GOVERNMENT OF WESTERN AUSTRALIA

MRA Metropolitan Redevelopment Authority

ANNUAL REPORT
2012-2013

Table of Contents

Statement of Compliance

Hon John Day MLA
Minister for Planning
11th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

Dear Minister,

In accordance with Section 63 of the *Financial Management Act 2006,* we hereby submit for your information and presentation to Parliament the Annual Report of the Metropolitan Redevelopment Authority for the reporting period 1 July 2012 to 30 June 2013.

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

Yours sincerely,

Richard Muirhead
Chairperson

Jeff Dowling
Deputy Chairperson

Kieran Kinsella
Chief Executive Officer

What We Do

The Metropolitan Redevelopment Authority (MRA) was established pursuant to the *Metropolitan Redevelopment Authority Act 2011* (the Act) to undertake redevelopment projects in suitable areas within the Perth metropolitan area.

The functions of the MRA under Section 7 of the Act are:

(a) to plan, undertake, promote and coordinate the development of land in Redevelopment Areas in the metropolitan region; and

(b) for that purpose:

  i. to prepare and keep under review strategic and policy documents in relation to the development of land in Redevelopment Areas;

  ii. under Part 5 [of the Act] to prepare and keep under review a redevelopment scheme for each Redevelopment Area; and

  iii. under Part 6 [of the Act], to control development in each Redevelopment Area.

Vision

A **Revitalised** Perth – a great place that people want to be a part of.

Values

Listen | Lead | Communicate | Innovate

Strategic Objectives

Project Quality	Deliver regeneration projects of enduring quality
People	Recruit and retain motivated, capable people to deliver and support the projects
Systems & Processes	Develop and maintain efficient and effective systems and processes to support project delivery and governance oversight
Stakeholders	Develop effective relationships with key stakeholders, earning their trust and respect
Leadership	Play a lead role in influencing the development of Metropolitan Perth

Chairperson's Review

Western Australia is currently experiencing an exceptional period of opportunity and the MRA has a significant role to play in the transformation of Perth city and key metropolitan locations.

Over the last 12 months, the MRA entered only its second year as an organisation after the mergers of the Armadale Redevelopment Authority, the East Perth Redevelopment Authority, the Midland Redevelopment Authority and the Subiaco Redevelopment Authority in December 2012.

Since joining the MRA as Chairperson in January 2013 I have seen the significant way in which our agency is contributing to the transformation of Perth as it becomes a global city with new places and experiences. What makes a city liveable is more than infrastructure and built form – it's about connections with people, places and history; the provision of good amenities and services; and developing a unique sense of character. Our role, as Perth's redevelopment agency, is to transform urban spaces and meet the challenges of the city's future growth, by creating strong communities and encouraging sustainability and innovation in urban development.

Through the regeneration of the Redevelopment Areas of Armadale, Central Perth, Midland and Subiaco, the MRA will continue to build Perth's capacity by increasing vibrancy and activity, and providing new commercial, residential, retail and public spaces where people want to live, work and visit.

The MRA has worked with the private sector to deliver much needed residential, hotel, commercial and retail accommodation in Perth to ensure our city can adequately meet the needs of future generations.

This year has seen a number of challenges and many significant achievements – particularly in our larger projects in the CBD such as Perth City Link, Elizabeth Quay and Riverside. The organisation has also made excellent progress on nearly all projects across the remainder of our portfolio – and for that I congratulate the staff and all our partners.

Our role was again expanded last year with the Government announcing that the MRA will play a key role in the rejuvenation and future of one of Australia's great beachfront areas – Scarborough. This is an additional challenge for the MRA and one which the Board and the organisation will embrace with enthusiasm in the next financial year and beyond.

As a key agency of the State Government's planning system, the MRA is redefining Perth in partnership with government, industry and the people of Perth. With our unusual mix of roles, and our planning and development powers, the Board is very aware of the need for the MRA to not only deliver its role efficiently and effectively but to do so with the highest levels of diligence, accountability and applied governance.

Thanks and appreciation must first go to the MRA's inaugural Board members, Mr Eric Lumsden, Mr Don Humphreys, Dr Fred Affleck, Mr Charles Johnson, Ms Fiona Kalaf and Councillor Carol Adams, many of whom were previous members of the former redevelopment authorities and continued with the MRA during the first year of the MRA's operation. I would also like to welcome and acknowledge the efforts of our new Board members who have worked hard to add value to the MRA's business in delivering key metropolitan projects.

Of course without the CEO, staff, consultants and all the members of our four Land Redevelopment Committees nothing would be achieved and I would like to thank them for their commitment and dedication in both building the capacity of the organisation and contributing to the significant outcomes achieved throughout the year.

Richard Muirhead
Chairperson

Chief Executive Officer Report – Year in Review

It has been a busy year as the MRA continues to revitalise communities and create a distinctive sense of place that is transforming our city and redefining key ws of metropolitan Perth. The MRA's achievements throughout the year are testament to the capability and enthusiasm of our people who have strived to deliver our vision for a revitalised Perth.

Milestones

The reporting period saw many significant milestones reached in the MRA's revitalisation program. In February 2013, a Project Delivery Deed was finalised between the MRA and *Lend Lease Development Pty Ltd* for the development of the Waterbank precinct in the Riverside project enabling the delivery of $1.1billion of construction works.

At Elizabeth Quay, Stage One of a $200 million Managing Contract to construct the inlet and public realm was awarded to *Leighton Contractors and Broad Construction Services WA;* and the first land release for lots 9 and 10 went to the market to deliver a premium hotel and residential accommodation.

The MRA's projects are recognised nationally and internationally as leading examples of urban renewal.

Highlights

Milestone agreement for the development of the $1.1billion Waterbank precinct in the **Riverside** project.

Stage One of a $200 million Managing Contract to construct the inlet and public realm at **Elizabeth Quay** was awarded.

Announcement by the State Government that the MRA will plan and deliver a $30million urban revitalisation of **Scarborough**.

The first land release of two lots at **Elizabeth Quay** for a luxury hotel and residential development.

Completion of the $15million subdivision works at the Milligan Street precinct at **Perth City Link**.

Significant investment in **Armadale** with the opening of a new Bunnings store and completion of Stage 1 Ranford Road dual carriageway works.

A $7million works program to reconfigure the jetty system at **Barrack Street Jetty** was completed.

Perth Cultural Centre hosted major events including St Jerome's Laneway Festival, Fringe World and the Perth Festival Garden.

William Street precinct awarded an Honourable Mention at the United Nations Asia-Pacific Awards for Cultural Heritage Conservation.

Continued delivery of the $70million external works program at **Elizabeth Quay** including service infrastructure upgrades, remediation and upgrades to the road network.

Commencement of the construction of the **Midland** Public Hospital.

The sale of seven single residential lots and one commercial lot at the Australian Fine China precinct in **Subi Centro**.

Remediation and surcharging works at the **Waterbank** site were completed with the surcharging consolidation period well progressed.

Engagement

The MRA's projects are recognised nationally and internationally as leading examples of urban renewal. During the reporting period, the MRA responded to a large number of requests from industry, stakeholders and the community wanting to learn more about the MRA's redevelopment projects.

The MRA hosted project tours for business, government and other delegates from interstate and overseas and provided more than 40 presentations about the MRA's Redevelopment Areas to various community and stakeholder groups.

The MRA continued to support industry, the community and place activation initiatives by sponsoring a number of programs, organisations and events.

