MIDLAND
REDEVELOPMENT
AUTHORITY

Proud history. Exciting future.

FINAL REPORT

1 JULY TO 30 DECEMBER 2011

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Chief Executive Officer's Foreword

The Midland Redevelopment Authority was established on 1 January 2000 under the *Midland Redevelopment Act 1999* and was inaugurated by founding Chairman Ian Laurance and the Acting Chief Executive Officer Mr Jack Busch. In May 2000 I was appointed as the Acting Chief Executive Officer and in October of that year was appointed as Chief Executive Officer. In mid-2004 Dr Fred Affleck became Chairman and held that position until the close of operations on 30 December 2011. These stable and effective leadership arrangements for the Midland Redevelopment Authority have been a strong contributor to the overall success of the Midland revitalisation project.

The mission of the Midland Redevelopment Authority has been to be a catalyst for revitalising Midland by creating an excellent urban environment in the Midland Redevelopment Area. The Midland Redevelopment Authority adopted the following guiding objectives:

- Attract people to Midland to live, work, learn and enjoy.
- Integrate development to maximise benefits for the city and the community.
- Enhance environmental, social, heritage and cultural values in Midland and around the redevelopment area.
- Invest responsibly for sustainable economic outcomes.

On 30 December 2011 the Midland Redevelopment Authority completed its 12th year of operation. During its life the Midland Redevelopment Authority had many major achievements worthy of celebrating:

- creating the *Midland Metro* project of Juniper Gardens, which was awarded the 2011 Urban Development Institute of Australia's WA (UDIA) award for urban renewal, and establishing The Crescent estate;
- winning the 'Great Places' Award for Juniper Gardens from the Planning Institute of Australia (WA) in 2011;
- creating the UDIA award-winning Woodbridge Lakes estate in 2008;
- conserving the State heritage-listed former Midland Railway Workshops site and creating a unique urban renewal project with the Midland Atelier - a creativity and innovation hub - at its heart;
- conducting extensive soil remediation of the former Midland Railway Workshops site as part of *The Workshops* project;
- assisting in the establishment of the WA Police Service Operations Support Facility;
- developing a premium large format retail precinct; and
- attracting the Midland Health Campus and GP Super Clinic as the foundation for a larger health precinct.

Executive Summary

Final Report 1 July to 30 December 2011

From 31 December 2011 the Metropolitan Redevelopment Authority assumed responsibility for the Midland revitalisation project. Urban renewal will continue under its leadership with significant projects such as the new Midland Health Campus, the redevelopment of the former Midland Livestock Saleyards and the completion of *The Workshops* subdivision maintaining the momentum of Midland's renaissance.

I would like to acknowledge the dedication and work of all of the Midland Redevelopment Authority Board members, staff and key expert consultants who contributed so generously to the success of the Midland Redevelopment Authority in revitalising Midland over the last 12 years.

Kieran Gerard Kinsella
REPORTING OFFICER

Executive Summary

Final Report 1 July to 30 December 2011

Introduction

On 22 June 2011, the Minister for Planning Hon John Day MLA introduced the Metropolitan Redevelopment Authority Bill 2011 into State Parliament to create a new Metropolitan Redevelopment Authority. Sections 1 and 2 of the *Metropolitan Redevelopment Authority Act 2011* (Act) came into operation upon Royal Assent on 12 October 2011, followed by Sections 3, 29, 30, 36 and 132 on 7 November 2011, with the rest of the Act becoming fully operational on 31 December 2011. The Act resulted in the abolition of the Midland Redevelopment Authority. The Midland Redevelopment Authority's operations, together with those of the abolished East Perth, Subiaco and Armadale Redevelopment Authorities were assumed by the Metropolitan Redevelopment Authority.

Section 68(3)(b) of the *Financial Management Act 2006* requires that if an agency is abolished prior to the end of the financial year for the agency, the agency's reporting officer is to *"prepare and submit to the Minister a report in respect of the agency for the period starting from the end of the last financial year of the agency to have ended before the abolition and ending with the abolition."*. In the case of the Midland Redevelopment Authority the reporting period for its final report is 1 July 2011 to 30 December 2011. The final report must include a full set of financial statements for the period, full year comparatives, and a limited report on operations.

Report on Operations

Final Report 1 July to 30 December 2011

Authority Establishing Agency

The Midland Redevelopment Authority was established under the *Midland Redevelopment Act 1999* and commenced operations on 1 January 2000.

Ministerial Responsibility

John Day BSc BDSc MLA, Minister for Planning; Culture and the Arts; Science and Innovation.

Legislation Administered

In the performance of its functions, the Midland Redevelopment Authority complied with the *Midland Redevelopment Act 1999* and the following relevant legislation:

Corporate Legislation

- *Auditor General Act 2006*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Superannuation Act 2000*
- *State Supply Commission Act 1991*
- *Statutory Corporations (Liability of Directors) Act 1996*
- *Workers Compensation and Injury Management Act 1981*

Land Development Legislation

- *Aboriginal Heritage Act 1972*
- *Contaminated Sites Act 2006*
- *Environmental Protection Act 1986*
- *Heritage of Western Australia Act 1990*
- *Land Administration Act 1997*
- *Main Roads Act 1930*
- *Planning and Development Act 2005*
- *Swan and Canning Rivers Management Act 2006*
- *Transfer of Land Act 1893*

In its financial administration the Midland Redevelopment Authority complied with the requirements of the *Financial Management Act 2006* and all other relevant legislation, and exercised controls which provide reasonable assurance that the receipt and expenditure of money and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

Report on Operations

Final Report 1 July to 30 December 2011

Board

The Midland Redevelopment Authority Board consisted of five members appointed by the Minister for Planning, two of whom were nominated by the City of Swan. This close connection with the City of Swan reflected a genuine partnership between the Midland Redevelopment Authority and the City.

The members represented a broad spectrum of knowledge and experience in fields appropriate to the activities of the Midland Redevelopment Authority. A profile of each Board member is provided below:

Dr Fred Affleck, Chairman

Dr Affleck is a transport expert who has been the Chairman of the Midland Redevelopment Authority since 2004. He has experience in academia and industry, having consulted in New South Wales, Victoria, South Australia and Western Australia.

He is also Deputy Chair of the Fremantle Port Authority, Chair of the Freight and Logistics Council of Western Australia and Chair of the Planning and Transport Research Centre. He is a Fellow of the Australian Institute of Company Directors and the Chartered Institute of Logistics and Transport.

Dr Affleck served on the National Transport Commission from 2006 to 2008 and is an Adjunct Professor at Curtin, Murdoch and Edith Cowan Universities.

Mr Phil DiMasi, Deputy Chairman

Mr DiMasi is the founder and Managing Director of Ventura Homes and a registered builder. He was born in Midland and completed his secondary education there before becoming involved in the building industry.

He has been a member of the executive council of the Housing Industry Association and is a member of the Master Builders Association and the Australian Institute of Management.

Dr Ann ten Seldam

Dr ten Seldam has lived in Guildford since 1976 and has worked in the Midland and Hills areas for many years. She is well known in the local community as a medical practitioner and as a Board member of the Swan City Youth Service.

Dr ten Seldam has worked with the Royal Flying Doctor Rural Female GP Service and the Street Doctor Service.

Cr Jon Holmes (to 15 October 2011*)

Cr Holmes lives in Viveash and was first elected to the Swan City Council's Midland Ward in 2003.

Cr Holmes chairs the City of Swan's Bush Fire Advisory Committee and its Local Emergency Management Committee, and represents the Council on the Eastern District Emergency Management Committee. He is also a member of the Council's audit committee, the Local Government Reference Group of the Swan Catchment Council for Natural Resource Management and a member of the Board of Jobs Australia.

Cr Holmes served the Midland Redevelopment Authority Board to 15 October 2011.

Cr Mel Congerton JP

Cr Congerton chaired the Midland Redevelopment Authority's Audit and Risk Management Committee. He was first elected to the City of Swan Council in 1999 and served as Deputy Mayor from 2005 to October 2009. Cr Congerton is also currently the Chairman of the Local Government Advisory Board, the Eastern Region Business and Enterprise Arts Centre and the City of Swan Audit Committee. He also serves on the boards of several community groups based in the City of Swan.

Cr Congerton is the proprietor of Perfect Climate Control and MPC Consulting.

*Following the October 2011 election of Councillors, the City of Swan chose to leave one nominated position vacant given the impending wind up of the Midland Redevelopment Authority.

