



Subiaco
Redevelopment
Authority

SRA FINAL REPORT / 1 JULY TO 30 DECEMBER 2011



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STATEMENT OF COMPLIANCE

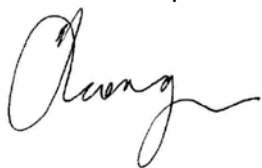
Hon John Day MLA
Minister for Planning
13th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

Dear Minister,

In accordance with Section 72 of the *Financial Management Act 2006*, the final report for the Subiaco Redevelopment Authority for the period 1 July 2011 to 30 December 2011 is hereby submitted for your information and presentation to Parliament. The final report has been prepared according to the provisions of the *Financial Management Act 2006*.

The Subiaco Redevelopment Authority was abolished as at 30 December 2011 and in accordance with the requirements of s68(1) of the *Financial Management Act 2006*, the Treasurer has appointed Mr Tony Morgan as the Reporting Officer.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tony Morgan', with a stylized, flowing script.

Tony Morgan
Reporting Officer

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 Subiaco Redevelopment Authority (SRA, the Authority).

The Authority's operations, together with those of the abolished East Perth, Midland 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 of 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 SRA 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.



EXECUTIVE SUMMARY

The SRA was responsible for the delivery of the Subi Centro regeneration project. Subi Centro transformed more than 80 hectares of former industrial and derelict land into a vibrant new urban village incorporating a mix of residential, commercial, retail and public spaces.

Subi Centro is recognised internationally as one of Australia's best urban renewal projects. At the time of abolition of the SRA, 86% of the Subi Centro redevelopment area had been completed and returned to the City of Subiaco for ongoing management. Once completed, Subi Centro will have created nearly 2,000 new homes for 3,600 residents, and 287,000 square metres of new office and retail space for 6,800 new workers.

In late 2011, Planning Minister Hon John Day MLA officially launched *Recollections and Reflections of Subi Centro*, a public exhibition and DVD that captured the history of the award-winning redevelopment project and celebrated its contribution to the transformation of Subiaco. The exhibition showcased a collection of personal insights and stories of local residents, as well as historical images, news clippings and other artefacts that detailed the history of Subi Centro.

In addition, the SRA continued to progress remaining development opportunities and works programs and published a case study that reviewed how Subi Centro performed against the original project objectives.

During the period 1 July to 30 December 2011, tours were provided to the following groups:

- World Planning Schools Congress delegates; and
- Parks and Leisure Australia National Conference delegates.

The SRA also provided financial support to the 2011 Subiaco Street Festival, held on 1 December 2011.

The SRA realised a total deficit of \$1.3 million for the six month reporting period. This was due to SRA primarily recording running costs only. Australian Fine China (AFC) sales revenues are expected in the next reporting period. Net assets decreased to \$40.1 million as at 30 December 2011.

July to December 2011	
Sales Revenues	Nil
Total Comprehensive Deficit	\$(1.329 million)
Net Asset Value	\$40.143 million

During 1 July to 30 December 2011 the SRA approved one development application, attracting an investment of \$10,000.

Appreciation is extended to the SRA's Board, staff and consultants who helped to achieve these significant milestones throughout the period of the SRA's final report. Thanks must also go to those who have worked together with SRA since its inception to regenerate areas of Subiaco.



Tony Morgan
Reporting Officer

Operational Structure

The Minister for Planning administered the *Subiaco Redevelopment Act 1994* (Act).

The Act established the SRA to revitalise more than 80 hectares of under-utilised and former industrial land in Subiaco. The result was Subi Centro, a project that is recognised nationally and internationally as representing best practice urban renewal.

The SRA was responsible for all aspects of the revitalisation of Subi Centro, from master planning, to development, investment attraction and community development.

SRA Redevelopment Area



OPERATIONAL STRUCTURE

SRA's functions under section 20 of the Act were to:

- (a) plan, undertake, promote and coordinate the development and redevelopment of land in the redevelopment area; and
- (b) for that purpose:
 - i. under Part 4, prepare and keep under review a redevelopment scheme for that area; and
 - ii. under Part 5, control developments in that area.