The Perth Cultural Centre also played host to the *Fringe World* festival which was fantastically successful and a great opportunity to highlight the varied events and activities the MRA can offer Western Australians across the city.

Financials

Sales revenue of $6.4 million was generated by the MRA during the reporting period.

The MRA's significant investment in capital works resulted in an increase in total inventory from $222.9million to $326.4million over the 12-month period. This was mostly attributable to the Elizabeth Quay, Riverside and Perth City Link projects.

A significant increase in sales revenue is expected in 2013/14 as a result of this extensive capital works investment.

The MRA's Net Assets have increased from $91million in 2011/12 to $165.6million in 2012/13.

During the period, the MRA approved 206 development applications with a total value of $301,422,552.

Looking ahead

The MRA has grown considerably since its inception in January 2012. Through staff recruitment, introduction of new systems and improved technology, the capacity of the organisation has increased significantly to enable the agency to meet the challenges of delivering redevelopment projects across the metropolitan area.

Kieran Kinsella
Chief Executive Officer

MRA Redevelopment Areas

Redevelopment Schemes

In accordance with the *Metropolitan Redevelopment Authority Act 2011*, each Redevelopment Area has a Land Redevelopment Committee to enable community and Local Government involvement in the development and delivery of MRA's projects. The Redevelopment Schemes under which the MRA operates are:

Perth	Central Perth Redevelopment Scheme
Subiaco	Subiaco Redevelopment Scheme
Midland	Midland Redevelopment Scheme
Armadale	Armadale Redevelopment Scheme Wungong Urban Water Redevelopment Scheme

Redevelopment Area Objectives

To build a sense of place by supporting high-quality urban design, heritage protection, public art and cultural activities that respond to Perth's environment, climate and lifestyle.

To promote economic wellbeing by supporting, where appropriate, development that facilitates investment and provides opportunity for local businesses and emerging industries to satisfy market demand.

To promote urban efficiency through infrastructure and buildings, the mix of land use and facilitating a critical mass of population and employment.

To enhance connectivity and reduce the need to travel by supporting development aimed at well-designed places that support walking, cycling and public transit.

To promote social inclusion by encouraging, where appropriate, a diverse range of housing and by supporting community infrastructure and activities and opportunities for visitors and residents to socialise.

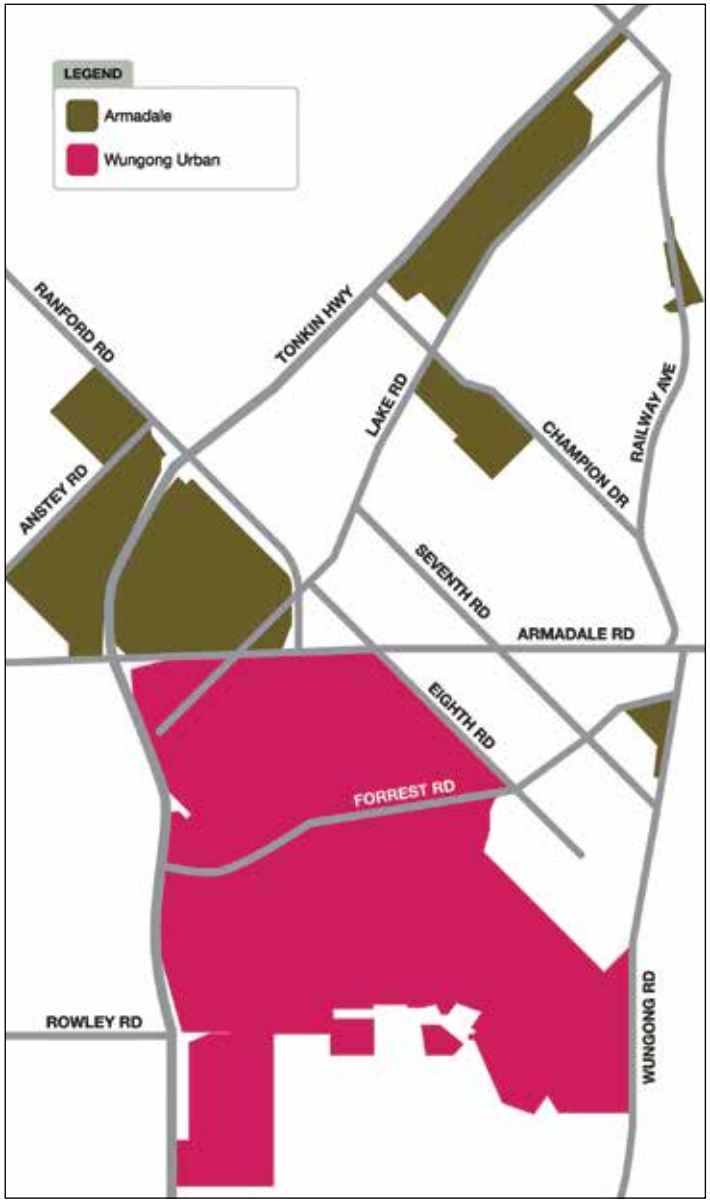
To enhance environmental integrity by encouraging ecologically sustainable design, resource efficiency, recycling, renewable energy and protection of the local ecology.

MRA Redevelopment Areas

The following illustrations highlight the MRA's Redevelopment Areas and their respective project areas. Further information and more detailed maps on the project areas are available on the MRA's website: www.mra.wa.gov.au.