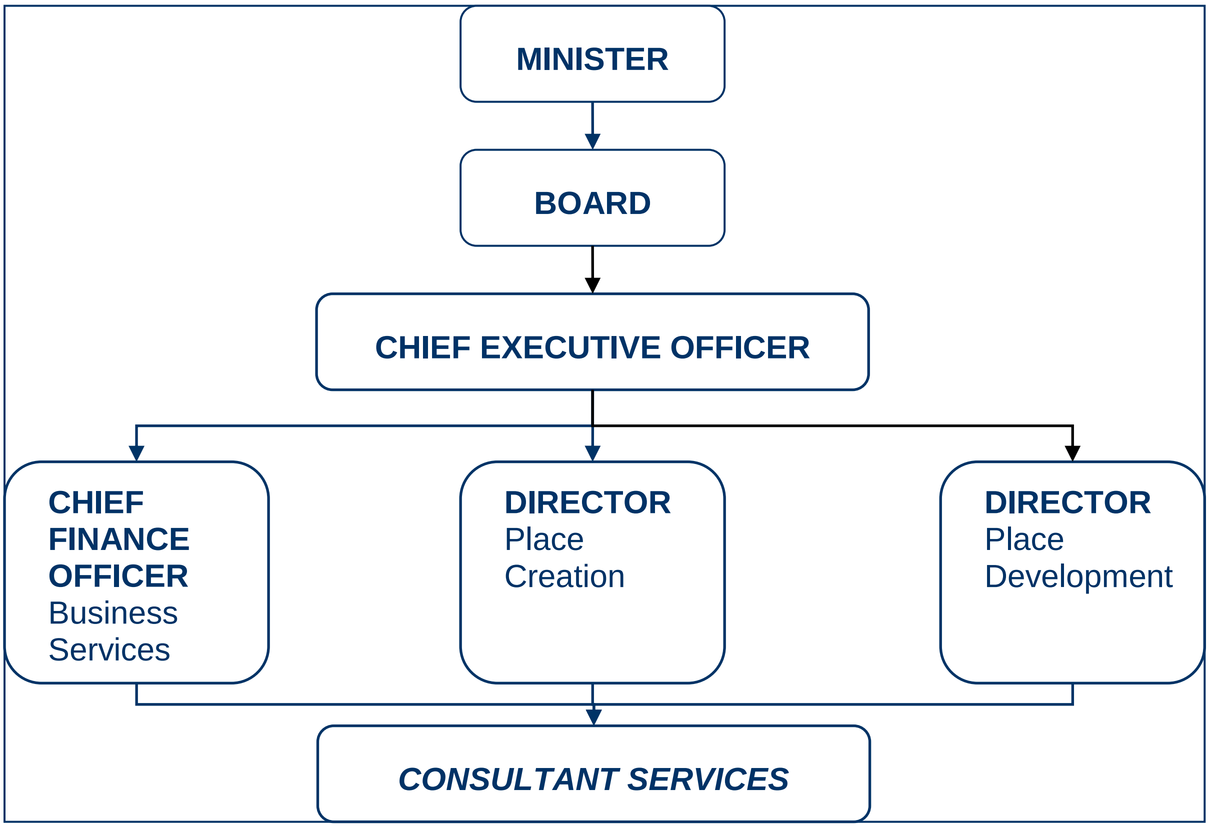
Organisational Structure

The Chief Executive Officer administered the day-to-day operations of the Midland Redevelopment Authority and had prescribed delegated authority for particular management decisions. With the exception of the Chief Executive Officer, the Midland Redevelopment Authority employed no staff directly; staff were seconded from the Department of Planning and consultants also provided support. At 30 December 2011, six staff members were on secondment to the Midland Redevelopment Authority.

The Midland Redevelopment Authority was structured to reflect its functional programs. The operating sections were:

- Place Creation
- Place Development
- Business Services

Organisational Chart as at 30 December 2011



Report on Operations

Final Report 1 July to 30 December 2011

Staff Profile

	30 June 2011	30 December 2011
Full-time permanent	7	6
Full-time contract	1	0
Part-time measured on a FTE basis	1	0
On secondment*	0	0
	9	6

Midland Redevelopment Authority staff 1 July to 30 December 2011:

Chief Executive Officer	Kieran Kinsella
Business Support Officer	Nicole Carey
Administrative Assistant	Gail Hayes
Director Planning	Annelise Safstrom
Manager Planning Projects	Colin Connor
Senior Planning Consultant	Julie Mackay (to 22 December 2011)
Planning Officer	Jocelyn Baister
Director Place Development	Sandor Windnagel (to 24 November 2011)
Property Management Officer	Martin Clark

Key consultants as at 30 December 2011:

<u>Place Creation / Development</u>

Heritage	Helen Munt Palassis Architects John Taylor Architect Griffiths Architects Philip McAllister Architect Pty Ltd Hocking Heritage Studio TPG Town Planning and Urban Design
Environment	Aurora Environmental
Engineering	Wood & Grieve Engineers
Landscaping	Composite
Surveyors	McMullen Nolan Surveyors
Planning and Urban Design	TPG Town Planning and Urban Design

Business Services

Audit Services	Internal Audit – Stanton Partners External Audit – Office of Auditor General (BDO Kendalls)
Valuation Services	Landgate Valuation Services DTZ (WA) Pty Ltd Christie Whyte Moore
Property Sales and Consulting	Time Conti and DTZ (WA) Pty Ltd

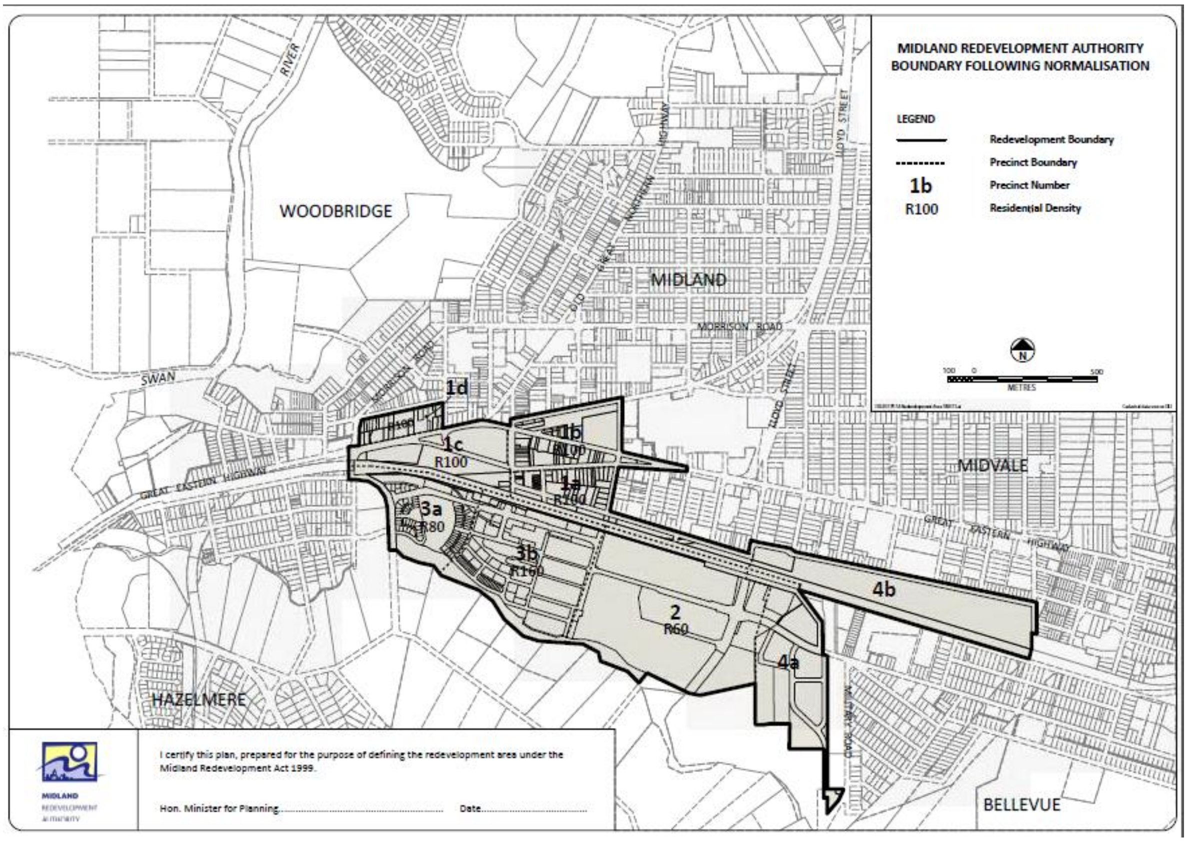
Report on Performance

Final Report 1 July to 30 December 2011

Key Achievements and Activities

Performance Highlights July to December 2011

- Lodging the third and final Mandatory Auditor's Report with the Department of Environment and Conservation - a critical milestone in remediating *The Workshops* in preparation for re-sale and re-use.
- Attracting the Midland Health Campus (MHC) and GP Super Clinic as the foundation for a larger health precinct.
- Undertaking planning for the Midland Station Precinct with the Public Transport Authority for a new station and bus interchange on Cale Street adjacent to the MHC site.
- Winning the 'Great Places' award for Juniper Gardens from the Planning Institute of Australia (WA).
- Winning an Award for Excellence in Urban Renewal for *Midland Metro* from the Urban Development Institute of Australia (WA).
- Finalising the Woodbridge Precinct and handing planning control of the area back to the City of Swan as part of the Midland Redevelopment Authority's normalisation process.