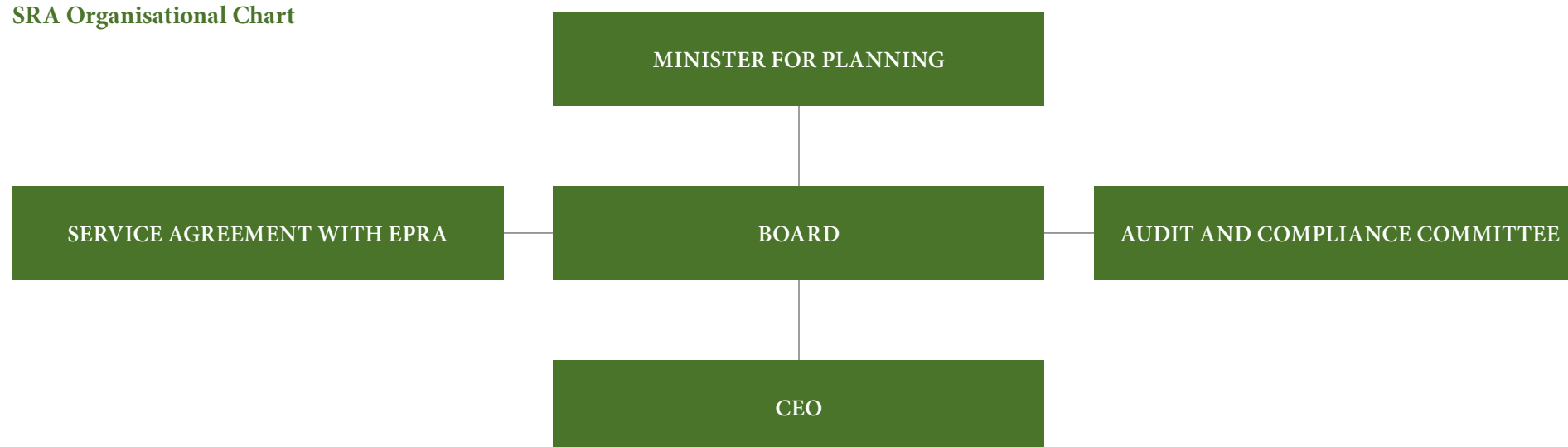
SRA's Strategy

SRA's vision was to transform underutilised land in Subiaco into an accessible, liveable and vibrant community to revitalise the Subiaco redevelopment area.

The vision was delivered through the SRA's strategic objectives:

- Deliver SRA's vision through planning and the development of redevelopment areas;
- Continue to be innovative and show leadership in all aspects of place making;
- Complete the remainder of the redevelopment area;
- Deliver effective stakeholder relations;
- Ensure the services of a suitably qualified team; and
- Effective financial and risk management.

SRA Organisational Chart



SRA BOARD AND COMMITTEES

Board

The SRA Board set the strategic direction of the Authority and monitored its performance.

The key functions of the Board were:

- Business strategy;
- Performance monitoring and communication;
- Policy and delegation; and
- Audit and risk management.

The SRA Board was comprised of four members who were appointed by the Minister for Planning. The members had a broad spectrum of knowledge and experience in fields appropriate to the activities of the Authority. The Act allowed for five members, with one position remaining vacant for the reporting period.

Board members were remunerated according to Public Sector Commission Guidelines.

The Board met six times during the period 1 July to 30 December 2011.

Committees

The Act enabled the Board to appoint committees of such members, or members and others, as it saw fit.

The SRA Board appointed an Audit and Compliance Committee and the committee met three times during the reporting period.



SRA BOARD AND COMMITTEES

SRA Board and Committee Members

	Board	Audit and Compliance Committee	Expiry of Term
Donald Humphreys	Chairperson	Member	30 December 2011
Sharni Howe	Member		30 December 2011
Loren White*	Member		30 December 2011
Stan Lauder*	Member	Chairperson	30 December 2011
Eric Lumsden**	Temporary Member		N/A
Vacant			

* Members nominated by the City of Subiaco.

** On 14 December 2010, Eric Lumsden was temporarily appointed by the Minister to attend the SRA Board meetings for any SRA business relating to situations of conflict specifically in terms of certain business relating to the Australian Fine China (AFC) precinct.

Board and Committee Members' Attendances at Meetings***

Members	Board (6 meetings)	Audit and Compliance Committee (3 meetings)
Don Humphreys	6	3
Sharni Howe	6	Not a member
Loren White*	4	Not a member
Stan Lauder*	5	3
Eric Lumsden**	1	Not a member
Vacant		

* Members nominated by the City of Subiaco.

** On 14 December 2010, Eric Lumsden was temporarily appointed by the Minister to attend the SRA Board meetings for any SRA business relating to situations of conflict specifically in terms of certain business relating to the AFC precinct.

*** Number of meetings relates to those held in the reporting period (1 July 2011 to 30 December 2011).

Management

Under its Act, the SRA employed only a Chief Executive Officer. Other staff, resources and services were provided to SRA by the East Perth Redevelopment Authority (EPRA) under the terms of a Service Agreement. These services were:

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

The EPRA final report details information in relation to recruitment, staff development and industrial relations; information that is relevant to the provision of services to the SRA.



