	–
	(9)	(9)

The Authority does not hold any collateral as security or other credit enhancements relating to receivables.

Refer to note 2(j) and note 27 'Financial Instruments'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
14. Property, furniture and equipment		
Land		
12 Lindsay Street at fair value (a)	2,300	1,130
	2,300	1,130
Buildings		
12 Lindsay Street at fair value (a)	2,187	2,494
Accumulated depreciation	(287)	(224)
	1,900	2,270
Office furniture and equipment		
At cost	227	227
Accumulated depreciation	(143)	(113)
	85	115
Computer equipment		
At cost	265	255
Accumulated depreciation	(199)	(165)
	66	90
Total Property, Furniture and Equipment	4,351	3,605

(a) The basis of valuation of land and buildings is fair value being the amounts for which the land and buildings could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar land and buildings in the same location and condition and subject to similar leases. The 2011 revaluations were based on independent assessments by Colliers International.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

14. 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	Buildings	Office Furniture and Equipment	Computer Equipment	Total
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
For the year ended 30-June-2011					
Carrying amount at the start of the year	1,130	2,270	115	90	3,605
Additions	–	–	–	10	10
Depreciation	–	(62)	(30)	(35)	(127)
Valuation Increments/(Decrements)	1,170	(308)	–	–	862
Carrying amount at the end of the year	2,300	1,900	85	66	4,351
	Land	Buildings	Office Furniture and Equipment	Computer Equipment	Total
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
For the year ended 30-June-2010					
Carrying amount at the start of the year	1,260	2,520	141	120	4,041
Additions	–	7	6	12	24
Depreciation	–	(68)	(31)	(41)	(141)
Valuation Increments /(Decrements)	(130)	(189)	–	–	(319)
Carrying amount at the end of the year	1,130	2,270	115	90	3,605

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
15. Investment properties		
At Fair value		
Opening balance at 1 July	25,030	19,720
Capitalised subsequent expenditure	2,532	4,222
Net gain (loss) from fair value adjustment (a)	(1,452)	1,088
Closing balance at 30 June	26,110	25,030
Amounts recognised in Statement of Comprehensive Income for investment properties		
Revaluation Increment/(Decrement) reflected in Statement of Comprehensive Income	(1,452)	1,088
Rental income	282	189
Direct operating expenses from property that generated rental income	422	143
(a) 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 2011 revaluations were based on independent assessments made by Colliers International.		
16. Intangible assets		
Software at cost	1,254	1235
Accumulated amortisation	(1,020)	(676)
	234	560
Reconciliation:		
Carrying amount at start of year	560	651
Additions	19	249
Amortisation expense	(345)	(340)
	234	560

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

17. Impairment of assets

There were no indications of impairment to property, furniture & equipment and intangible assets at 30 June 2011

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period.

At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2011 have either been classified as assets held for sale or written off.

	2011 \$' 000	2010 \$' 000
18. Payables		
Trade payables	2,241	2881
Accrued salaries	93	74
Accrued expenses	667	587
	3,001	3,543

See also note 2(o) 'Payables' and note 27 'Financial Instruments'.

19. Income in Advance

Corporate Service Fee	135	130
Rental Revenue	1	1
Sundry income	24	47
	159	178

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
20. Provisions		
Current		
Employee benefits provision:		
Annual leave (a)	405	358
Long service leave (b)	214	109
Superannuation	53	39
	672	506
Other provisions		
Employment on-costs (c)	40	28
	40	28
	712	534
Non-Current		
Employee benefits provision:		
Long service leave (b)	324	367
Superannuation	29	23
Defined benefit superannuation plans (d)	1,038	899
	1,391	1,290
Other provisions		
Employment on-costs (c)	21	23
	21	23
	1,412	1,313

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

20. Provisions (continued)

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period.

Assessments indicate that actual settlement of the liabilities will occur as follows:

	2011 \$' 000	2010 \$' 000
Within 12 months of reporting period	292	290
More than 12 months after reporting period	113	68
	405	358

(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 reporting period.

Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of reporting period	56	89
More than 12 months after reporting period	482	387
	538	476

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance.

The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included in note 10 'Other expenses'.