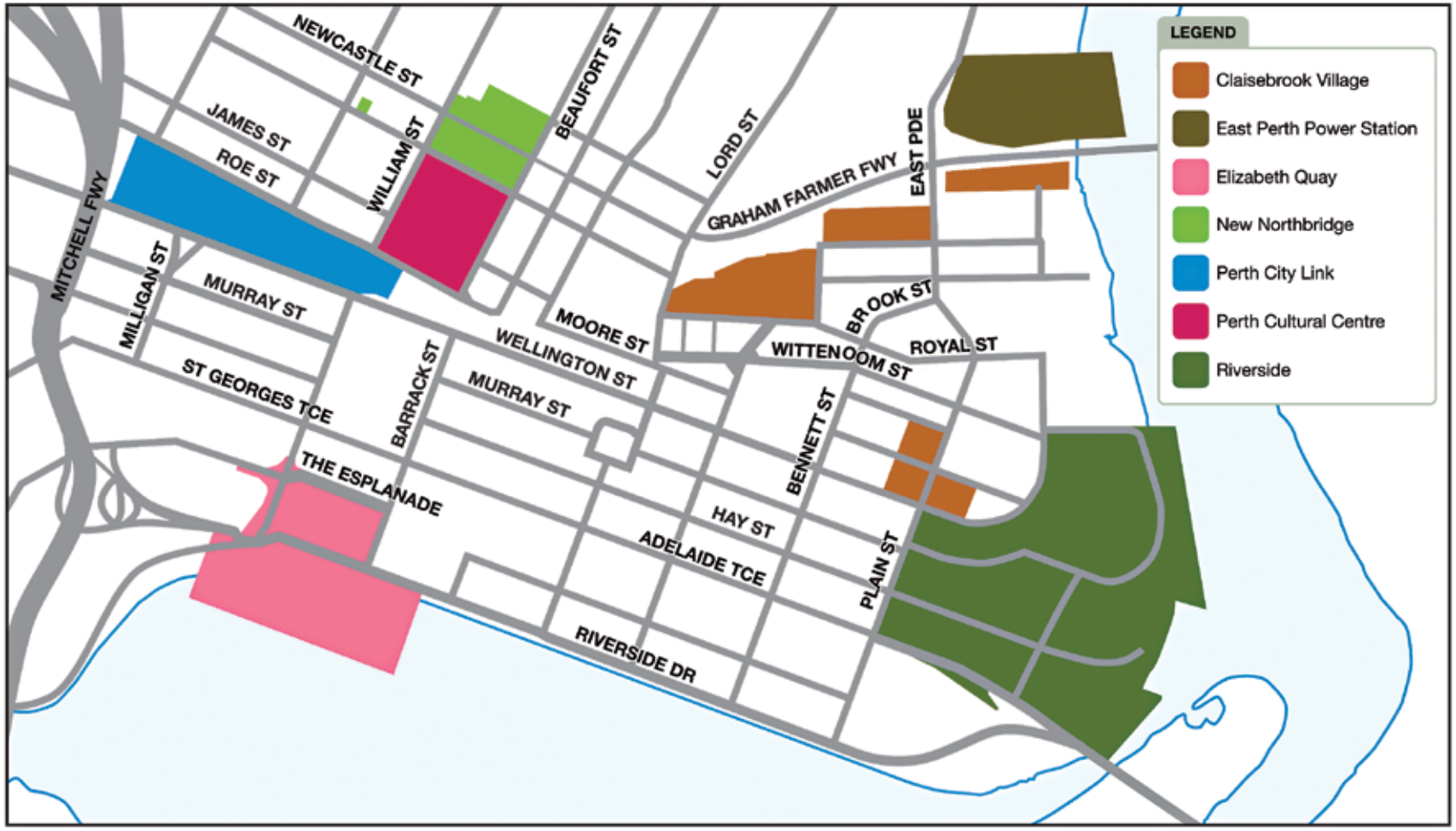
In January 2013, the Government announced the creation of a Scarborough Redevelopment Area through the MRA. A boundary for the new Scarborough Redevelopment Area has been proposed and an amendment to the *Metropolitan Redevelopment Authority Regulations 2011* has been drafted. It is anticipated the Scarborough Redevelopment Area will be established in September 2013.