Place Creation

Place Creation translated the vision for the redevelopment area into the detailed planning program which prepared and delivered land for development. It shaped the physical outcomes of the Midland redevelopment project and provided integrated, sustainable development solutions for each distinct parcel of land. Place Creation covered two business areas, Planning and Statutory Planning.

Planning:

Key Planning achievements to 30 December 2011 include:

- attracting the Midland Health Campus (MHC) and GP Super Clinic as the foundation for a larger health precinct;
- finalising the amendment of the Redevelopment Area with the removal of the northern land parcel known as the Woodbridge Precinct from Midland Redevelopment Authority's planning control as part of the normalisation process. The area reverted to City of Swan planning control and the Metropolitan Region Scheme was reinstated;
- planning the Midland Station Precinct with the Public Transport Authority for a new station and bus interchange on Cale Street adjacent to the MHC site;
- winning the 'Great Places' Award for Juniper Gardens from the Planning Institute of Australia (WA);
- winning an Award for Excellence in Urban Renewal for *Midland Metro* from the Urban Development Institute of Australia (WA); and
- finalising conservation plans for key heritage buildings; identifying significant machinery and equipment from the former workshops for retention; and developing a Workshops Interpretation Concepts Plan.

Statutory Planning:

An integral role of Place Creation was to fulfil the Midland Redevelopment Authority's statutory planning responsibilities. To 30 December 2011 this was achieved by:

- managing the Midland Redevelopment Authority's development control functions to ensure timely and accurate assessment and processing of development applications;
- monitoring and controlling the development and delivery of subdivision plans to facilitate the Midland Redevelopment Authority's land release program, particularly towards the release of titles for components of *The Workshops*; and
- reviewing planning policies and seeking amendments as required.

Report on Performance

Final Report 1 July to 30 December 2011

Place Development

This directorate had a broad range of responsibilities in the four business areas of: Place Development; Place Management; Communication and Public Relations; and Economic and Business Development.

Place Development:

Place Development implemented the detailed plans for the land being redeveloped and prepared land for market. This included demolition, environmental remediation, installation of infrastructure, subdivision works and development control required to prepare and develop the land for sale.

Key Place Development achievements to 30 December 2011 include:

- completing the third and final remediation validation report for the Helena Precinct;
- progressing the lodgement and endorsement of the Midland Redevelopment Authority's third Mandatory Audit Report with the Department of Environment and Conservation - a critical component of the environmental clearance required to release land to market;
- continuing to contract building works to Pindan to enable the strata titling of Block 1 (Lot 746) to facilitate the co-construction of the Midland GP Super Clinic;
- preparing an Economic and Expenditure Reform Committee submission relating to the redevelopment of Western Australian Meat Industry Authority land;
- seeking consultants in the areas of: planning; landscape architecture; civil engineering, environment; heritage and conservation; and traffic engineering;
- preparing and costing preliminary estimates of the impact of the initial and ultimate development of the Midland Health Campus at Lot 515 Yelverton Drive on the local area road network; and
- preparing scope and cost estimates for the balance of subdivision works to complete Sectors 10C 10D and 10E the Midland Workshops site.

Place Management:

Place Management involved managing the Midland Redevelopment Authority's assets and developing initiatives to activate the buildings and public spaces to make the city a vibrant, interesting and welcoming place.

Key Place Management achievements to 30 December 2011 include:

- preserving the Midland Redevelopment Authority's assets through proactive maintenance programs, including the preparing and implementing an asset maintenance program;
- managing the Midland Redevelopment Authority's properties to ensure they remain ready and available for active re-use including temporarily leasing space to a range of local organisations and government agencies; and
- managing security and access to *The Workshops.*

Report on Performance

Final Report 1 July to 30 December 2011

Communications and Public Relations:

This component of Place Development focused on developing and implementing communication strategies to position the Midland Redevelopment Authority as an innovative and successful government land developer, leading the urban renewal program responsible for transforming Midland and strengthening the economy of the broader Swan region.

Key Communications and Public Relations achievements to 30 December 2011 include:

- increasing public and media exposure of the Midland Redevelopment Authority's work by liaising with the media, stakeholders and interested parties, as well as issuing regular media releases and newsletters;
- producing corporate documents on time and in line with corporate and external requirements;
- preparing briefings and project-related stakeholder liaison material; and
- attending meetings of the Eastern Metropolitan Regional Council Midland Working Group.

Economic and Business Development:

The goal of Economic and Business Development was to attract new economic and enterprise initiatives, enhance cultural diversity and to make Midland a vibrant, interesting and welcoming place. Work in this business area was predominantly undertaken in partnership with the City of Swan and other stakeholders with an interest in growing the local economy and building community wellbeing.

Key Economic and Business Development achievements to 30 December 2011 include:

- ensuring Midland is job and opportunity ready for the arrival of major institutions - including the Midland Health Campus and a potential university or college – in conjunction with the Eastern Metropolitan Regional Council, City of Swan and Swan Chamber of Commerce; and
- continuing the development of a creative industries precinct at *The Workshops* via a partnership with FORM to operate and grow the *Midland Atelier, a* creativity and innovation enclave.

Business Services

Business Services comprised three key functions: Corporate Support; Commercial Operations; and Financial Operations. Business Services provided commercial, administrative and financial support that meets the needs of the Midland Redevelopment Authority's internal and external customers.

Report on Performance

Final Report 1 July to 30 December 2011

The Business Services directorate's focus was to manage the commercial and corporate operations of the Midland Redevelopment Authority including procurement, land acquisition, sales of developed land and commercial leasing. The Midland Redevelopment Authority's corporate functions included accounting, human resources and corporate and statutory administration. The focus was to ensure that commercial opportunities were recognised and the benefit to the Midland Redevelopment Authority maximised.

Corporate Support:

Key Corporate Support achievements to 30 December 2011 include:

- providing quality advice and meeting key external reporting information and timeframe requirements of agencies such as Department of Treasury, Department of Finance and Office of the Auditor General;
- providing project assistance for the transition of Midland Redevelopment Authority's Records Management System to that of the new amalgamated authority from 1 January 2012; and
- preparing and providing information necessary to allow an adequate assessment of the Midland Redevelopment Authority's performance during the year, including the Annual Report.

Commercial Operations:

Key Commercial Operations achievements to 30 December 2011 include:

- accepting an offer for the sale of the Chief Mechanical Engineers Building, Lot 802 Yelverton Drive; and
- preparing marketing material and taking Lots 802-804 and Lots 900-911 to market.

Financial Operations:

Key Financial Operations achievements to 30 December 2011include:

- managing net debt levels to minimise borrowing costs; and
- meeting all statutory financial reporting requirements throughout the year.

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

MIDLAND REDEVELOPMENT AUTHORITY

Report on the Financial Statements
I have audited the accounts and financial statements of the Midland Redevelopment Authority.

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

Reporting Officer's Responsibility for the Financial Statements
The Midland Redevelopment Authority ceased to exist on 30 December 2011. The Treasurer appointed a Reporting Officer under section 68 of the Financial Management Act 2006 who was responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions 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 Reporting Officer'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 Reporting Officer, 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 Midland Redevelopment Authority at 30 December 2011 and its financial performance and cash flows for the six months then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

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Midland Redevelopment Authority

Report on Controls
I have audited the controls exercised by the Midland Redevelopment Authority. The Board was 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 Midland 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.