(d) Defined benefit superannuation plans

The amounts recognised in the Statement of Comprehensive Income are as follows:

	Defined Benefit Scheme	
	2011 \$' 000	2010 \$' 000
Current service cost	30	26
Interest cost (unwinding of the discount)	49	41
Net actuarial loss/(gain) recognised	60	73
Total included in 'Employee benefits expense' (see Note 7)	139	140

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

20. Provisions (continued)

	Defined Benefit Scheme	
	2011 \$' 000	2010 \$' 000
The amounts recognised in the Statement of Financial position are as follows:		
Present value of unfunded obligations	1,038	899
Liability in the balance sheet	1,038	899

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 Statement of Financial position is as follows:

Liability at start of year	899	759
Current service cost	30	26
Interest costs (unwinding of the discount)	49	41
Net actuarial losses/(gains) recognised	60	73
Liability at the end of year	1,038	899

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

	2011	2010
Discount rate	5.28%	5.48%
Future salary increases	4.50%	4.50%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

20. Provisions (continued)

	2011 \$' 000	2010 \$' 000	2009 \$' 000	2008 \$' 000	2007 \$' 000
Historic summary					
Defined Benefit scheme:					
Present value of unfunded obligation	1,038	899	759	532	451
Deficit	1,038	899	759	532	451
Pre-transfer benefit – Gold State Superannuation Scheme:					
Present value of unfunded obligation	–	–	–	–	–
Deficit	–	–	–	–	–
Experience adjustments arising on plan liabilities:					
Defined Benefit scheme	23	82	53	121	78
Pre-transfer benefit – Gold State Superannuation Scheme	–	–	–	–	(2)
Movement in other provisions					
				2011 \$'000	2010 \$'000
Employment on – cost provision					
Current					
Carrying amount at start of year				28	25
Additional provision recognised				12	3
Carrying amount at end of year				40	28
Non-current					
Carrying amount at start of year				23	14
Additional provision recognised				(2)	9
Carrying amount at end of year				21	23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
21. Other Liabilities		
Non-current		
Public art and Parking fund contribution (a)	478	784
	478	784

(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 the Authority for the delivery of public art within the project area.

	2011 \$' 000	2010 \$' 000
22. Equity		
Contributed equity	21,890	21,890

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 the Authority \$18.87m in land and buildings.

	2011 \$' 000	2010 \$' 000
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
22. Equity (continued)		
Asset Revaluation Reserve		
Balance at start of year	644	905
Net revaluation increments/(decrements):		
Prior year adjustment	–	58
Land and Buildings	862	(319)
Balance at end of year	1,506	644
Retained Earnings		
Balance at start of year	65,959	70,332
Prior year adjustment	–	(58)
Result for the period	(10,618)	(4,315)
Balance at end of year	55,341	65,959

23. Notes to the Statement of Cashflows

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cashflows is reconciled to the related items in the Statement of Financial Position as follows:

	2011 \$' 000	2010 \$' 000
Cash and cash equivalents	9,089	27,848
	9,089	27,848

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
23. Notes to the Statement of Cashflows (continued)		
Reconciliation of profit/(loss) after tax equivalent to net cash flows provided by/(used in) operating activities		
Profit/(Loss)	(10,618)	(4,315)
Non-cash items:		
Depreciation and amortisation	472	481
Revaluation (increment) /decrement	1,452	(1,088)
(Increase)/decrease in assets:		
Current receivables (a)	207	(110)
Other current assets	(94)	(3)
Inventory charged to Cost of Sales	–	3,672
Increase/(decrease) in liabilities:		
Payables	(475)	(1,020)
Income in advance	(19)	47
Current provisions	178	62
Other non-current liabilities	(110)	250
Non-current provisions	100	290
	–	
Net GST receipt/ (payments) (b)	2,002	1,396
Change in GST receivables/payables (c)	(1,918)	(1,471)
Net cash provided by/(used in) operating activities	(8,825)	(1,808)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received ie. Cash transactions.

(c) This reverses out the GST in receivables and payables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
24. 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	34,922	9,838
	34,922	9,838
Lease commitments		
Commitments 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	40	15
Later than 1 year and not later than 5 years	47	5
	87	20

25. 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. EPRA undertakes regular testing of the area and there is no evidence of any adverse impact of the site on the Swan River. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

26. Explanatory Statement

This statement provides details of any significant variations between estimates and actual results for 2011 and between the actual results for 2010 and 2011. Significant variations are considered to be those greater than 10% and \$500,000.

Significant variances between estimate and actual results for the financial year

	2011 Actual \$' 000	2011 Estimates \$' 000	Variance \$' 000
Income			
Sales Revenue	–	6,106	(6,106)
Expense			
Cost of Sales	–	5,979	5,979
Other Expenses	1,837	–	(1,837)

Income:

Sales revenue was lower than the estimate due to the Authority deferring the sale of lots into the 2011/12 financial year.

Expenses:

Cost of sales was lower than the estimate due to the Authority deferring the sale of lots into the 2011/12 financial year.

Other expenses increased as a result of the revaluation decrement on Investment properties.