PERFORMANCE MANAGEMENT FRAMEWORK

Treasurer's Instruction 903 requires a description of links between agency level desired outcomes and services and how they relate to State Government goals of:

- **State Building – Major Projects:** Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development;
- **Financial and Economic Responsibility:** Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector;
- **Outcomes Based Service Delivery:** Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians;
- **Stronger Focus on Regions:** Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas; and
- **Social and Environmental Responsibility:** Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

How SRA's Key Performance Indicators (KPIs) aligned with the Government Goals:

Government Goal	SRA KPI Number	SRA's Statement of Purpose was "to revitalise run down former industrial sites within the redevelopment area" measured by the following KPIs:
State Building – Major Projects	1	Expand residential, retail, commercial and recreational opportunities in the redevelopment area.
	2	Balance and complement the existing community fabric.
	3	Promote medium density mixed use development and diversity of housing stock.
	4	Increase the use of public and alternative transport in the area.
Financial and Economic Responsibility	1	Expand residential, retail, commercial and recreational opportunities in the redevelopment area.
	3	Promote medium density mixed use development and diversity of housing stock.
	5	Output Indicator – Efficiency
Outcomes Based Service Delivery	Not Applicable	SRA was a land redevelopment authority, and did not sell its services to the public.
Stronger Focus on Regions	Not Applicable	Not Applicable
Social and Environmental Responsibility	1	Expand residential, retail, commercial and recreational opportunities in the redevelopment area.
	2	Balance and complement the existing community fabric.
	3	Promote medium density mixed use development and diversity of housing stock.
	4	Increase the use of public and alternative transport in the area.

AGENCY PERFORMANCE

Subi Centro

Subi Centro is a living demonstration of how a new urban village can successfully integrate with an existing, well-established neighbourhood and achieve a range of social, economic and environmental outcomes.

Subi Centro has transformed 84.5 hectares of under-utilised and former industrial land into a major destination regarded for its lifestyle attractions, retail and commercial precincts, picturesque parks, streetscapes and public art.

In December 2011, a public exhibition and historical record capturing the history of the award-winning Subi Centro redevelopment project and celebrating the transformation of Subiaco was launched.

Publication of the Subi Centro case study in late 2011 identified the lessons learnt about this revitalised urban village and highlighted how the project performed against the original objectives.

As at 30 December 2011, Subi Centro was 86% complete with planning control and ongoing management returned to the City of Subiaco.



AGENCY PERFORMANCE

Australian Fine China

The Australian Fine China (AFC) site is one of the remaining precincts of the Subi Centro redevelopment. The 4.4 hectare site is bordered by Hay Street to the south, Price Street to the north, City of Subiaco land to the west and Darbon Crescent to the east.

When completed, AFC will be home to up to 570 residents and 2,300 workers, surrounded by inviting public spaces that encourage community and social interaction. The development will become a first-class residential and commercial precinct, the centrepiece of which will be a central plaza featuring public art, a water feature and alfresco dining.

The interpretation of the site's heritage values was a key feature of the project, with developers encouraged to be creative in incorporating heritage elements into future development on the site.

The project also aimed to achieve significant reductions in water and energy use via several initiatives including solar orientation, the installation of a centralised geothermal exchange bore system and rainwater-capturing tanks and greywater and stormwater recycling.

Centro North

Centro North is located just north of the Subiaco train station, between St John of God Hospital and Subiaco Square. The one hectare site, at the corner of Salvado Road and Station Street, was formally occupied by TAFE and prior to that, a school.

Currently being developed by WA companies, Pindan and QUBE Property Group, Centro North will become a vibrant mixed use residential and commercial precinct including two new public spaces and a much-needed direct pedestrian connection from the Subiaco train station to the St John of God Hospital and medical facilities. Once completed, the area will include 169 dwellings and up to 4,500 of commercial and retail space.

Objectives

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

Highlights

- Subdivision works and public art installation progressed towards completion of the AFC site, with minor finishing touches to be administered; and
- Expressions of Interest were released for the commercial and residential lots at the AFC site in July 2011.

Subi Centro Project Expectations

Project area: 84.5 hectares

Number of dwellings: 1,975

Housing population of: 3,600

Commercial/retail space: 287, 000sqm

Commercial and retail activity: 6,800 jobs

SRA's investment: \$200 million

Investment attraction: \$960 million (estimated)

Expected year of completion: 2015

SIGNIFICANT ISSUES IMPACTING SRA

Western Australia is experiencing unprecedented economic and population growth resulting on the back of the current resource economy, with more than \$260 billion worth of projects planned or already underway. Consideration of Perth's global positioning and context is required to ensure it can effectively accommodate this growth, and inner-city redevelopment has a significant role to play in Perth's future.

By 2026, the State's population is projected to grow to 3.06 million people, with the Perth and Peel region projected to grow to approximately 2.35 million*. This growth, and the trend towards more affordable, inner-urban living, will fuel demand for future urban redevelopment to create new places for people to live, work and visit.

As of 1 January 2012, the new Metropolitan Redevelopment Authority will take responsibility for completing Subi Centro.