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
22 March 2012

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Certification of the Financial Statements

Final Report 1 July to 30 December 2011

The accompanying financial statements of the Midland 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 six months ended 30 December 2011 and the financial position as at 30 December 2011.

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

Kieran Kinsella
REPORTING OFFICER

21 March 2012

Midland Redevelopment Authority

Financial Statements

For the six months ended 30 December 2011

Statement of Comprehensive Income

Final Report 1 July to 30 December 2011

MIDLAND REDEVELOPMENT AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 December 2011

	Note	30 December 2011 $	30 June 2011 $
INCOME			
Land sales	6	286,364	1,846,665
Profit on Land Disposed		-	953,437
Lease revenue		130,895	309,290
Interest revenue	7	48,704	56,390
Other revenue	8	40,873	116,453
Total Income		**506,836**	**3,282,235**
EXPENSES			
Cost of sales	6	300,000	1,006,029
Other selling costs	6	163,149	264,769
Employee benefits expense	9	370,716	1,167,827
Supplies and services	10	574,712	1,309,018
Depreciation and amortisation expense	11	38,319	82,427
Finance costs	12	326,722	643,279
Members allowances		38,423	82,140
Property maintenance	13	421,222	841,460
(Write up)/write down inventory to net realisable value	14	4,259,181	4,147,945
Total Expenses		**6,492,444**	**9,544,894**
PROFIT/(LOSS) FOR THE PERIOD		**(5,985,608)**	**(6,262,659)**
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	25	12,750	779,250
Total other comprehensive income		**12,750**	779,250
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(5,972,858)**	**(5,483,409)**

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

Statement of Financial Position

Final Report 1 July to 30 December 2011

MIDLAND REDEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at 30 December 2011

	Note	30 December 2011 $	30 June 2011 $	1 July 2010 Restated (a) $
ASSETS				
Current Assets				
Cash and cash equivalents	26	1,601,983	478,598	264,500
Receivables	16	80,194	261,816	458,419
Inventories	17	2,001,751	1,554,263	26,637,592
Other current assets	18	126,884	10,762	13,968
Total Current Assets		3,810,812	2,305,439	27,374,479
Non-Current Assets				
Restricted cash and cash equivalents	15	580,648	566,870	365,582
Receivables - Non current	16	949,673	949,673	-
Inventories	17	54,509,249	39,766,737	11,493,830
Property, plant and equipment	19	2,266,917	2,283,580	1,551,821
Intangible assets	20	7,238	16,144	43,542
Total Non-Current Assets		58,313,725	43,583,004	13,454,775
TOTAL ASSETS		62,124,537	45,888,443	40,829,254
LIABILITIES				
Current Liabilities				
Payables	22	1,951,020	3,104,506	2,124,324
Provisions	23	55,366	221,809	3,560,301
Borrowings	24	-	-	4,477,505
Total Current Liabilities		2,006,386	3,326,315	10,162,130
Non-Current Liabilities				
Provisions	23	31,331,163	14,765,662	14,964,627
Borrowings	24	70,995,451	64,032,071	46,454,693
Total Non-Current Liabilities		102,326,614	78,797,733	61,419,320
TOTAL LIABILITIES		104,333,000	82,124,048	71,581,450
NET ASSETS		**(42,208,463)**	**(36,235,605)**	**(30,752,196)**
EQUITY	25			
Contributed equity		14,150,000	14,150,000	14,150,000
Reserves		1,417,015	1,404,265	625,015
Retained earnings		(57,775,478)	(51,789,870)	(45,527,211)
TOTAL EQUITY		**(42,208,463)**	**(36,235,605)**	**(30,752,196)**

The Statement of Financial Position should be read in conjunction with the accompanying notes.
(a) See statement of Changes in Equity and Note 5 - Disclosure of Changes in Accounting Policy, Estimates and Prior Period Errors

Statement of Changes in Equity

Final Report 1 July to 30 December 2011

MIDLAND REDEVELOPMENT AUTHORITY
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 December 2011

	Note	Contributed equity	Reserves	Retained Earnings	Total equity
Balance as at 1 July 2010		14,150,000	625,015	(30,427,211)	(15,652,196)
Prior Period Error (a)		-	-	(15,100,000)	(15,100,000)
Restated Balance at 1 July 2010	25	14,150,000	625,015	(45,527,211)	(30,752,196)
Total comprehensive income for the year		-	779,250	(6,262,659)	(5,483,409)
Prior Period		-	-	-	-
Transactions with owners in their capacity as owners		-	-	-	-
Capital contributions		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Balance at 30 June 2011		**14,150,000**	**1,404,265**	**(51,789,870)**	**(36,235,605)**
Balance at 1 July 2011		14,150,000	1,404,265	(51,789,870)	(36,235,605)
Total comprehensive income for the 6 months			12,750	(5,985,608)	(5,972,858)
Transactions with owners in their capacity as owners					
Capital contributions		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Balance at 30 December 2011		**14,150,000**	**1,417,015**	**(57,775,478)**	**(42,208,463)**

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

(a) Prior Period Error correction disclosed in Note 5. An error was made in a reporting period prior to the comparitive period, therefore the opening comparitive balance sheet has been restated as at 1st July 2010 as follows:
- Inventory and retained earnings were decreased by $15.1m due to overstatement of inventories against Net Realisable Value in a prior period.

Statement of Cash Flows

Final Report 1 July to 30 December 2011

MIDLAND REDEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
For the period ended 30 December 2011

	Note	30 December 2011 $	30 June 2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Proceeds from sale of land		286,364	1,846,665
Receipts from customers		147,077	694,570
Interest received		48,704	102,844
GST receipts on sales		43,613	256,890
GST receipts from taxation authority		249,158	921,327
Payments			
Employee benefits		(548,739)	(1,174,064)
Supplies and services		(813,379)	(1,206,565)
Payments for land development costs		(4,184,203)	(10,875,411)
Payments for land purchases		-	(535,000)
Finance costs		(354,303)	(584,902)
GST payments on purchases		(227,681)	(1,102,456)
GST payments to taxation authority		(13,182)	(14,402)
Other payments		(459,645)	(1,006,444)
Net cash provided by/(used in) operating activities	26	(5,826,217)	(12,676,949)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of investments		-	-
Payments			
Purchase of non-current physical assets		-	(7,538)
Purchase of investments		-	-
Net cash provided by / (used in) investing activities		-	(7,538)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings		6,963,380	13,099,873
Payments			
Repayments of borrowings		-	-
Net cash provided by/(used in) financing activities		6,963,380	13,099,873
Net increase/(decrease) in cash & cash equivalents		1,137,163	415,386
Cash and cash equivalents at the beginning of the period		1,045,468	630,082
Cash and cash equivalents at the end of the period	26	**2,182,631**	**1,045,468**

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

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

1 Australian Accounting Standards

General

The Authority's financial statements for the 6 months ended 30 December 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 Standard 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 6 month reporting period ended 30 December 2011.

2 Summary of significant accounting policies

(a) General Statement

The financial statements constitute general purpose financial reports that have been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the 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 statements are presented in Australian dollars and all values are rounded to the nearest dollar ($).

Judgements made by management in applying accounting policies that have been made in the process of applying the Authority's accounting policies resulting in the most significant effect on amounts recognised in the financial statements are disclosed in Note 3 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in Note 4 'Key sources of estimation uncertainty'.

The financial statements have been prepared on a going concern basis.

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

(c) Reporting Entity

The reporting entity comprises the Midland Redevelopment Authority.

The Midland Redevelopment Authority, East Perth Redevelopment Authority, Subiaco Redevelopment Authority and Armadale Redevelopment Authority have amalgamated to form the new Metropolitan Redevelopment Authority. The financial operation of the MRA commenced on the 31st December 2011.

(d) Contributed equity

AASB Interpretation 1038 *Contribution 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, as these are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(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 goods
Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably. In relation to the sale of land, revenue is recognised upon settlement or where equitable interest has passed.

Lease income
Lease income from tenancy agreements is recognised when it becomes due and payable to the Authority.

Rendering of services
Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Grants and other contributions
Revenue is recognised at fair value when the Authority obtains control over the assets comprising the contributions, usually when cash is received.

Interest
Revenue is recognised as the interest accrues.

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) Borrowing Costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Authority's outstanding borrowings during the year, in this case 5.10% (2011: 5.35%).