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

	2011 \$' 000	2010 \$' 000	Variance \$' 000
Income			
Sales Revenue	–	5,454	(5,454)
Interest Revenue	839	1,380	(541)
Other Revenue	1,668	2,863	(1,195)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

26. Explanatory statement (continued)

	2011 \$' 000	2010 \$' 000	Variance \$' 000
Expense			
Cost of Sales	–	3,672	3,672
Environmental Remediation	17	572	555
Property and Estate Management	2,730	1,819	(911)
Supplies and Services	1,989	1,232	(757)
Other Expenses	1,837	390	(1,447)

Income:

Sales revenue decreased in 2010-2011 as no settlements occurred during the year.

Interest revenue declined as a result of lower cash reserves held by the Authority.

Other Revenue reduced as there was no revaluation increment on Investment properties in 2010 – 2011.

Expenses:

Cost of sales decreased in 2010-2011 as no settlements occurred during the year.

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

The property and estate management costs increased in the year 2010-2011 due to EPRA undertaking place activation and maintenance within the Perth Cultural Centre.

The spend on supplies and services increased in 2010-2011 due to higher spend on building maintenance works.

Other Expenses increased as a result of the revaluation decrement on Investment properties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

27. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Authority are cash and cash equivalents held at bank, 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 end of the reporting period 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 27(c) 'Financial Instruments Disclosures' and Note 13 '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 end of the reporting period, 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.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Authority's income or the value of its holdings of financial instruments. The Authority does not trade in foreign currency and is not materially exposed to other price risks. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(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 end of the reporting period are as follows:

	2011 \$' 000	2010 \$' 000
Financial Assets		
Cash and cash equivalents:bank account	1,063	2,700
Cash and cash equivalents:short term deposit /at call funds	8,026	25,148
Receivables (i)	402	515
Financial Liabilities		
Payables	3,001	3,543
Income in advance	159	178
Other Liabilities	478	784

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

(c) Financial Instrument Disclosures

Credit Risk and Interest Rate Risk Exposures

The following table details the Authority's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Authority's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired. The table is based on information provided to senior management of the Authority.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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

	Interest rate exposure					Past due but not impaired					
	Weighted Average Interest Rate	Carrying amount	Fixed Interest Rate \$' 000	Variable Interest Rate \$' 000	Non Interest Bearing \$' 000	up to 3 months \$' 000	3-12 months \$' 000	1-2 years \$' 000	2-5 years \$' 000	more than 5 years \$' 000	impaired financial assets \$' 000
Financial assets:											
2011											
Cash and cash equivalents: short term deposit/ at call funds	5.05%	8,026	8,026	–	–						
Cash and cash equivalents: bank account	1.40%	1,063	–	1,063	–						
Receivables (i)		402	–	–	402	90	13	5	7		
		9,490	8,026	1,063	402	90	13	5	7	–	–
2010											
Cash and cash equivalents: short term deposit/ at call funds	4.08%	25,148	25,148	–							
Cash and cash equivalents: bank account	1.34%	2,700	–	2,700							
Receivables		515	–	–	515	225		13			
		28,363	25,148	2,700	515	225	–	13	–	–	–

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(c) Financial Instrument Disclosures (continued)

Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The table includes interest and principal cashflows. An adjustment has been made where material.

Interest rate exposures and maturity analysis of financial liabilities (a)

	Weighted Average Interest Rate	Carrying Amount	Interest Rate Exposure				Adjust- ment For Discount- ing	Total Nominal Account	Maturity date				
			Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing				up to 3 months	3 – 12 months	1 – 2 years	2 – 5 years	more than 5 years
	Rate		\$' 000	\$' 000	\$' 000		\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Financial liabilities:													
2011													
Payables		3,001	–	–	3,001		–	3,001	3,001	–	–	–	–
Income in advance		159	–	–	159		–	159	159	–	–	–	–
Other Liabilities		478	–	–	478		–	478	478	–	–	–	–
		3,638	–	–	3,638		–	3,638	3,638	–	–	–	–
2010													
Payables		3,543	–	–	3,543		–	3,543	3,543	–	–	–	–
Income in advance		178	–	–	178		–	178	178	–	–	–	–
Other Liabilities		784	–	–	784		–	784	784	–	–	–	–
		4,505	–	–	4,505		–	4,505	4,505	–	–	–	–

(a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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 end of the reporting period on the surplus for the period and equity for a 100 basis point change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	-100 basis points			+100 basis points	
30-Jun-11	Carrying Amount \$' 000	Surplus \$' 000	Equity \$' 000	Surplus \$' 000	Equity \$' 000
Financial assets:					
Cash and cash equivalents: short term deposit/at call funds	8,026	(80)	(80)	80	80
Cash and cash equivalents: bank account	1,063	(11)	(11)	11	11
Receivables	402	–	–	–	–
Financial liabilities:					
Payables (i)	3,001	–	–	–	–
Income in advance	159	–	–	–	–
Other Liabilities	478	–	–	–	–
Total Increase/(Decrease)		(91)	(91)	91	91