Armadale Redevelopment Area



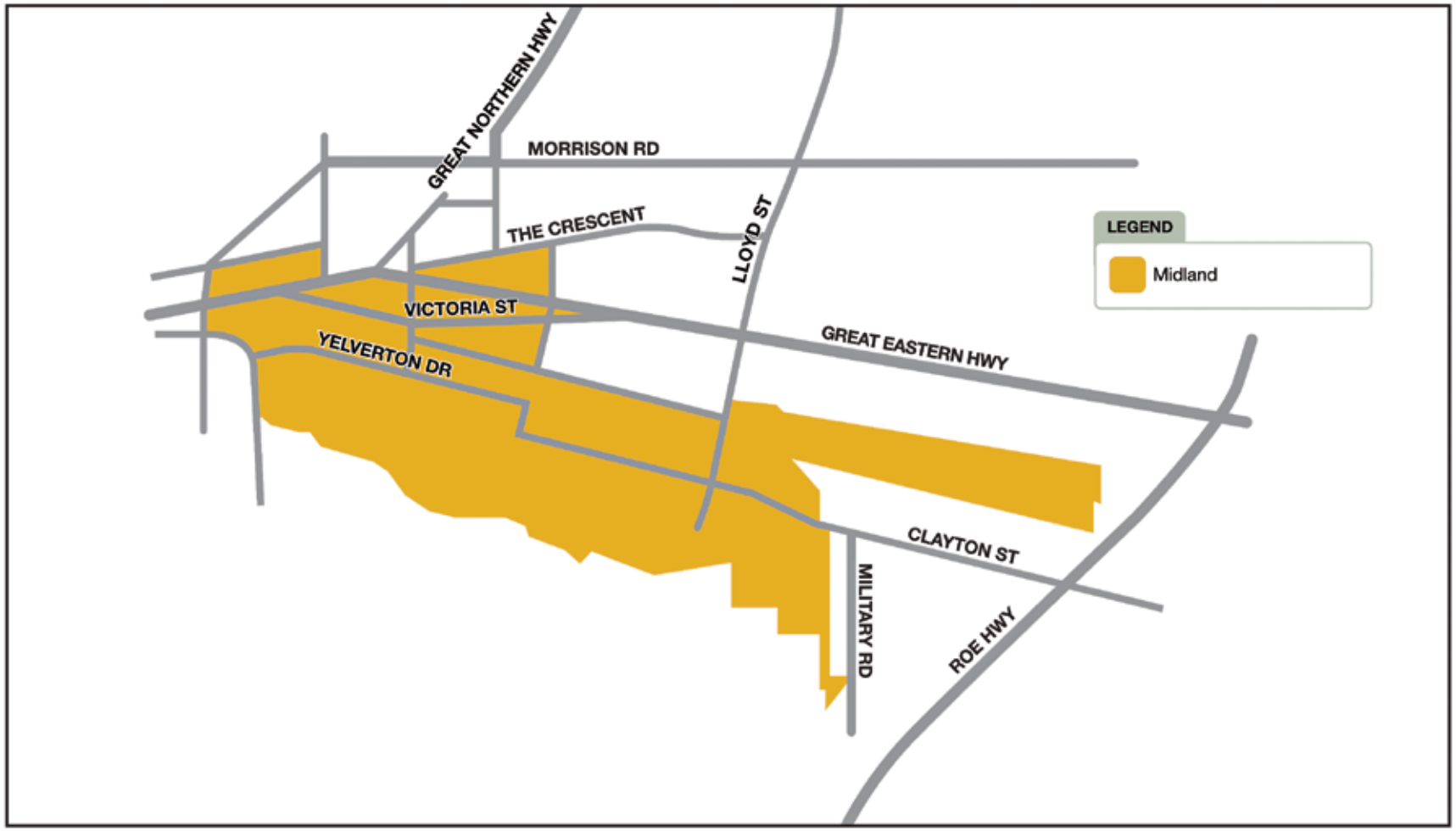
MRA Redevelopment Areas

Central Perth Redevelopment Area



MRA Redevelopment Areas

Midland Redevelopment Area

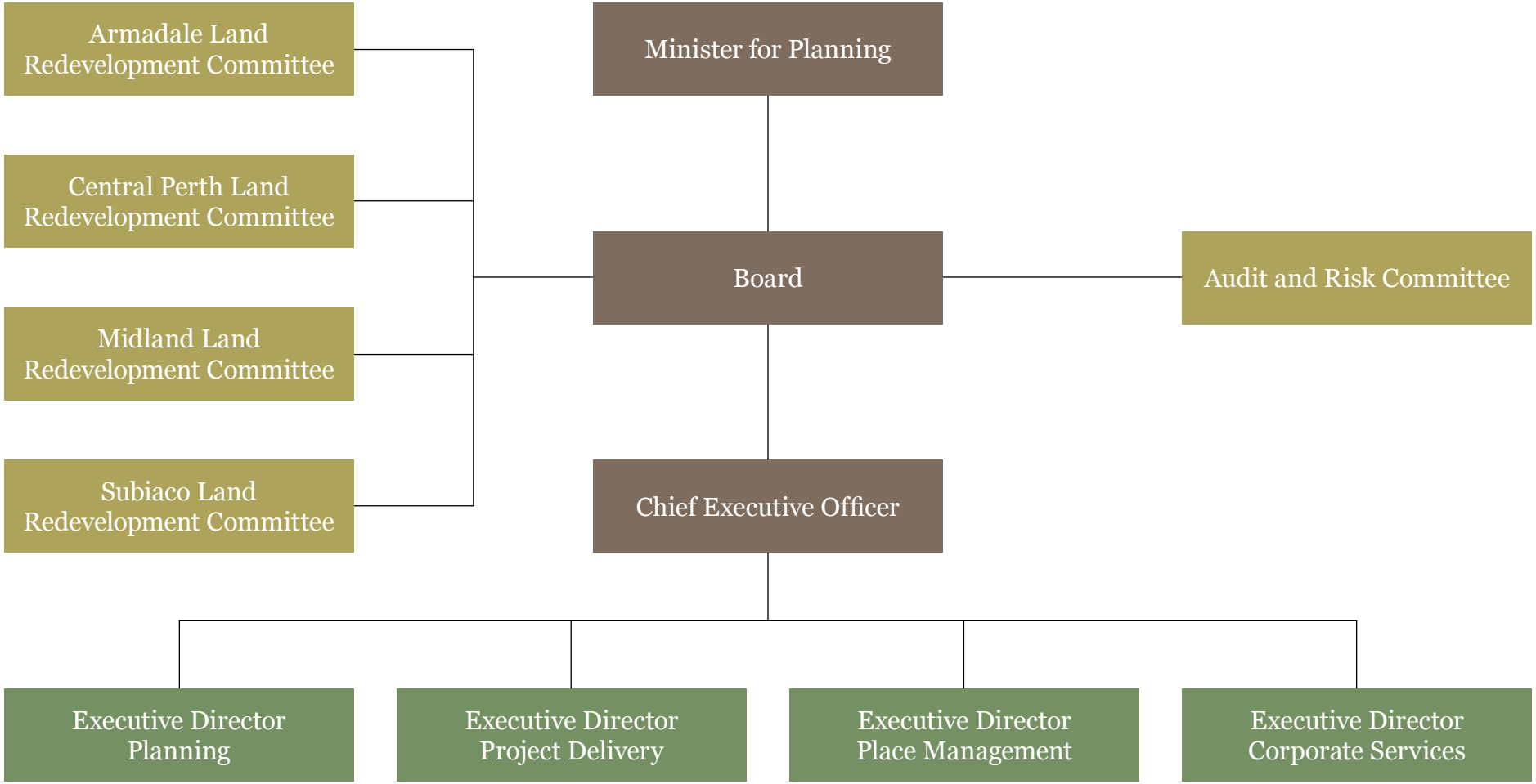


MRA Redevelopment Areas

Subiaco Redevelopment Area

Organisational Structure

Organisational Chart



Board and Committees

As a Statutory Authority of the State Government of Western Australia, the MRA is governed by a Board who are appointed by and answerable to the Minister for Planning. The MRA Board sets the strategic direction of the MRA and monitors its performance.

The Board's key functions are:

Strategy | Monitoring | Risk Management | Compliance

The four Land Redevelopment Committees – for Armadale, Central Perth, Midland and Subiaco – have planning powers delegated by the MRA Board and provide advice on local matters.

(Refer Appendix 1 for an overview of Board and Land Redevelopment Committee members' meeting attendance.)

MRA Board

The MRA Board is comprised of seven members, each appointed by the Minister for Planning for a term no longer than three years. Members are eligible for reappointment.

The *Metropolitan Redevelopment Authority Act 2011* (the Act) requires that of the seven Board members, one is to be an appointed member of the board or management of the Western Australian Planning Commission (WAPC) nominated by the WAPC; one has knowledge of or experience in Local Government; and that each of the others is to be a person who, in the opinion of the Minister, has relevant qualifications. A relevant qualification is knowledge of, and experience in, one or more of the fields of urban planning, business management, property development, financial management, engineering, transport, housing and community affairs. Board members are remunerated according to Public Sector Commission guidelines. Those members who are public servants are not remunerated.

MRA Board

Mr Richard Muirhead, Chairman

Richard Muirhead, Principal, Spiral Consulting, has extensive experience as an executive and Chief Executive Officer for the Western Australian Government. From July 2010 to November 2011, Mr Muirhead was the State Director CHOGM assisting the Commonwealth in staging the international event and developing initiatives to promote Western Australia, assist local business and encourage community participation. Prior to CHOGM, Mr Muirhead held the position of Chief Executive Officer of Tourism WA for 10 years and the (former) Department of Commerce and Trade from 1997 to 2001.

Mr Jeff Dowling, Deputy Chairman

Mr Jeff Dowling, retired managing partner, Ernst & Young Western Region, is a highly experienced corporate leader with 36 years' experience in professional consultancy. Mr Dowling has held numerous leadership positions at Ernst & Young and his expertise centres around audit, risk and financial transactions. Mr Dowling is a Fellow of the Australian Institute of Company Directors, the Institute of Chartered Accountants Australia and the Financial Services Institute of Australasia. Mr Dowling also holds board positions for the WA Symphony Orchestra and the Telethon Institute for Child Health Research.

Mr Charles Johnson, Board Member

Mr Charles Johnson was the former Chairman of the Armadale Redevelopment Authority. He has a background in urban geography and town planning, with almost 30 years' experience working at Local and State Government levels as well as a period in private consultancy. Mr Johnson is currently the principal of a planning consultancy, President of the Planning Institute of Australia (WA division) and formerly the Executive Director of Strategic Policy and Research at the Department of Planning.

Ms Fiona Kalaf, Board Member

Ms Fiona Kalaf has wide-ranging business experience, working in senior executive positions for high profile organisations in Western Australia. Ms Kalaf also has considerable board and committee experience, including roles with the Central Perth Planning Committee, the Chairperson of the Art Gallery of Western Australia, the UWA Advisory Board to the Lawrence Wilson Art Gallery, the Council of WA, the Curtin University of Technology Community Leaders Forum and the Australasian Institute of Banking and Finance.

Cr Carol Adams, Board Member

Councillor Carol Adams was elected as a councillor to the Town of Kwinana in May 1997 and served as Deputy from 2005-2006 before being elected as the first woman Mayor to the Town in May 2006. Cr Adams was re-elected unopposed to the position of Mayor until her term expires in October 2013. Cr Adams is a member of the South West Metropolitan Zone and a WALGA State Council delegate. In addition, she is on the WA Local Government Superannuation Trustee Plan Board, the Planning Minister's nominee to the WAPC's Statutory Planning Committee and national Deputy Chair to the National Growth Area Alliance.

Mr Nick Bruining, Board Member

Mr Nick Bruining holds a Bachelor of Commerce in Economics and Financial Planning and is the Principal of N.C. Bruining & Associates. Also a freelance journalist, commentator and broadcaster, Mr Bruining is a current member of the Midland Land Redevelopment Committee and a former director of the Financial Planning Association of Australia Ltd.

Mr Eric Lumsden, Board Member

Mr Eric Lumsden is currently the Director General of the Department for Planning. With more than 30 years' experience in Local Government, Mr Lumsden has previously held positions as CEO of the City of Melville and City of Swan; Commissioner of the City of South Perth; and Chair of the Council of Swan TAFE and Eastern Metropolitan Regional Councils CEO Group. He is also a former EPRA Board Member. Mr Lumsden is a Life Fellow of the Planning Institute of Australia, Fellow of the Australian Institute of Management and Fellow and past President of the Local Government Managers Association (WA Division). In 2005 Mr Lumsden was awarded the Public Service Medal for his contribution to Local Government and a place on the Queen's Birthday Honours List.