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

(g) 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 immediately expensed direct 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 revaluation model is used for the measurement of land and buildings and the cost model 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-based 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.

In the absence of market-based evidence, 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.

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 judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Derecognition
Upon disposal or derecognition of an item of property, plant and equipment, 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 19 '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 on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	40 years
Plant, equipment and improvements	5 - 10 years
Furniture and equipment	10 years
Computer equipment	4 years

Land is not depreciated

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

(h) 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 the Statement of Comprehensive Income.

All acquired intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition. The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

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

The expected useful lives for each class of intangible asset are:

Software[(a)]	4 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.

(i) Impairment of Assets

Property, plant and equipment and intangible assets 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.

(j) Leases

The Authority holds operating leases for motor vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(The Authority recognises assets held under a finance lease in its statement of financial position as a receivable at an amount equal to the net investment in the lease, and subsequently recognise finance income based on a pattern reflecting a constant periodic rate of return on that net investment).

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

(k) Financial Instruments

In addition to cash, the Authority has two categories of financial instrument:
- Loans and receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial Assets	Financial Liabilities
- Cash and cash equivalents	- Payables
- Receivables	- WATC Borrowings
- Restricted cash and cash equivalents	
- Leased asset receivable	

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

(l) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flow, cash and cash equivalents includes restricted cash, cash on hand and cash at bank.

(m) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at 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.

(n) Inventories

Inventories comprising land held for resale are measured at the lower of cost and net realisable value. Other costs incurred in bringing inventories to a saleable condition are recorded at cost. This includes costs associated with the design, development and other costs directly attributable to the land development including where applicable, remediation cost for contamination. These costs will be recovered from the sale of the developed land. Development expenses capitalised include all costs directly attributable to the development project.

(o) Receivables

Receivables are recognised and carried 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 its debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(p) 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. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

(q) Borrowings

All loans payable are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

(r) 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.

(i) 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 and Long Service 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 liabilities are 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.

A liability for long service leave is recognised after an employee has completed two years of service. An actuarial assessment of long service leave undertaken by PriceWaterhouseCoopers as at 30 June 2011 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments. This calculation is consistent with the Authority's experience of employee retention and leave taken.

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. Conditional long service leave provisions are classified as non-current liabilities because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Sick Leave
Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the income statement for this leave as it is taken.

Purchased Leave
The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional ten weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

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

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995. Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS 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.

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

(r) (i) Provisions - Employee Benefits (continued)

The Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS are defined benefit schemes. These benefits are wholly unfunded and the liabilities for future payments are provided at the end of the reporting period. The liabilities under these schemes have been calculated separately for each scheme annually by Mercer Human Resource Consulting 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.

The GSS Scheme, the WSS Scheme, and the GESBS 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 Gold State Superannuation 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.

(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-cost provision'.

Deferred Works

A provision for deferred works is recognised when a contract of sale provides for specific capital works to be undertaken on the land subsequent to the sale of the land.

Contaminated Sites

Under the *Contaminated Sites Act 2003*, the Authority is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated - remediation required or possibly contaminated - investigation required, the Authority may have a liability in respect of investigation or remediation expenses.

During previous years, the Authority has reported four suspected contaminated sites and the EPA have issued Ministerial Statements confirming that these sites also require remediation.

An estimation of the cost to remediate these sites has been prepared along with approximate timings of the outflows. This estimation has been used to calculate a Provision for Contaminated Sites and the timings used to determine the costs expected to be incurred during the next 12 months. The provision has, for the most part, resulted in an increase in the Authority's inventory balance. A small portion has been recognised as a Contaminated Sites expense due to the land involved no longer being held by the Authority.

Parking Contributions

A provision for parking contributions is recognised when a developer becomes obligated to pay a parking contribution to the Authority as a result of not fulfilling minimum parking requirements in their particular development plans as stipulated by the *Midland Redevelopment Scheme 2000*. These contributions are held by the Authority to be applied for the provision of public parking, cycling, pedestrian facilities or public transport within the redevelopment area.

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

(s) Superannuation Expense

The superannuation expense of the defined benefit plans is made up of the following elements:
- Current service cost;
- Interest cost (unwinding of the discount);
- Actuarial gains and losses; and
- Past service cost.

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

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

(t) Comparative Figures

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

3 Judgements made by management in applying accounting policies

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

Inventories
Estimated recovery of inventory is based on market information as at 30 December 2011. Events and circumstances could change in the future resulting in the recoverable amount being less than the cost.

Provision for Contaminated Sites
In determining the Authority's liability for remediating contaminated sites, assumptions regarding the level of remediation work are made. Assumptions include soil volume based on methodical sample testing, method of soil remediation, engineering estimates and the provision of professional consultants. Once the sites are fully assessed using environmental testing the level of remediation work required may change requiring the liability to be adjusted.

Provision for Deferred Works
In determining the Authority's liability for deferred works, the provisions of the contract of sale for each site is consulted to determine assumptions regarding the level of work required. Once the sites are fully assessed the level of work required may change requiring the liability to be adjusted.

Advice received from environmental consultants suggests that a health risk assessment based on the probable building design may reduce the required remediation to residential standards only on exposed ground areas rather than the entire site.

Provision for Parking Contributions
In determining the Authority's liability for parking, a range of possible parking outcomes are determined and the cost of the preferred outcome is estimated, this cost is compared to the parking contributions received from developers to determine if there is any significant difference. As further contributions are received and decisions are made as to the parking outcomes to pursue the liability will require adjustment.

Negative Net Assets Position
The Authority has reported a negative net equity position due the recognition of the provision for contaminated sites in prior reporting periods commencing 30 June 2007 as required by the *Contaminated Sites Act 2003*. At 30 December 2011, total liability recognised since its introduction amount to $40 million. The assets and liabilities of the Authority will be the responsibility of the Metropolitan Redevelopment Authority from 31 December 2011.

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

4 Key Sources of Estimation Uncertainty

The Authority has evaluated and documented strategies to ensure it is able to remain within its borrowing and cash capacities which include:
- Increase land sales revenue through private sector agreements;
- Seek additional capital appropriation or increase borrowing capacity;
- Cost reduction program; and
- Defer capital projects.

Fair value of borrowings
The Authority recognises its initial borrowings amount as per its accounting policy at fair value before measuring the liability at amortised cost. The Authority has determined that its interest rate is equal to its discount rate and that the expected timing of cash flows will remain consistent over the period of the loans.

5 Disclosure of Changes in Accounting Policy, Estimates and Prior Period Errors

Initial application of an Australian Accounting Standard
The Authority has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011 that impacted on the Authority:

2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] Under amendments to AASB 117, the classification of land elements of all existing leases has been reassessed to determine whether they are in the nature of operating or finance leases. As leases of land & buildings recognised in the financial statements have not been found to significantly expose the Authority to the risks/rewards attributable to control of land, no changes to accounting estimates have been included in the Financial Statements and Notes to the Financial Statements. Under amendments to AASB 107, only expenditures that result in a recognised asset are eligible for classification as investing activities in the Statement of Cash Flows. All investing cashflows reported in the Authority's Statement of Cash Flows relate to increases in recognised assets.

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.

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].* *The amendment to AASB 7 Financial Instruments: Disclosures 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.*	1 Jan 2013
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]* *This Standard introduces a number of terminology changes. There is no financial impact on the Authority resulting from the application of this revised Standard.*	1 Jan 2011

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

5 Disclosure of Changes in Accounting Policy, Estimates and Prior Period Errors (Continued)

AASB 1053	Application of Tiers of Australian Accounting Standards 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. DTF has not yet determined the application or the potential impact of the new Standard for agencies.	1 Jul 2013

AASB 2010-2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements 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. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	1 Jul 2013

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) 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.	1 Jan 2011

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

5 Disclosure of Changes in Accounting Policy, Estimates and Prior Period Errors (Continued)

AASB 9	Financial Instruments This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The Standard was reissued on 6 Dec 2010 and the Authority is currently determining the impact of the Standard. DTF has not yet determined the application or the potential impact of the Standard for agencies.	1 Jan 2013
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] This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 Financial Instruments in December 2010. DTF has not yet determined the application or the potential impact of the Standard for agencies.	1 Jan 2013
AASB 1054	Australian Additional Disclosures This Standard, in conjunction with AASB 2011 1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.	1 Jul 2011
AASB 2011-1	Amendments to Australian Accounting Standards arising from the Trans Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113] This Amending Standard, in conjunction with AASB 1054 Australian Additional Disclosures, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.	1 Jul 2011

<u>Correction of prior period error</u>

An error was made in a reporting period prior to the comparative period, therefore the opening comparative balance sheet has been restated as at 1st July 2010.