**Western Australia Tomorrow, February 2012 (State Government of WA)*

DISCLOSURES AND LEGAL COMPLIANCE

Ministerial Directives

The SRA's enabling legislation requires that if the Minister gives a direction to the Authority, it shall be in writing and tabled in Parliament. There were no Ministerial directions from 1 July to 30 December 2011.

Ministerial Approvals

Section 22(3) of the *Subiaco Redevelopment Authority Act 1994* requires all approvals given by the Minister under subsection 21 of the Act to be included in the Annual Report. It is considered appropriate to provide this information in the SRA's final report. Accordingly, there were no Ministerial approvals granted between 1 July to 30 December 2011.

Section 21(2)(a) requires Ministerial Approval for the Authority to acquire, hold, manage or dispose of land with a value in excess of \$1 million. There were no settlements or Ministerial approvals in accordance with these sections of the Act to report from 1 July to 30 December 2011.

Major Capital Projects

Please refer to "Agency Performance" for information about SRA's major capital projects.

Governance Disclosures

All SRA Board and Committee agendas had a standing item which invited members to declare conflicts of interest in accordance with the requirements of Section 13(2) of the *Subiaco Redevelopment Act 1994*. All interests declared between 1 July to 30 December 2011 were recorded on the SRA Interests Register.

During the reporting period, SRA paid \$7,376.15 for insurance to indemnify its directors (as defined in Part 3 of the *Statutory Corporations (Liability of Directors) Act 1996* against liability incurred under Sections 13 or 14 of the *Statutory Corporations (Liability of Directors) Act 1996*.

Marketing and Advertising

In compliance with the Electoral Act 1907, s175ZE, the following expenditure for 1 July to 30 December 2011 is reported:

Market Research Organisations	Total Amounts
Synovate	\$ 3,918.75
Media Advertising Organisations (including multimedia)	
AdCorp	\$ 5,678.57
Optimum Media Decisions WA	\$ 62,726.74
Marketing and Public Relations Organisations	
Mills Wilson	\$ 85,141.22
Linkletters Graphic Design	\$ 3,751.00
Rare Creative Thinking	\$ 18,005.09
Market United	\$ 150.46
Printforce	\$ 280.00

DISCLOSURES AND LEGAL COMPLIANCE

Publications

Publications by SRA were available in electronic format online from www.sra.wa.gov.au. Printed copies were also available from the SRA office at 12 Lindsay Street, Perth WA 6000.

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

Publications available were:

- Subiaco Redevelopment Scheme, Planning Policies and documents;
- Design Guidelines;
- Annual Reports for 2000 – 2011;
- Marketing brochures;
- Urbano magazines; and
- Subi Centro: A Case Study in Urban Revitalisation.

Compliance with Public Sector Standards and Ethical Codes

In accordance with the requirements of section 31(1) of the *Public Sector Management Act 1994*, the SRA reported that during the period 1 July to 30 December 2011 there were no compliance issues that arose in respect of the Public Sector Standards, the WA Code of Ethics or the Code of Conduct relevant to the SRA.

Legislation Affecting Activities

During 2011, the SRA complied with the following written laws:

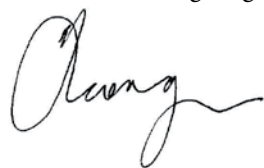
Aboriginal Heritage Act 1972
Auditor General Act 2006
Commercial Tenancy (Retail Shops) Agreement Act 1985
Competition and Consumer Act 2010
Construction Contracts Act 2004
Contaminated Sites Act 2003
Corruption and Crime Commission Act 2003
Disability Services Act 1993
Disability Discrimination Act 1992
Duties Act 2008
Electoral Act 1907
Environmental Protection Act 1986
Environment Protection and Biodiversity Conservation Act 1999
Equal Opportunity Act 1984
Fair Trading Act 2010
Financial Management Act 2006
Freedom of Information Act 1992
Fringe Benefit Tax Assessment Act 1986
Heritage of Western Australia Act 1990
Income Tax Assessment Act 1997
Insurance Commission of WA Act 1986
Industrial Relations Act 1979

Land Administration Act 1997
Land Tax Assessment Act 2002
Local Government Act 1995
Local Government (Miscellaneous Provisions) Act 1960
Main Roads Act 1930
Minimum Conditions of Employment Act 1993
Occupational Health and Safety Act 1984
Planning and Development Act 2005
Public Interest Disclosure Act 2003
Public Sector Management Act 1994
Public Transport Authority Act 2003
Public Works Act 1902
Salaries and Allowances Act 1975
Stamp Act 1921
State Administrative Tribunal Act 2004
State Records Act 2000
State Superannuation Act 2000
State Supply Commission Act 1991
Statutory Corporations (Liability of Directors) Act 1996
Strata Titles Act 1985
Subiaco Redevelopment Act 1994
Taxation Administration Act 2003
Transfer of Land Act 1893
Workers Compensation and Injury Management Act 1981

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 DECEMBER 2011

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

A handwritten signature in black ink, appearing to read 'Tony Morgan', written in a cursive style.