Board and Committees

MRA Committees

Audit and Risk Committee

The MRA Board has an Audit and Risk Committee that deals with issues particular to the roles and responsibilities assigned by the Board to the Committee.

Audit and Risk Committee Members as at 30 June 2013	
Mr Jeff Dowling	Chairperson
Ms Fiona Kalaf	Deputy Chairperson
Mr Nick Bruining	Member

Land Redevelopment Committees

The Act provides that a Land Redevelopment Committee (LRC) consists of five members appointed by the Minister of whom one is to be a member of the MRA's board or management nominated by the MRA, one is to be a person nominated in accordance with section 81 of the Act, and each of the others is to be a person who in the opinion of the Minister, has relevant qualifications. A relevant qualification is knowledge of, and experience in, one or more of the fields of urban planning, business management, property development, financial management, engineering, transport, housing and community affairs. Membership of the Committees represents a cross-section of experience in Local Government, planning and urban renewal, and those with a strong understanding of the needs of local communities. LRC members are appointed for a term no longer than two years and may be reappointed.

Armadale LRC Members as at 30 June 2013	
Mayor Carol Adams	Deputy Chairperson
Mayor Henry Zelones	Member
Mr Linton Reynolds	Member
Mr Matthew Handcock	Member

Central Perth LRC Members as at 30 June 2013	
Mr Charles Johnson	Chairperson
Ms Fiona Kalaf	Deputy Chairperson
The Rt. Honourable Lord Mayor Lisa Scaffidi	Member
Prof. Geoffrey London	Member
Ms Jennifer Duffecy	Member

Midland LRC Members as at 30 June 2013	
Mr Nicholas Bruining	Deputy Chairperson
Mayor Charlie Zannino	Member
Mr Brian Hunt	Member

Subiaco LRC Members as at 30 June 2013	
Mr Jeff Dowling	Chairperson
Dr Lynley Hewett	Deputy Chairperson
Ms Sharni Howe	Member
Mr Loren White	Member
Mr David Hartree	Member

Board and Committees

Executive Management

In accordance with section 109(2) of the *Metropolitan Redevelopment Act 2011*, subject to the control of the Authority's board of management, the Chief Executive Officer is to administer the day to day operations of the Authority.

The MRA's organisational structure has four divisions – Planning; Project Delivery; Place Management; and Corporate Services – each managed by an Executive Director.

Mr Kieran Kinsella, Chief Executive Officer

Mr Kieran Kinsella was appointed to the position of CEO of the MRA in June 2012 and comes to the role after serving as CEO of the Midland Redevelopment Authority from May 2000 to December 2011, where he led the revitalisation of Midland as a strategic regional centre.

Over the last 25 years he has gained extensive senior management experience in both the Federal and State Government public services in a wide range of disciplines including urban renewal, statutory planning, economic and community development, strategic and regional planning, regional development and employment and training.

Performance Management Framework

Treasurer's Instruction 903 requires a description of the links between agency-level desired outcomes and services and how they relate to the goals of the State Government. The table below demonstrates these links between the State Government goals and the services and outcomes we deliver in order to achieve those goals.

Government	Metropolitan Redevelopment Authority	
State Government Goal	**MRA Redevelopment Objective**	**MRA Key Performance Indicators**
State Building – Major Projects Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development.	Sense of Place Economic Well Being Connectivity	User Satisfaction Investment Generated Public Transit Access
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.	Connectivity Economic Well Being	Public Transit Access Investment Generated
Outcomes Based Service Delivery Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	Economic Well Being Urban Efficiency Social Inclusion Connectivity Environmental Integrity	Investment Generated Land Use Volume and Mix Housing Stock Diversity Public Transit Access Green Star Rating
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.	Nil	
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.	Sense of Place Economic Well Being Urban Efficiency Social Inclusion Connectivity Environmental Integrity	User Satisfaction Investment Generated Land Use Volume and Mix Housing Stock Diversity Public Transit Access Green Star Rating

Agency Performance

Project Areas

View across Perth

The MRA is driving the regeneration of its Redevelopment Areas of Armadale, Central Perth, Midland and Subiaco. The MRA's 12 major redevelopment projects are helping to provide new commercial, hotel, residential and retail accommodation for Perth and continue to attract billions of dollars in private sector investment into the State.

In order to measure the effect the MRA is having on the Perth metropolitan area, the MRA undertook an inaugural survey within its four Redevelopment Areas. The results of this survey are discussed in the Key Performance Indicators section of this Annual Report and highlight the ongoing presence of the MRA in its Project Areas.

In January 2013, Cabinet endorsed the creation of a Scarborough Redevelopment Area through the MRA. A boundary for the new Scarborough Redevelopment Area has been proposed and an amendment to the *Metropolitan Redevelopment Authority Regulations 2011* has been drafted. It is anticipated the Scarborough Redevelopment Area will be established in September 2013.

Agency Performance

Elizabeth Quay

Elizabeth Quay will reconnect the Swan River with the CBD by creating a contemporary waterfront destination that offers a mix of public spaces; new residential, hotel and serviced apartments; additional commercial and retail space for the CBD; and a host of other tourist attractions.

Elizabeth Quay is in full delivery mode. Forward Works Contractor *Georgiou Group* has been working to prepare the site for construction of the inlet, including improvements to the external road network and essential water and power infrastructure upgrades to service the wider CBD.

Objectives

The objectives of the project are to:

- Reconnect Perth's city centre with the Swan River.
- Create a premier waterfront destination – a place where locals and visitors can live, work and enjoy.
- Attract more people to the city foreshore and increase its utilisation.
- Create an inner-city community comprising civic, commercial, residential, hotel, tourism, retail, educational and cultural destinations.
- Showcase world-class architecture along the riverfront.
- Provide better separation of vehicles and pedestrians.
- Improve public access to the water and extend boat access.
- Construct a building of national significance celebrating Aboriginal history and culture.

Highlights

- In August 2012, the MRA assumed planning authority of the Elizabeth Quay project area following Gazettal of an Amendment to the Central Perth Redevelopment Scheme. The Elizabeth Quay Design Guidelines were also adopted at this time.
- In September 2012, the first two lots at Elizabeth Quay were released for sale for a hotel and residential development with a preferred proponent expected to be announced in late 2013.
- In December 2012, Stage One of a $200 million Managing Contract to construct the inlet and public realm was awarded to *Leighton Contractors and Broad Construction Services WA*.
- A $7million works program to reconfigure the jetty system was completed by *Maritime Constructions* in May 2013.
- Delivery of short-term improvement works for the Barrack Street Jetty precinct was completed in May 2013.
- Progression of the $70 million external works program by *Georgiou Group* including services infrastructure upgrades, site remediation and improvements to the external road network around the site.

Elizabeth Quay artist impression – Station Park, night view

Project Expectations

Investment attraction: $2.2 billion

Government investment*: $423 million

Project area: 10 hectares

Dwellings: 800

Resident population: 1,400

Commercial space (office/retail): 225,000m²

Expected year of completion: 2020+

Note: These are estimated figures based on current projections.

* This includes MRA investment only.