There is no impact to the comparative statement of comprehensive income as the change has been made in the opening retained earnings.

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

	30 December 2011	30 June 2011
	$	$

6 Trading profit / (loss)

	30 December 2011	Restated 30 June 2011
Sales	286,364	1,846,665
Cost of sales:		
Opening inventory	(41,321,000)	(36,131,422)
Purchases	(3,171,098)	(12,277,524)
Deferred works	114,704	382,039
Contaminated sites	(16,692,787)	3,347,636
Cost of Finance Lease	-	204,297
(Write up)/write down of inventory to net realisable value	4,259,181	4,147,945
	(56,811,000)	(42,327,029)
Closing inventory	56,511,000	41,321,000
Cost of sales	(300,000)	(1,006,029)
Other selling costs	(163,149)	(264,769)
	(463,149)	(1,270,798)
Trading profit / (loss)	(176,785)	575,867

7 Interest revenue

Interest on bank accounts	17,734	56,069
Interest on business activity statement refund	-	321
Interest from finance lease	30,969	-
	48,704	56,390

8 Other revenue

Development application fees	5,375	4,825
Recoup of expenses	32,641	40,481
Other income	2,857	71,147
	40,873	116,453

9 Employee benefits expense

Wages and salaries [(a)]	324,731	1,067,023
Superannuation - defined contribution plans [(b)]	45,985	100,803
Superannuation - defined benefit plans [(b)]	-	-
	370,716	1,167,826

(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).
(c) Includes a superannuation contribution component.
Employment on-costs such as workers' compensation insurance are included at note 10 'Supplies and services'.
Employment on-costs liability is included at note 23 'Provisions'.

10 Supplies and services

Advertising and public relations	25,658	80,787
Consultants and contractors	363,642	938,778
Communications	11,210	20,990
Consumables	59,177	78,504
Maintenance	-	458
Motor vehicles and travel	24,844	69,690
Insurance premiums	44,679	98,674
Other costs	45,502	21,137
	574,712	1,309,018

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

	30 December 2011 $	30 June 2011 $
11 Depreciation and amortisation expense		
Depreciation		
Building	12,750	19,250
Furniture and equipment	3,509	7,780
Computer equipment	1,842	5,540
Plant, equipment and improvements	11,312	22,459
Total depreciation	29,413	55,029
Amortisation		
Computer software	8,906	27,398
Total amortisation	8,906	27,398
Total depreciation and amortisation	38,319	82,427
12 Finance costs		
Finance costs expensed	326,722	643,279
Finance costs capitalised	1,306,890	2,753,116
	1,633,612	3,396,395
13 Property maintenance		
Property repairs and maintenance	281,042	586,312
Security	140,180	255,148
Total property maintenance expense	421,222	841,460
14 (Write up)/write down inventory to net realisable value		
(Write up)/write down inventory to net realisable value [(a)]	4,259,181	4,147,945

(a) In 2011-12 the assessment for net realisable value resulted in a write-down against the cost of inventory.

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

	30 December 2011 $	30 June 2011 $

15 Restricted cash and cash equivalents

	30 December 2011 $	30 June 2011 $
Non-current		
Parking Contribution Funds [a]	580,648	566,870

(a) Cash held in this account is to be used only for the purpose of providing public parking, cycling and pedestrian facilities or public transport within the redevelopment area.

16 Receivables

	30 December 2011 $	30 June 2011 $
Current		
Trade debtors	17,944	18,016
Sundry debtors	-	-
Lease asset [a]	52,016	156,047
GST receivable	10,234	87,753
Allowance for impairment of receivables	-	-
	80,194	261,816

Reconciliation of changes in the allowance for impairment of receivables:

	30 December 2011 $	30 June 2011 $
Balance at the start of year	-	-
Doubtful debts expense recognised in the income statement	-	-
Amounts written off during the year	-	-
Amount recovered during the year	-	-
Balance at end of year	-	-

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

	30 December 2011 $	30 June 2011 $
Non-Current		
Lease asset [a]	949,673	949,673
	949,673	949,673

(a) The Authority entered into a Finance lease during 2010/11.

17 Inventories

	30 December 2011	Restated 30 June 2011
Current	2,001,751	1,554,263
Non-current (b)	54,509,249	39,766,737
	56,511,000	41,321,000
Consisting of:		
Land held for resale:		
- Land holdings	25,480,082	25,480,082
- Development costs capitalised [a]	114,943,796	113,304,827
- Provision for contaminated sites	26,094,814	9,401,814
- Write Down Inventory to Net Realisable Value (b)	(71,616,929)	(67,357,748)
- Borrowing costs capitalised	14,376,286	12,959,073
- Allocated to cost of goods sold	(52,562,750)	(52,262,750)
- Allocated to Finance Lease	(204,299)	(204,299)
Total Inventories	56,511,000	41,321,000

(a) Includes payment to other Government Agencies for development costs incurred during 1999/2001 prior to the Establishment of the MRA.
(b) Prior Year Figures have been restated- see Statement of Changes in Equity.

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

	30 December 2011 $	30 June 2011 $
18 Other current assets		
Prepayments	126,884	10,762
19 Property, plant and equipment		
Land		
At fair value [(a)]	1,110,000	1,110,000
Accumulated impairment losses	-	-
	1,110,000	1,110,000
Buildings		
At fair value [(a)]	1,020,000	1,020,000
Accumulated depreciation [(b)]	-	-
Accumulated impairment losses	-	-
	1,020,000	1,020,000
Furniture and equipment		
At cost	77,802	77,802
Accumulated depreciation	(41,778)	(38,269)
Accumulated impairment losses	-	-
	36,024	39,533
Computer equipment		
At cost	41,632	41,632
Accumulated depreciation	(40,047)	(38,205)
Accumulated impairment losses	-	-
	1,585	3,427
Plant, equipment and improvements		
At cost	226,250	226,250
Accumulated depreciation	(126,942)	(115,630)
Accumulated impairment losses	-	-
	99,308	110,620
	2,266,917	2,283,580

(a) Freehold land and buildings were revalued as at 1 July 2011 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the six months ended 31 December 2011 and recognised at 31 December 2011. The fair value of all land and buildings has been determined by reference to recent market transactions.

(b) Prior to the revaluation of buildings the accumulated depreciation is credited to the asset and then the net asset amount is restated to the revalued amount.

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

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

30 December 2011	Land $	Buildings $	Furniture & Equipment $	Computer Equipment $	Plant, Equipment & Improvements $	Total $
Carrying amount at start of year	1,110,000	1,020,000	39,533	3,426	110,621	2,283,580
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation increment/(decrement)	-	12,750	-	-	-	12,750
Depreciation	-	(12,750)	(3,509)	(1,842)	(11,312)	(29,413)
Write-off of assets	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Carrying amount at end of year	1,110,000	1,020,000	36,024	1,585	99,308	2,266,917

30 June	Land $	Buildings $	Furniture & Equipment $	Computer Equipment $	Plant, Equipment & Improvements $	Total $
Carrying amount at start of year	600,000	770,000	47,313	8,966	125,542	1,551,821
Additions	-	-	-	-	7,538	7,538
Disposals	-	-	-	-	-	-
Revaluation increment/(decrement)	510,000	269,250	-	-	-	779,250
Depreciation	-	(19,250)	(7,780)	(5,540)	(22,459)	(55,029)
Write-off of assets	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Carrying amount at end of year	1,110,000	1,020,000	39,533	3,426	110,621	2,283,580

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

	30 December 2011 $	30 June 2011 $

20 Intangible assets

Computer software		
At cost	126,835	126,835
Accumulated amortisation	(119,597)	(110,691)
Accumulated impairment losses	-	-
	7,238	16,144
Reconciliation		
Carrying amount at start of year	16,144	43,542
Additions	-	-
Disposals	-	-
Revaluation increments/(decrements)	-	-
Amortisation	(8,906)	(27,398)
Write-off of assets	-	-
Impairment losses	-	-
Carrying amount at end of year	7,238	16,144

21 Impairment of assets

There were no indications of impairment to property, plant and equipment and intangible assets at 30 December 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 December 2011 have either been classified as non-current assets held for sale or written-off.