Tony Morgan
Reporting Officer

Date: 12 March 2012

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 DECEMBER 2011

	Note	30 December 2011 \$' 000	30 June 2011 \$' 000
INCOME			
Sales	4	–	19,422
Interest revenue	5	17	179
Other revenue	6	–	457
Total Income		17	20,058
EXPENSES			
Cost of sales	4	–	12,927
Depreciation and Amortisation	7	3	6
Administration		1,022	2,428
Sales and marketing		165	368
Property and estate management		9	118
Communication		89	33
Development control		58	62
Total expenses		1,346	15,942
SURPLUS FOR THE PERIOD		(1,329)	4,116
OTHER COMPREHENSIVE INCOME			
Total Other Comprehensive Income		–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,329)	4,116

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

STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 DECEMBER 2011

	Note	30 December 2011 \$' 000	30 June 2011 \$' 000
ASSETS			
Current Assets			
Cash and cash equivalents	8	2,332	420
Inventories	9	29,339	–
Receivables	10	33	420
Other current assets	11	31	149
Total Current Assets		31,735	990
Non-Current Assets			
Inventories	9	18,160	44,027
Property, plant and equipment	12	–	–
Intangible	13	4	7
Total Non-Current Assets		18,164	44,034
TOTAL ASSETS		49,899	45,024
LIABILITIES			
Current Liabilities			
Payables	15	156	1,452
Borrowings	16	8,700	2,100
Provision	17	120	–
Total Current Liabilities		8,976	3,552
Non-Current Liabilities			
Provisions	17	780	–
Total Non-Current Liabilities		780	–

STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 DECEMBER 2011

	Note	30 December 2011 \$' 000	30 June 2011 \$' 000
TOTAL LIABILITIES		9,756	3,552
NET ASSETS		40,143	41,472
EQUITY			
Retained Earnings	18	40,143	41,472
TOTAL EQUITY		40,143	41,472

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

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 DECEMBER 2011

	Note	Retained Earnings \$' 000	Total Equity \$' 000
Balance at 1 July 2010		37,356	37,356
Total comprehensive income for the year		4,116	4,116
Balance at 30 June 2011		41,472	41,472
Balance at 1 July 2011		41,472	41,472
Total Comprehensive Income for the year		(1,329)	(1,329)
Balance at 30 December 2011	18	40,143	40,143

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

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 DECEMBER 2011

	Note	30 December 2011 \$' 000	30 June 2011 \$' 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		–	19,422
Interest received		16	181
GST receipts on sales		2	1,094
GST receipts from taxation authority		799	1,586
Other receipts		(23)	167
Payments			
Supplies and services		(1,058)	(3,160)
GST payments on purchases		(580)	(1,692)
GST Payments to taxation authority		(2)	(1,094)
Net cash provided by/(used in) operating activities	19	(846)	16,503
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		–	–
Purchase of capital works in progress		(3,842)	(13,868)
Net cash provided by/(used in) investing activities		(3,842)	(13,868)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		6,600	3,650
Repayments of borrowings		–	(6,238)
Net cash provided by/(used in) financing activities		6,600	(2,588)
Net increase/(decrease) in cash and cash equivalents		1,912	47
Cash and cash equivalents at the beginning of period		420	373
CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD	8	2,332	420

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

1. Australian equivalents to International Financial Reporting Standards General

The Authority's financial statements for the period 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 Standards Board (AASB).

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

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Australian Accounting Standards that have been issued or amended (but not operative) have been early adopted by the Authority for the annual reporting period ended 30 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 the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land and buildings which have been measured at fair value. The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

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

(c) Reporting Entity

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

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

(d) Income

Revenue Recognition

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

- Sale of Land

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

- Provision of services

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

- Interest

Revenue is recognised as the interest accrues.

- Contribution Revenue

Non-reciprocal contributions are recognised as revenue upon receipt by the Authority. Reciprocal contributions are recognised as revenue once the conditions limiting the contributions are discharged.

(e) Property, Plant and Equipment

Capitalisation/expensing of assets:

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

Initial recognition and measurement:

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

Depreciation:

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. Depreciation is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

Office equipment	10 years
Computer Equipment	4 years
Software (a)	3 years

(a) Software that is integral to the operation of related hardware

Land is not depreciated.

(f) 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 which is reviewed annually) on the straight line basis. All intangible assets controlled by the Authority have a finite useful life and zero residual value.

The expected useful life for this class of intangible asset is:

Software (a)	3 years
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(a) Software that is not integral to the operation of related hardware

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

(g) Impairment of Assets

Property, plant and equipment are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Authority is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling or where there is 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.