Agency Performance

Perth City Link

The Perth City Link project will reconnect the city centre with Northbridge for the first time in more than 100 years by sinking the rail line and bus station and delivering a vibrant mixed use precinct. The project is an important part in the overall revitalisation program for our city and will deliver improved connectivity and access in the CBD, increased residential, retail and commercial opportunities and high quality public spaces.

Delivery of Perth City Link is well progressed with works by the *Perth City Link Rail Alliance* (incorporating the Public Transport Authority, John Holland and GHD) to construct a new Fremantle line tunnel on track for completion by July 2013.

Objectives

The objectives of the Perth City Link project are to:

- Deliver a redevelopment project with high quality urban design and built form outcomes that focuses on public life and creates a new and improved public realm.
- Improve pedestrian, cyclist and vehicle connections and provide residents, workers and visitors with good access to high quality transit infrastructure.
- Attract residents, workers and students back to the city.
- Provide quality and innovative architecture of an international standard.
- Deliver positive economic, social and environmental outcomes.

Highlights

- Perth Arena opened in November 2012 and has since hosted a number of local and international events including basketball, concerts and the Hopman Cup tennis tournament.
- Commencement of place planning for City Square to define the activities, uses and functions for the space, which included the launch of an online digital engagement tool in December 2012.
- Significant progression by the Public Transport Authority on works to underground the rail line.
- Completion of the MRA's $15million Milligan Street precinct works in June 2013 which includes the extension of Milligan Street, the creation of two new development sites and the installation of services, landscaping and public art.
- Development approval granted for four buildings in the Kings Square precinct, with construction commencing in June 2013 on the first commercial building; an 11 storey, 20,440m² office and retail building.

Perth City Link artist impression – City Square, view north west

Project Expectations

Investment attraction: $4 billion

Government investment*: $1.3 billion

Project area: 13.5 hectares

Dwellings: 1,650

Resident population: 3,000

Commercial space (office/retail): 244,000m²

New workers: 13,500

Expected year of completion: 2020+

Note: These are estimated figures based on current projections.

* This includes MRA, Public Transport Authority and Perth Arena investment.

Agency Performance

Riverside

Located on the banks of the Swan River, the 40-hectare Riverside project will transform the eastern gateway into the city and create a vibrant new riverfront destination for the people of Perth and visitors to the city.

Through the redevelopment plans of the MRA and other key landowners, the area will transform over the next decade into a mix of residential, commercial and public domains, with the project achieving high sustainability principles in all design elements.

The project will also improve ground and river water quality, restore the foreshore and be designed to encourage and facilitate walking, cycling and public transport use. Works to prepare the area for future public spaces, development, and new road connections are nearing completion.

Objectives

The objectives of the Riverside project are to:

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

Highlights

- A Project Development Deed was executed between *Lend Lease Development Pty Ltd* and the MRA in February 2013 for the development of the Waterbank precinct which will enable the delivery of $1.1billion of construction, including infrastructure and public domain works and private buildings.
- Remediation and surcharging works at the Waterbank site were completed and the site has commenced a 10-month surcharging consolidation period. The site will be ready for development by *Lend Lease* in 2014.

Riverside artist impression – aerial view

- Road works around the project area are nearing completion including the upgrade to Hale Street, the Causeway and the new Braithwaite Street located between Trinity College and the Western Australian Cricket Association.

Project Expectations

Investment attraction: $2 billion

Government investment*: $110 million

Project area: 40 hectares

Dwellings: 4,000

Resident population: 7,000

Commercial space (office/retail): 94,000m²

New workers: 6,000

Expected year of completion: 2020+

Note: These are estimated figures based on current projections.

* This includes MRA investment only.

Agency Performance

Perth Cultural Centre

Home to the State's most significant cultural and learning institutions, the Perth Cultural Centre has been transformed from a place you never wanted to visit, to one you never want to leave. The MRA's vision was to create a place where people of all ages and backgrounds can interact; to encourage Western Australians to rediscover the cultural heart of Perth; and to attract new groups of people – particularly families and children – into the city.

Today, millions of people are finding reasons to re-engage with the Perth Cultural Centre primarily through events, community planting days, public art, and a host of popular music and arts festivals including *Fringe World* and the *Perth International Arts Festival*.

Objectives

The objectives of the Perth Cultural Centre project are to:

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

Highlights

- The heritage-listed William Street precinct was awarded an Honourable Mention in September 2012 at the UNESCO Asia-Pacific Awards for Cultural Heritage Conservation.
- During the period January to March 2013, more than 200,000 people attended the Perth Cultural Centre to enjoy a number of major festivals and events including *St Jerome's Laneway Festival*, *Fringe World*, the *Perth Festival Garden* and the *Love2Read Café*.
- The MRA and the City of Perth collaborated to host the third annual 'O' Day in April 2013 – a day of free family fun and entertainment in Northbridge that attracted more than 10,000 people.

Perth Cultural Centre – Fringe World

- Development approval was granted in June 2013 for a unique 74-room hotel in Northbridge that will further revive the iconic William Street precinct.

Project Expectations

Government investment*: $479 million

Project area: 8.5 hectares

Note: These are estimated figures based on current projections.

* This includes MRA, the new WA Museum and other government investment.

Agency Performance

Midland

The revitalisation of Midland is strengthening its role as a strategic metropolitan centre bringing widespread economic, social and environmental benefits to the region and regenerating the gateway to the Swan Valley and Perth hills.

The redevelopment program will dramatically enhance Midland's rich heritage, continue activation of the iconic Midland Railway Workshops and breathe new life into cultural landmarks which are central to the area's sense of place.

Objectives

The objectives of the project are to:

- 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.

Highlights

- Opening of the GP Super Clinic by *Integra Health* in Block 1 of the Midland Railway Workshops in July 2012.
- Commencement of the construction of the Midland Public Hospital by *St John of God Health Care* in August 2012 on an eight-hectare site adjacent to The Workshops.
- In February 2013, amended Design Guidelines for Lot 602 Yelverton Drive, Midland were adopted to provide further guidance on future development of this significant site.
- Celebration of the fifth anniversary of the Midland Atelier at The Workshops with a commemorative publication and exhibitions in June 2013.

Project Expectations

Investment attraction: $1.22 billion

Government investment*: $510 million

Project area: 261 hectares

Dwellings: 3,750

Resident population: 3,400

New workers: 7,550

New hospital beds: 370

Expected year of completion: 2020+

Note: These are estimated figures based on current projections.

* This includes MRA, Department of Health and WA Police investment.

Midland – GP Super Clinic

Agency Performance

Armadale

The transformation of Armadale continues to stimulate significant public and private sector investment in the fast growing south east metropolitan region and create a sense of excitement about living and working in the area. By building on the area's unique features, history and rural setting, the redevelopment of Armadale is giving this important regional centre a contemporary makeover.

It is about providing more choice and diversity in lifestyle and public amenity. New roads, parks, public spaces, landscaping, lighting and street furniture have revitalised the Armadale city centre, with more than $140million invested in retail and entertainment facilities.

Objectives

The objectives of the project are to:

- Identify and encourage opportunities for investment in Armadale.
- Identify opportunities for the provision of facilities and programs to support and enhance community life in Armadale.
- Identify infrastructure services necessary to promote economic and social development in Armadale.
- Facilitate coordination between relevant statutory bodies and State Government agencies for the purpose of promoting economic and social development in Armadale.
- Facilitate and encourage the provision of diversified employment opportunities in Armadale.