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

30-Jun-10	Carrying Amount \$' 000	-100 basis points Surplus \$' 000	Equity \$' 000	+100 basis points Surplus \$' 000	Equity \$' 000
Financial assets:					
Cash and cash equivalents: short term deposit/at call funds	25,148	(251)	(251)	251	251
Cash and cash equivalents: bank account	2,700	(27)	(27)	27	27
Receivables	515	–	–	–	–
Financial liabilities:					
Payables (i)	3,543	–	–	–	–
Income in advance	178	–	–	–	–
Other Liabilities	784	–	–	–	–
Total Increase/(Decrease)		(278)	(278)	278	278

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

(d) Fair Values

All financial assets and liabilities recognised in the statement of financial position, 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 2011

28. 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:

	2011 \$' 000	2010 \$' 000
\$ 0 – \$ 10,000	2	–
\$ 10,001 – \$ 20,000	3	4
\$ 20,001 – \$ 30,000	1	1
\$ 30,001 – \$ 40,000	1	1
Total remuneration of the members of the accountable Authority is:	110	114

The total remuneration includes the superannuation expense incurred by the Authority in respect of members of the Accountable Authority.

No members of the accountable authority are members of the Pension Scheme.

Remuneration of Senior Officers

The number of senior officers, other than 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:

	2011 \$' 000	2010 \$' 000
\$ 30,001 – \$ 40,000	–	–
\$ 40,001 – \$ 50,000	–	–
\$ 50,001 – \$ 60,000	–	–
\$ 60,001 – \$ 70,000	–	–
\$ 70,001 – \$ 80,000	–	–
\$ 80,001 – \$ 90,000	–	–
\$ 90,001 – \$ 100,000	–	–
\$ 100,001 – \$ 110,000	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
28. Remuneration of members of the Accountable Authority and senior officers (continued)		
\$ 110,001 – \$ 120,000	–	–
\$ 120,001 – \$ 130,000	1	–
\$ 130,001 – \$ 140,000	–	2
\$ 140,001 – \$ 150,000	1	1
\$ 150,001 – \$ 160,000	2	–
\$ 160,001 – \$ 170,000	–	–
\$ 170,001 – \$ 180,000	–	–
\$ 180,001 – \$ 190,000	–	–
\$ 190,001 – \$ 200,000	–	–
\$ 200,001 – \$ 210,000	1	–
\$ 210,001 – \$ 220,000	–	–
\$ 220,001 – \$ 230,000	–	–
\$ 230,001 – \$ 240,000	–	–
\$ 240,001 – \$ 250,000	–	–
\$ 250,001 – \$ 260,000	–	1
\$ 260,001 – \$ 270,000	–	–
\$ 270,001 – \$ 280,000	–	–
\$ 280,001 – \$ 290,000	–	–
\$ 290,001 – \$ 300,000	1	–
The total remuneration of senior officers is:	1,082	670

The total remuneration includes the superannuation expense incurred by the Authority in respect of senior officers other than senior officers reported as members of the Accountable Authority.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$' 000	2010 \$' 000
29. Remuneration of Auditors		
Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	30	28
	30	28
30. 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.		
31. Supplementary financial Information		
Write offs		
Bad debts written off during the financial year	–	–
32. Resources received free of charge		
During the year the following resources were provided to the agency free of charge for functions outside the normal operations of the Authority:		
Digital data (Landgate)	178	–
Maps & Aerial Photography (Landgate)	2	–
	180	–

OPINION OF THE AUDITOR GENERAL



AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

EAST PERTH REDEVELOPMENT AUTHORITY

Report on the Financial Statements

I have audited the accounts and financial statements of the East Perth Redevelopment Authority.

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements

and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the East Perth Redevelopment Authority at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

OPINION OF THE AUDITOR GENERAL

East Perth Redevelopment Authority

Report on Controls

I have audited the controls exercised by the East Perth Redevelopment Authority. The Board is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Board based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the controls exercised by the East Perth Redevelopment Authority are sufficiently adequate to 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.

Report on the Key Performance Indicators

I have audited the key performance indicators of the East Perth Redevelopment Authority. The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the key performance indicators of the East Perth Redevelopment Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2011.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and the Australian Auditing Standards, and other relevant ethical requirements.



COLIN MURPHY
AUDITOR GENERAL
26 August 2011