(h) Financial Instruments

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

- Receivables
- Held-to-maturity investments (includes short term deposits); and
- Financial liabilities (payables and borrowings)

Financial instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables

Financial Liabilities

- Payables
- WATC Borrowings

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.

(i) Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

(j) Inventories

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

(k) 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 the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(h) 'Financial Instruments' and note 10 'Receivables'.

(l) 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. See note 2(h) 'Financial Instruments' and note 15 'Payables'.

(m) Borrowings

All borrowing costs for qualifying assets (inventories) are capitalised.

(n) Employee Benefits

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

(o) Dividends

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

(p) Comparative Figures

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

(q) Significant Estimates and Judgements

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.

Fair value of borrowings:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

3. Disclosure of changes in accounting policy

(a) Voluntary changes in Accounting Policy

There has been no voluntary change in accounting policies.

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

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

Title	Operative for reporting periods beginning on/after
<p>AASB 2009-11 <i>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 & 1,038 and Interpretations 10 & 12].</i></p> <p>The amendment to AASB 7 <i>Financial Instruments: Disclosures</i> requires modification to the disclosure of categories of financial assets. The Authority does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.</p>	1 January 2013
<p>AASB 2010-5 <i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and interpretations 112, 115, 127, 132 & 1042] (October 2010).</i></p> <p>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.</p>	1 January 2011
<p>AASB 1053 <i>Application of Tiers of Australian Accounting Standards.</i></p> <p>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 disclosures apply. Department of Treasury and Finance has not yet determined the application or the potential impact of the new Standard for agencies.</p>	1 July 2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

Title		Operative for reporting periods beginning on/after
AASB 1054	<p data-bbox="353 443 745 467"><i>Australian Additional Disclosures.</i></p> <p data-bbox="353 491 1720 595">This Standard, in conjunction with AASB 2011-1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i>, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.</p>	1 July 2011
AASB 2011-1	<p data-bbox="353 619 1720 683"><i>Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113].</i></p> <p data-bbox="353 707 1720 802">This Amending Standard, in conjunction with AASB 1054 <i>Australian Additional Disclosures</i>, removed disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.</p>	1 July 2011

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

	30 December 2011 \$' 000	30 June 2011 \$' 000
4. Trading profit		
Sales	–	19,422
Cost of Sales:		
Opening inventory	(44,027)	(42,122)
Purchases	(2,572)	(14,832)
Provision for future environmental monitoring	(900)	
	(47,499)	(56,954)
Closing inventory	47,499	44,027
Cost of Goods Sold	–	(12,927)
Trading Profit	–	6,494

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

5. Interest revenue

Interest Revenue	17	179
	17	179

Interest revenue includes interest earned on cash and cash equivalents held at the bank and at call short term deposits.

6. Other revenue

Development Application Fees	–	457
Other	–	–
	–	457

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

	30 December 2011 \$' 000	30 June 2011 \$' 000
7. Depreciation and Amortisation		
Depreciation		
Computer Equipment	–	–
Amortisation		
Intangible Assets	3	6
Total depreciation and amortisation	3	6
8. Cash and cash equivalents		
Cash at bank	1,005	296
Short term deposits/ at call funds	1,327	124
	2,332	420

The at call deposits are 30 days terms with fixed interest rates between 4.15% and 4.65% (30 June 2011 – 4.4% and 4.65%).

9. Inventories

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

Current	29,339	–
Non-Current	18,160	44,027
	47,499	44,027
Current		
Developed Land	29,339	–
	29,339	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

	30 December 2011 \$' 000	30 June 2011 \$' 000
9. Inventories (continued)		
The following represents the transfers to and from developed land inventories:		
Balance at 1 July	–	12,591
Additions	–	336
Transferred to Cost of Sales	–	(12,927)
Balance at 30 December (at cost)	–	–
Non-Current		
Capital Works and Undeveloped Land	18,160	44,027
	18,160	44,027
The following represents capital works and undeveloped land:		
Balance at 1 July	44,027	29,531
Additional capital works and land	2,572	14,496
Less transfers to developed land	(29,339)	–
Provision for future environmental monitoring	900	–
Balance at 30 December (at cost)	18,160	44,027

Inventories are recorded at the lower of cost and net realisable value (30 June 2011: 44.03M; 30 December 2011: \$47.5M). An internal valuation of Capital Works in Progress and Undeveloped Land at net realisable value as at 30 December 2011 showed inventories were held at lower of cost and net realisable value. The internal valuations have been determined taking into account advice from external valuers, and both internal and external property advisors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

	30 December 2011 \$' 000	30 June 2011 \$' 000
10. Receivables		
Trade receivables	0	168
	0	168
Other receivables	33	252
	33	420
11. Other Current Assets		
Prepayments	31	149
	31	149
12. Property, furniture and equipment		
Computer equipment		
At cost	10	10
Accumulated depreciation	(10)	(10)
	–	–
Total Property, furniture and equipment	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