Highlights

- Significant investment in the Forrestdale Business Park East precinct with the opening of a new Bunnings store and the completion of Stage 1 Ranford Road dual carriageway works.
- Completion of a shared space crossing on Jull Street and Third Road, and the upgrade of Albany and South West Highway's entry statement, in partnership with the City of Armadale.
- Substantial progression made towards the final approval of the Draft Structure Plan for Forrestdale Business Park West.
- A total of 85 Development Applications approved during the period, totalling more than $42 million of private investment in the area.

Armadale

Project Expectations

Investment attraction: $477 million

Government investment*: $166 million

Project area: 1,592 hectares

Dwellings: 1,150

Resident population: 3,890

Commercial space (office/retail/industrial): 2,504,000m²

New workers: 20,000

Expected year of completion: 2020+

Note: These are estimated figures based on current projections.

* This includes MRA Developer Contribution Scheme funded capital works.

Agency Performance

Wungong Urban

Located adjacent to the Armadale city centre, Wungong Urban encompasses the new suburbs of Hilbert and Haynes. Comprising 220 private landholdings across 1,580 hectares of land, the Wungong Urban development will provide an enviable living environment with retail and recreational opportunities.

Accommodating a community of up to 40,000 people, Wungong Urban will enhance the features that give this important regional centre a unique beauty, character and style. It will offer homes with contemporary water sensitive design as well as community parks, eucalypt-lined avenues and integrated open space set alongside the rehabilitated Wungong River and Neerigen Brook.

Objectives

The objectives of the project are to:

- Guide land use, built form and density to create a vibrant and diverse urban environment.
- Promote sustainable development and land use which reduces demand for water, energy and other resources.
- Encourage the conservation and preservation of places of cultural, environmental and heritage significance, including significant vegetation, wetlands and ecosystems.
- Establish a mechanism for cost sharing of infrastructure, open space and other designated public facilities.
- Facilitate and encourage the provision of diversified employment opportunities.

Highlights

- Adoption of the Wungong Urban Movement Network and Open Space policies in November 2012 and February 2013 respectively, which address the provision of essential transport and public open space infrastructure for the future community.
- Further release of land titles and consequent building activity within the proposed and approved subdivisions.
- Construction and landscaping of Stage 1 of the Neerigen Brook in March 2013, with the original drain now a public open space and destination for local residents.
- Commencement of water quality monitoring in June 2013 to measure improvements throughout development.
- Commencement of a study to explore proposed landscaping and water demand for the Wungong Urban project area. The study will inform landscaping styles for open spaces in the area as well as provide direction for other Redevelopment Areas across the MRA.

Wungong Urban – Neerigen Brook

- Approval of 60 Development Applications for the Wungong Urban project area with a total private investment value of $22 milllion.
- Commencement of the redesign of the future regional recreation playing fields for local residents and the wider community.

Project Expectations

Government investment*: $265 million

Project area: 1,580 hectares

Dwellings: 16,000

Resident population: 40,000

Commercial space (retail): 188,000m²

Expected year of completion: 2020+

Note: These are estimated figures based on current projections.

* This includes MRA Developer Contribution Scheme funded capital works.

Agency Performance

Subi Centro

Subi Centro has transformed more than 80 hectares of largely derelict industrial land into a vibrant, sustainable extension to the existing community of Subiaco, incorporating a mix of residential, commercial, retail and public spaces based on the model of transit oriented development.

Subi Centro is recognised internationally as one of Australia's best urban renewal projects, and has won several State and national awards for development excellence. To date, 86 per cent of the Subi Centro Redevelopment Area has been completed and returned to the City of Subiaco for ongoing management.

Objectives

The objectives of the project are to:

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

Highlights

- Opening of the Australian Fine China precinct to the public in November 2012.
- Progression of building construction within the Centro North precinct by WA developers *Pindan* and *QUBE Property Group*, with completion expected in 2014.
- The sale of seven single residential lots within the Australian Fine China precinct, allowing the first residents to make their homes at this historic site.
- Development approval was granted for a residential development with an estimated value of $22million in the Hood Street precinct in April 2013.
- Sale of the first 6,500m² commercial lot at the Australian Fine China precinct to *QUBE Property Group* in May 2013.

Subi Centro – Australian Fine China public art

Project Expectations

Investment attraction: $1 billion

Government investment*: $200 million

Project area: 84.5 hectares

Dwellings: 1,975

Resident population: 3,600

Commercial space (retail): 287,000m²

New workers: 6,800

Expected year of completion: 2019

Note: These are estimated figures based on current projections.

* This includes MRA investment only.

Agency Performance

New Northbridge

The multi-award winning New Northbridge project has been one of Perth's great urban regeneration success stories, transforming a formerly underutilised area into a thriving residential and business community that reflects the rich history of Northbridge.

The project's proximity to the CBD and integration with public transport systems and major arterial roads, including the Graham Farmer Freeway, has encouraged ongoing activity and investment in the area. The regeneration of the New Northbridge area has encouraged large-scale private sector investment with some of Australia's leading property developers joining forces to create a new urban environment.

Objectives

The objectives of the project are to:

- Enhance and protect the area's heritage and cultural values, while optimising returns and providing land and property redevelopment opportunities.
- Create an area that is safe, secure, friendly and enjoyable for the Northbridge community to live, work and play in.
- Promote the benefits of New Northbridge as a Transit Oriented Development (TOD), with particular emphasis on Perth's free Central Area Transit (CAT) bus services, cycleways and pedestrian-friendly streetscaping.
- Attract visitors and businesses to New Northbridge, highlighting the lifestyle benefits of the culturally rich area and proximity to the CBD.

Highlights

- Progression of building construction on the *Golden Sea* mixed use development on the corner of Newcastle and William Street. The development incorporates five restored heritage buildings and long term rental residential options with completion expected in 2014.

Project Expectations

Investment attraction: $300 million

Government investment: $60 million

Project area: 27 hectares

Dwellings: 460

Resident population: 1,250

Commercial space (office/retail): 70,000m²

New workers: 3,500

Expected year of completion: 2015+

Note: These are estimated figures based on current projections.

New Northbridge – Northbridge Tunnel

Agency Performance

Claisebrook Village

Claisebrook Village is a multi-award winning project that is widely considered a best practice example of successful urban regeneration. The transformation of a former industrial wasteland into a modern waterfront urban village has created a vibrant neighbourhood for 2,500 residents.

The project area integrates residential accommodation including affordable and social housing with shops, commercial buildings, educational facilities and nearly 22 hectares of recreational parks, open spaces and other public areas. The MRA continues to support a number of community initiatives in the area including the community based homeless accommodation, St Bartholomew's House; the community garden, City Farm; and social housing for residents in Haig Park Circle.

Objectives

The objectives of the project are to:

- Promote the benefits of TOD to residents and workers in the area and to increase the use of the Claisebrook train station and extension of the CAT bus routes.
- Conserve both the natural and built environment through the creation of a sustainable inner-city community.
- Conserve the area's cultural heritage through the restoration of buildings, such as the Boans Warehouse, and the delivery of an interpretive public art collection.
- Create vibrant and active public open spaces.
- Attract key businesses and investment to the project area to generate employment and add to Claisebrook's vibrancy.

Highlights

- St Bartholomew's House in Lime Street opened in August 2012 providing community based support, accommodation and assistance to homeless individuals. The MRA supports this community initiative through a nominal peppercorn lease for the land.