22 Payables

Current			
Trade payables		420,005	437,184
GST payable	-	20,266	5,343
Audit fees		20,727	34,000
Accrued expenses		1,196,432	2,165,272
Contract retentions		231,032	230,821
Income in advance		103,090	231,885
		1,951,020	3,104,505

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

	30 December 2011 $	30 June 2011 $
23 Provisions		
Current		
Employee benefits provision		
Annual leave [(a)]	34,304	53,341
Long service leave [(b)]	12,867	167,391
Other provisions		
Employment on-costs [(c)]	8,195	1,077
Deferred Works [(d)]	-	-
Contaminated Sites [(e)]	-	-
	55,366	221,809
Non-current		
Employee benefits provision		
Long service leave [(b)]	46,020	78,901
Superannuation [(g)]	-	-
Other provisions		
Employment on-costs [(c)]	6,915	392
Deferred Works [(d)]	4,602,980	4,717,685
Contaminated Sites [(e)]	26,094,600	9,401,814
Parking contributions [(f)]	580,648	566,870
	31,331,163	14,765,662

(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 within 12 months.

	30 December 2011 $	30 June 2011 $
Within 12 months of the end of the reporting period	29,044	41,131
More than 12 months after the reporting period	5,260	12,210
	34,304	53,341

(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 the reporting period. Assessments indicate that actual settlement of the liabilities will occur within 12 months.

	30 December 2011 $	30 June 2011 $
Within 12 months of the end of the reporting period	-	65,231
More than 12 months after the reporting period	58,887	181,061
	58,887	246,292

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation premiums. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 10 'Supplies and services'.

(d) Deferred works are classified as current when the works are scheduled to occur within 12 months.

(e) Contaminated sites are classified as current when the works are scheduled to occur within 12 months.

(f) Parking contributions are classified as current when the works are scheduled to occur within 12 months.

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

	30 December 2011 $	30 June 2011 $

(g) Defined benefit superannuation plans

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

	Pension Scheme 30 December 2011	30 June 2011
Current service cost	-	-
Interest cost (unwinding of the discount)	-	-
Net actuarial losses/(gains) recognised	-	-
Total included in employee benefits expense (see note 9)	-	-

The amounts recognised in the Statement of Financial Position are as follows:

Present value of unfunded obligations	-	-
Liability in the Statement of Financial Position	-	-

Reconciliation of the unfunded liability recognised in the Statement of Financial Position is as follows:

Liability at the start of the year	-	-
Current service cost		-
Interest cost (unwinding of the discount)	-	-
Net actuarial losses/(gains) recognised	-	-
Benefits paid	-	-
Liability at the end of the year	-	-

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

Discount rate	5.28%	5.28%
Future salary increases	4.50%	4.50%

Historic Summary	6 mths to Dec 2011 $	2011 $	2010 $	2009 $	2008 $
Pre-transfer benefit – Gold State Superannuation Scheme:					
Present value of unfunded obligatior	-	-	-	14	18
Fair value of plan assets	-	-	-	-	-
Deficit in Scheme	-	-	-	14	18
Experience adjustments arising on plan liabilities:					
	-	-	2	(7)	3

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

Movements in other provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-cost provision		
Carrying amount at start of period	1,469	2,288
Additional provisions recognised	13,641	(819)
Payments/other sacrifices of economic benefits	-	-
Unwinding of the discount	-	-
Carrying amount at end of period	15,110	1,469
Provision for Deferred Works		
Carrying amount at start of period	4,717,685	5,099,724
Additional provisions recognised	-	-
Payments/other sacrifices of economic benefits	(114,705)	(382,039)
Unwinding of the discount	-	-
Carrying amount at end of period	4,602,980	4,717,685

	30 December 2011 $	30 June 2011 $
Provision for Contaminated Sites		
Carrying amount at start of period	9,401,816	12,749,450
Additional provisions recognised	16,693,000	2,110,338
Payments/other sacrifices of economic benefits	(216)	(5,457,972)
Unwinding of the discount	-	-
Carrying amount at end of period	26,094,600	9,401,816
Provision for Parking Contributions		
Carrying amount at start of period	566,870	365,582
Additional provisions recognised	13,778	201,288
Payments/other sacrifices of economic benefits	-	-
Unwinding of the discount	-	-
Carrying amount at end of period	580,648	566,870

24 Borrowings

Current		
WATC Liquidity Facility	-	-
Non-current		
WATC Portfolio Lending Arrangements	70,995,451	64,032,071
Total Borrowings	70,995,451	64,032,071

25 Equity

Equity represents the residual interest in the net assets of the Authority. The Government holds the equity interest in the Authority on behalf of the community. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

	30 December 2011	Restated 30 June 2011
Contributed equity		
Balance at start of period	14,150,000	14,150,000
Contributions by owners	-	-
Distributions to owners	-	-
Balance at end of period	14,150,000	14,150,000
Reserves		
Asset Revaluation Reserve		
Balance at start of period	1,404,265	625,015
Net revaluation increments / (decrements):	-	-
Land	-	510,000
Building	12,750	269,250
Balance at end of period	1,417,015	1,404,265
Retained earnings		
Balance at start of period	(51,789,870)	(45,527,211)
Prior period adjustments	-	-
Result for the period	(5,985,608)	(6,262,659)
Balance at end of period	(57,775,478)	(51,789,870)
Total Equity at end of period	(42,208,463)	(36,235,605)

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 December 2011

	30 December 2011 $	30 June 2011 $

26 Notes to the Cash Flow Statement

(a) Reconciliation of cash

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

	30 December 2011 $	30 June 2011 $
Cash and cash equivalents	1,601,983	478,598
Restricted cash and cash equivalents	580,648	566,870
	2,182,631	1,045,468

(b) Reconciliation of Profit/(Loss) to net cash flows provided by/(used in) operating activities

	30 December 2011 $	30 June 2011 $
Profit/(loss)	(5,985,608)	(6,262,659)
Non-cash items:		
Depreciation and amortisation expense	38,319	82,427
Loss on disposal of non-current assets	-	-
Fixed assets written off	-	-
Bad debt written off	-	-
(Reversal of)/impairment of receivables	-	-
(Increase)/decrease in assets:		
Current receivables (a)	104,103	106,666
Current inventories	(447,488)	40,183,329
Other current assets	(116,122)	3,206
Non-Current receivables	-	(949,673)
Non-current inventories	(14,742,512)	(43,372,907)
Increase/(decrease) in liabilities:		
Current payables (a)	(1,127,876)	1,001,926
Current provisions	(166,443)	(3,338,492)
Non-current provisions (b)	16,565,501	(198,965)
Change in GST receivables/payables (c)	51,910	68,194
Net cash provided by / (used in) operating activities	(5,826,216)	(12,676,948)

(a) Note that the Australina 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.

MIDLAND REDEVELOPMENT AUTHORITY
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	30 December 2011 $	30 June 2011 $

27 Commitments

(a) Capital expenditure commitments

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

	30 December 2011 $	30 June 2011 $
Within 1 year	1,324,475	2,697,707
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	1,324,475	2,697,707
The capital commitments include amounts for:		
Inventories	1,324,475	2,697,707

(b) Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

	30 December 2011 $	30 June 2011 $
Within 1 year	14,203	21,001
Later than 1 year and not later than 5 years	4,689	9,499
Later than 5 years	-	-
	18,892	30,500

(c) Lease commitments receivable

Minimum lease commitments payable to the Authority are as follows:

	30 December 2011 $	30 June 2011 $
Within 1 year	163,414	274,832
Later than 1 year and not later than 5 years	55,895	17,223
Later than 5 years	-	-
	219,309	292,055

These commitments are all inclusive of GST.

28 Contingent liabilities and contingent assets

Contingent Liabilities
There were no contingent liabilities that would materially affect the Authority.

Contingent Assets
There were no contingent assets that would materially affect the Authority.

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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29 Events occurring after the end of the reporting period

No matters or occurances 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 to materially affect the future results or operations of the Authority.
The Midland Redevelopment Authority, East Perth Redevelopment Authority, Subiaco Redevelopment Authority and Armadale Redevelopment Authority have amalgamated to form the new Metropolitan Redevelopment Authority. The financial operation of the MRA commenced on the 31st December 2011.

30 Explanatory statement

This statement provides details of any significant variations between the 12 month estimates and actuals for the prior financial year compared against the 6 month actual results for the current reporting period. Significant variations are considered to be those greater than 10% and $100,000.