	30 December 2011 \$' 000	30 June 2011 \$' 000
13. Intangible assets		
Software at cost	18	18
Amortisation	(14)	(11)
	4	7
Reconciliation:		
Carrying amount at start of year	7	13
Additions	–	–
Amortisation Expense	(3)	(6)
Carrying amount at end of period	4	7
14. Impairment of assets		
There were no indications of impairment to 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 assets held for sale or written off.		
15. Payables		
Trade payables	92	1217
Refundable deposit bonds	1	1
Accrued expenses	48	219
Other payables	15	15
	156	1,452

See also note 2(l) 'Payables' and note 23 'Financial Instruments'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

	30 December 2011 \$' 000	30 June 2011 \$' 000
16. Borrowings		
Current		
WA Treasury Corporation Loan	8,700	2,100
	8,700	2,100

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

17. Provisions

Current	120	–
Non-Current	780	–
	900	–

The provision relates to the estimated future cost of environmental monitoring.

18. Equity

The Government holds the equity interest in the Authority on behalf of the community. Equity represents the residual interest in the net assets of the Authority.

Retained Earnings

Balance at start of year	41,472	37,356
Total Comprehensive Income for the period	(1,329)	4,116
Balance at end of period	40,143	41,472

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

	30 December 2011 \$' 000	30 June 2011 \$' 000
19. Notes to the Statement of Cash Flows		
Reconciliation of cash		
Cash at the end of the financial period as shown in the Statement of Cashflows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	2,332	420
	2,332	420
Reconciliation of Profit/(Loss) after tax equivalent to net cash flows provided by/(used in) operating activities		
Profit/(Loss)	(1,329)	4,116
Non-cash items:		
Depreciation and Amortisation expense	3	6
(Increase)/decrease in assets:		
Current receivables (a)	168	552
Other current assets	119	(3)
(Increase)/decrease in inventory	145	12,927
Increase/(decrease) in liabilities:		
Payables	(171)	(1,000)
Other current liabilities	0	11
Net Tax receipts/(payments) (b)	797	492
Change in GST in receivable/payables (c)	(578)	(598)
Net cash provided by/(used in) operating activities	(846)	16,503

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

(b) This is the net GST paid/received, i.e. cash transactions.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

	30 December 2011 \$' 000	30 June 2011 \$' 000
20. Commitments		
The commitments below are inclusive of GST where relevant.		
Capital expenditure commitments		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	2,329	6,788
	2,329	6,788

21. Contingent liabilities

Contamination of Pioneer Road Services Site (PRS)

The PRS Site has environmental contamination. The Authority has already performed some remediation works. Depending on the results of ongoing monitoring as required by the Department of Environment and Conservation, the Authority may be required to:

- (a) perform further remediation works; and
- (b) compensate third parties affected by contamination.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

22. 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 \$200,000.

Significant variances between actual results for the 6 months and estimates for the full year

	30 December 2011 Actual \$' 000	30 June 2012 Estimates \$' 000	Variance \$' 000
Expense			
Administration	1,022	1,917	895

Administration expense was lower than the estimate due to the actual being for 6 months instead of a full year.

Significant variances between the 6 month actuals and prior year actuals for the financial year

	30 December 2011 \$' 000	30 June 2011 \$' 000	Variance \$' 000
Income			
Sales revenue	–	19,422	(19,422)
Other revenue	–	457	(457)
Expense			
Cost of Sales	–	12,927	12,927
Administration expense	1,022	2,428	1,406
Sales & marketing	165	368	202

Income

Sales revenue decreased as there were no settlements occurred during the financial period.

Other revenue decreased as a result of no contribution revenue during the 6 month financial period.

Expenses

Expenses decreased as a result of the financial period reducing to 6 months due to the amalgamation of the Subiaco Redevelopment Authority with other Authorities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

23. Financial Instruments

(a) Financial Risk Management Objectives and Policies

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

Credit risk

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority.

The maximum exposure to credit risk at 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 23 (c) 'Financial Instruments Disclosures' and Note 10 'Receivables'.

The Authority trades only with recognised, creditworthy third parties. The Authority has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. At the end of the reporting period, there were no significant concentrations of credit risk. Reminder letters are sent out on a regular basis to make follow ups on the past due receivables.

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 loans. 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 23(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 (non-interest bearing), WATC borrowings and finance leases (fixed interest rate).