Significant variances between estimate for the 12 months and actual for 6 months to December 2011

	Note	12 month Estimate $	30 December 2011 Actual $	Variance $
Land sales	(i)	6,565,000	286,364	(6,278,636)
Cost of sales	(i)	4,987,500	300,000	(4,687,500)
Other selling costs	(ii)	290,500	163,149	(127,351)
Employee benefits expense	(ii)	936,213	370,716	(565,497)
Supplies and services	(ii)	1,557,421	574,712	(982,709)
Finance costs	(ii)	786,800	326,722	(460,078)
Property maintenance	(ii)	749,500	421,222	(328,278)
(Write up)/write down inventory to net realisable value	(iii)	-	4,259,181	4,259,181

Explanation of variances:

(i) Land sales/Cost of sales
The variance is due to deferred land sales

(ii) Other selling costs; Employee Benefits Expense; Supplies and Services; Finance Costs and Property Maintenance

The expense variances are due to the actual data being for 6 months instead of a full year

(iii) (Write up)/write down inventory to net realisable value
The variance is due to a write down to inventory being necessary in order to report the lower of cost and net realisable value

MIDLAND REDEVELOPMENT AUTHORITY
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Significant variances between actual results for the year ending June 2011 and 6 months ending Dec 2011

	Note	30 December 2011 $	30 June 2011 $	Variance $
Land sales	(I)	286,364	1,846,665	(1,560,301)
Profit on Land Disposed	(II)	-	953,437	(953,437)
Lease revenue	(III)	130,895	309,290	(178,395)
Cost of sales	(I)	300,000	1,006,029	(706,029)
Other selling costs	(III)	163,149	264,769	(101,620)
Employee benefits expense	(III)	370,716	1,167,827	(797,111)
Supplies and services	(III)	574,712	1,309,018	(734,306)
Finance costs	(III)	326,722	643,279	(316,557)
Property maintenance	(III)	421,222	841,460	(420,238)

Explanation of variances:

(I) Land sales and cost of sales
The variance is due to deferred land sales.

(II) Profit on Land Disposed
The Authority recognised a finance lease during the prior year.

(III) Lease revenue; Other Selling Costs; Employee Benefits Expense; Supplies and Services; Finance Costs and Property Maintenance
The variances are due to the current reporting period data being for 6 months instead of a full year

MIDLAND REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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31 Financial instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Authority are cash and cash equivalents, borrowings, 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 31(c) Financial Instrument Disclosures and note 16 Receivables.

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's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings. 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's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.

The Authority's borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Other than as detailed in the interest rate sensitivity analysis table at note 31(c), the Authority is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings other than the Treasurer's advance (noninterest bearing), WATC borrowings and finance leases (fixed interest rate).

(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:

	30 December 2011	30 June 2011
	$	**$**
Financial Assets		
Cash and cash equivalents	1,601,983	478,598
Restricted cash and cash equivalents	580,648	566,870
Loans and receivables (a)	69,960	174,063
Financial Liabilities		
Financial liabilities measured at amortised cost (b)	72,966,737	67,131,234

(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

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

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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 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	
	Carrying Amount	Surplus	Equity	Surplus	Equity
30 December 2011	$000	$000	$000	$000	$000
Financial Assets					
Cash and cash equivalents	1,602	(16.02)	(16.02)	16.02	16.02
Receivables	18	(0.18)	(0.18)	0.18	0.18
Restricted cash and cash equivalents	581	(5.81)	(5.81)	5.81	5.81
Receivables - non-current	950	(9.50)	(9.50)	9.50	9.50
Financial Liabilities					
Payables	1,971	19.71	19.71	(19.71)	(19.71)
Borrowings	70,995	709.95	709.95	(709.95)	(709.95)
Total Increase/(Decrease)		698.16	698.16	(698.16)	(698.16)

		-100 basis points		+100 basis points	
	Carrying Amount	Surplus	Equity	Surplus	Equity
30 June 2011	$000	$000	$000	$000	$000
Financial Assets					
Cash and cash equivalents	479	(4.79)	(4.79)	4.79	4.79
Receivables	18	(0.18)	(0.18)	0.18	0.18
Restricted cash and cash equivalents	567	(5.67)	(5.67)	5.67	5.67
Receivables - non-current	950	(9.50)	(9.50)	9.50	9.50
Financial Liabilities					
Payables	3,099	30.99	30.99	(30.99)	(30.99)
Borrowings	64,032	640.32	640.32	(640.32)	(640.32)
Total Increase/(Decrease)		651.17	651.17	(651.17)	(651.17)

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.

32 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 reporting period, fall within the following bands are:

$	30 December 2011	30 June 2011
0 - 10,000	4	-
10,001 - 20,000	1	4
20,001 - 30,000	-	1
The total remuneration of the members of the accountable authority	$38,423	$82,140

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.

MIDLAND REDEVELOPMENT AUTHORITY
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Remuneration of senior officers
The number of senior officers, other than senior officers reported as members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the reporting period, fall within the following bands are:

$	30 December 2011	30 June 2011
100,001 - 110,000	-	1
120,001 - 130,000	-	-
140,001 - 150,000	-	-
150,001 - 160,000	-	2
160,001 - 170,000	1	-
200,001 - 210,000	-	-
210,001 - 220,000	-	-
220,001 - 230,000	-	1
The total remuneration of senior officers	$171,893	$155,277

The superannuation included here represents the superannuation expense incurred by the Authority in respect of senior officers other than senior officers reported as members of the accountable authority.

33 Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

Auditing the accounts, financial statements and key performance indicators	$23,000	$34,000

34 Related bodies and affiliated bodies

The Authority does not provide any assistance to other bodies which would deem them to be regarded as related or affiliated bodies under the definitions included in Treasurer's Instruction 951 Related and Affiliated Bodies.

35 Supplementary financial information

Write-offs

Public property written-off by the Board during the financial year	$0	$0

Losses through theft, defaults and other causes

Losses of public moneys and public and other property through theft or default	-	-
Amount recovered	-	-
	-	-

Gifts of public property

Gifts of public property provided by the Authority	-	-

MIDLAND REDEVELOPMENT AUTHORITY
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(c) Financial Instrument Disclosures

Credit Risk and Interest Rate Risk Exposure
The following table discloses 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 and impaired financial assets. 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.

Interest rate exposures and ageing analysis of financial assets

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure: Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	Past due but not impaired: Up to 3 months	3-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Impaired financial assets
	%	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Financial Assets													
30 December 2011													
Cash and cash equivalents	4.98	1,602	-	1,602	-	-	-	-	-	-	-	-	-
Receivables - Current [a]	-	70	-	-	70	61	9	-	-	-	-	-	-
Restricted cash and cash equivalents [b]	4.20	-	-	-	-	-	-	-	-	-	-	-	-
Receivables - Non-Current [a]	5.35	950	950	-	-	-	219	231	243	256	-	-	-
		2,622	950	1,602	70	61	228	231	243	256	-	-	-
30 June 2011													
Cash and cash equivalents	4.98	479	-	479	-	-	-	-	-	-	-	-	-
Receivables - Current [a]	-	174	-	-	174	174	-	-	-	-	-	-	-
Restricted cash and cash equivalents [b]	4.85	-	-	-	-	-	-	-	-	-	-	-	-
Receivables - Non-Current [a]	5.35	950	950	-	-	-		219	231	243	256	-	-
		1,603	950	479	174	174	-	219	231	243	256	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).
(b) Restricted cash and cash equivalents is a WA Overnight Cash Deposit Facility with a variable margin interst rate.

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Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the end of the reporting period. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposures and ageing analysis of financial liabilities

			Interest rate exposure					Maturity dates						
	Weighted Average Effective Interest Rate	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	Adjustment for discounting	Total nominal amount	Up to 3 months	3-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
	%	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Financial Liabilities														
30 December 2011														
Payables [(a)]	-	1,971	-	-	1,971	-	-	-	-	-	-	-	-	-
Borrowings	5.10	70,995	-	70,995	-	-	70,995	15,741	22,684	16,288	16,288	-	-	-
		72,967	-	70,995	1,971	-	70,995	15,741	22,684	16,288	16,288	-	-	-
30 June 2011														
Payables [(a)]	-	3,099	-	-	3,099	-	-	-	-	-	-	-	-	-
Borrowings	5.35	64,032	-	64,032	-	-	64,032	12,766	19,650	12,646	12,646	6,323	-	-
		67,131	-	64,032	3,099	-	64,032	12,766	19,650	12,646	12,646	6,323	-	-

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