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

23. Financial Instruments (continued)

(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 \$' 000	30 June 2011 \$' 000
Financial Assets		
Cash and cash equivalents: short term deposit/at call funds	1,327	124
Cash and cash equivalents: bank account	1,005	296
Receivables (i)	0	168
Financial Liabilities		
Payables	156	1,452
Borrowings	8,700	2,100

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

23. Financial Instruments (continued)

(c) Financial Instrument Disclosures

Credit Risk and Interest Rate Risk Exposures

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

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

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

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

	Weighted Average Interest Rate	Carrying Amount \$' 000	Interest rate exposure			Past due but not impaired
			Fixed Interest Rate \$' 000	Variable Interest Rate \$' 000	Non Interest Bearing \$' 000	Up to 3 months \$' 000
Financial assets:						
30 December 2011						
Cash assets – At Call	4.58%	1,327	1,327	–	–	–
Cash assets – Bank Account	3.53%	1,005	–	1,005	–	–
Receivables (a)		0	–	–	0	–
		2,332	1,327	1,005	0	–
30 June 2011						
Cash assets – At Call	4.58%	124	124	–	–	–
Cash assets – Bank Account	3.07%	296	–	296	–	–
Receivables		168	–	–	168	168
Other Current Assets		149	–	–	149	149
		737	124	296	317	317

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

23. Financial Instruments (continued)

Liquidity risk

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

Interest Rate Exposure And Maturity Analysis Of Financial Liabilities (A)								
Interest Rate Exposure								Maturity Date
	Weighted Average Interest Rate	Carrying Amount \$' 000	Fixed Interest Rate \$' 000	Variable Interest Rate \$' 000	Non Interest Bearing \$' 000	Adjustment for dis-counting \$' 000	Total Nominal Amount \$' 000	Up To 3 Months \$' 000
Financial Liabilities:								
30 December 2011								
Payables		156	–	–	156	–	–	156
Borrowings	4.85%	8,700	–	8,700	–	–	–	8,700
		8,856	–	8,700	156	–	–	8,856
30 June 2011								
Payables		1,452	–	–	1,452	–	–	1,452
Borrowings	4.92%	2,100	–	2,100	–	–	–	2,100
		3,552	–	2,100	1,452	–	–	3,552

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

23. Financial Instruments (continued)

Interest Rate Sensitivity Analysis

The following table represents a summary of the interest rate sensitivity of the Authority's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 100 basis point change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-100 basis points		+100 basis points	
	Carrying Amount \$' 000	Surplus \$' 000	Equity \$' 000	Surplus \$' 000	Equity \$' 000
30 December 2011					
Financial assets:					
Cash assets – At Call	1,327	(13)	(13)	13	13
Cash assets – Bank Account	1,005	(10)	(10)	10	10
Financial liabilities:					
Borrowings	8,700	87	87	(87)	(87)
Total Increase/(Decrease)		64	64	(64)	(64)
		-100 basis points		+100 basis points	
	Carrying Amount \$' 000	Surplus \$' 000	Equity \$' 000	Surplus \$' 000	Equity \$' 000
30 June 2011					
Financial assets:					
Cash assets – At Call	124	(1)	(1)	1	1
Cash assets – Bank Account	296	(3)	(3)	3	3
Financial liabilities:					
Borrowings	2,100	21	21	(21)	(21)
Total Increase/(Decrease)		17	17	(17)	(17)

(d) Fair Values

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

24. 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 period, fall within the following bands are:

	30 December 2011 \$' 000	30 June 2011 \$' 000
\$ 0 – \$ 10,000	4	1
\$ 10,001 – \$ 20,000	1	3
\$ 20,001 – \$ 30,000	–	1
Total remuneration of the members of the accountable authority is:	35	66

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

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

Remuneration of Senior Officers

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

25. Remuneration of Auditors

	30 December 2011 \$' 000	30 June 2011 \$' 000
Remuneration payable to the Auditor General in respect of the audit for the period is as follows:	17	25
Auditing the accounts, financial statements and performance indicators	17	25

26. Related Bodies

The Authority has no related bodies.

27. Affiliated bodies

The Authority has no affiliated bodies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2011

	30 December 2011 \$' 000	30 June 2011 \$' 000
28. Supplementary financial information		
(a) Write-offs		
	25	–
Public property written-off by the Executive Council during the financial year	25	–
	30 December 2011	30 June 2011
(b) Losses through theft, defaults and other causes		
Losses of public money and public and other property through theft or default	–	–
	30 December 2011	30 June 2011
(c) Gifts of public property		
Gifts of public property provided by the Authority	–	–

29. Events occurring after the Balance Sheet date

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

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

30. Resources received free of charge

The Authority did not receive any resources free of charge.

OPINION OF THE AUDITOR GENERAL



AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

SUBIACO REDEVELOPMENT AUTHORITY

Report on the Financial Statements

I have audited the accounts and financial statements of the Subiaco 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 Subiaco 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 Subiaco 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.

Subiaco Redevelopment Authority

Report on Controls

I have audited the controls exercised by the Subiaco 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.

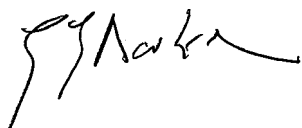
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Board based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the controls exercised by the Subiaco 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.



GLEN CLARKE

ACTING AUDITOR GENERAL

13 March 2012