Claisebrook Village – St Bartholomew's House

Project Expectations

Investment attraction: $685 million

Government investment: $127 million

Project area: 137.5 hectares

Dwellings: 1,450

Resident population: 2,500

Commercial space (office/retail): 130,000m²

New workers: 6,000

Expected year of completion: 2015+

Note: These are estimated figures based on current projections.

Agency Performance

East Perth Power Station

The MRA is continuing to plan for the 8.5-hectare East Perth Power Station site to transform the former industrial site into a vibrant riverfront destination that offers commercial, retail, residential and recreational opportunities and engages with the Swan River.

Asset management of the East Perth Power Station site is ongoing, including maintenance of the buildings, landscaping and a regular security program. The MRA is monitoring market conditions and will time the release of land at the East Perth Power Station to ensure a quality outcome for the site.

Objectives

The objectives of the project are to:

- Optimise the TOD benefits presented by the site's proximity to road, rail and potential future water facilities.
- Secure a suitable tenant for the East Perth Power Station building.
- Develop a Conservation Management Plan for the heritage building and interpretation strategy for the heritage machinery in the building.

Project Expectations:

Investment attraction: $345 million

Project area: 8.5 hectares

New dwellings: 1,400

Resident population: 1,100

Commercial space (office/retail): 33,600m^2

New workers: 1,100

Expected year of completion: 2020+

Note: These are estimated figures based on current projections.

East Perth Power Station

Agency Performance

Scarborough

In January 2013, the Premier announced a $30million investment towards the urban renewal of Scarborough by the MRA to help the popular tourist destination fulfil its potential as one of Australia's best beachfront destinations.

In collaboration with the City of Stirling, the MRA will revitalise and activate the Scarborough beach precinct while facilitating private sector development of key sites in the area. The revitalisation will draw on Scarborough's unique identity and create a vibrant hub of activity with restaurants, cafes, shops and entertainment, as well as a range of daytime and evening events and activities on offer for people of all ages. It will also enhance Scarborough's role as a meeting place, providing a welcoming space for families and locals to sit and relax.

Objectives

The objectives of the project are to:

- Create a lively place that encourages positive social interaction between people.
- Ensure Scarborough becomes a major tourism precinct with high levels of visitation year round, providing appropriate levels of short-term and permanent accommodation.
- Achieve a high quality and diverse economy including retail and employment opportunities.
- Increase the residential population to assist with achieving a critical mass, while encouraging a mix of café, restaurant and retail offerings in the area.
- Ensure any future development responds to Scarborough's sense of place, heritage and its role as a major beach destination.
- Create a connected movement network ensuring a pedestrian priority environment.
- Apply environmental and sustainable best practices to the design and management of Scarborough.

Highlights

- In January 2013, the State Government announced the commitment of $30million towards planning and development, which will include significant upgrades to the public realm, streetscape improvements as well as immediate short term works to activate the area.
- The proposed Scarborough Redevelopment Area boundary received support from the City of Stirling and WAPC.

Scarborough beach

Project Expectations

Government investment: $30 million

Note: These are estimated figures based on current projections.

Significant Issues Impacting the Agency

Perth is growing. The MRA's regeneration program is about transforming Perth into a modern and global city by creating and focusing on key destinations with great buildings, activities and urban spaces linked by our transport network. Since its inception 18 months ago, the MRA has become more prominent and well recognised as the planning authority responsible for many of Perth's transformational projects.

In responding to the demands of a changing city and to help meet the needs of future generations, the MRA must play a different role to the private sector. Our mandate is not driven solely by commercial return; rather, we operate in a commercial manner to achieve economic, social and environmental outcomes for the community.

While the Western Australian economy has recently performed at above-trend levels, the State's economy is expected to grow broadly in line with long-term average growth. Economic growth is forecast to move away from business investment and towards exports as the construction phase of major resource projects are completed and production commences.

Western Australia has a pipeline of resource projects worth $167 billion currently under construction or committed, with a further $121 billion worth of projects under consideration[1].

While Western Australia's resources industry has traditionally been dominated by commodities such as iron ore, nickel, alumina and gold, the longer term investment agenda is dominated by large liquefied natural gas projects.

Of the resources projects currently under construction or committed in Western Australia, $111 billion of those are oil and gas projects.

This growth in the resources sector continues to fuel increasing demand for office space in the city. Perth has the fastest growing corporate sector in Australia and hosts the regional headquarters of more international companies than any other Australian city. As a result, the Perth CBD is ranked as the tightest office market in Australia[2].

According to State Government estimates, WA's population is forecast to grow to 3 million by 2026, with the population of the Perth and Peel regions expected to reach up to 2.3 million people[3].

This will fuel ongoing demand for residential dwellings to adequately accommodate for Perth's rapidly growing population. As a consequence, the MRA has developed a number of initiatives aimed at increasing social inclusion and diversity.

Examples of these include the preparation of planning policies facilitating the development of affordable, diverse, universally accessible and adaptable housing.

In addition, Perth has a strong performing hotel market with leading occupancy rates and high room yields and experienced an undersupply of hotel rooms in the last financial year.

These fundamentals will continue to support ongoing demand in the Perth office, residential and retail markets. The delivery of new commercial, hotel and residential accommodation will remain a key objective for the MRA.

Western Australia is experiencing changes to its climate including declining rainfall, changing weather patterns and an increase in average temperatures. These changes challenge the basic notions of how we can future proof our communities. The MRA is committed to addressing these challenges through innovative urban planning principles including energy efficient buildings, water sensitive urban design principles and promoting sustainable transport opportunities.

1 Department of Mines and Petroleum, September 2012
2 Property Council of Australia Office Market Report January 2013
3 Western Australia Tomorrow, February 2012 (State Government of WA)

CERTIFICATION OF FINANCIAL STATEMENTS

for the period ended 30 June 2013

The accompanying financial statements of the Metropolitan Redevelopment Authority have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2013 and the financial position for the period ended 30 June 2013.

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

Richard Muirhead Chairperson of Accountable Authority	Kieran Kinsella Chief Executive Officer	Jeff Dowling Deputy Chairperson of Accountable Authority	Mark Reutens Chief Finance Officer

Date: 21 August 2013

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2013

	Notes	2013 $' 000	1 Jan 2012 to 30 Jun 2012 $' 000
INCOME			
SALES INCOME			
Sales	4	6,400	293
Total Sales Income		6,400	293
OTHER INCOME			
Developer Contribution Fees (DCS)		3,731	1,727
Interest	5	50	65
Rental		1,831	693
Reduction in the Provision for Deferred Works		4,538	–
Other	6	2,697	781
Total Other Income		**12,847**	**3,266**
TOTAL INCOME		**19,247**	**3,559**
EXPENSES			
Administration		343	67
Communications		572	334
Cost of Goods Sold	4	5,077	293
Employee Benefits	7	10,028	3,825
Supplies and Services	8	5,316	4,008
Depreciation and Amortisation	9	645	265
Developer Contribution Expenses		3,731	1,727
Development Control		734	375

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2013

	Notes	2013 $' 000	1 Jan 2012 to 30 Jun 2012 $' 000
EXPENSES (continued)			
Economic and Community Development		309	8
Environmental Remediation		18	3
Finance Costs		1,712	605
Members Allowances		287	122
Other Expenses	10	728	187
Property and Estate Management		455	40
Property Maintenance		2,016	1,894
Sales and Marketing		3,193	651
Write down inventory to net realisable value	12	–	7,071
TOTAL EXPENSES		**35,164**	**21,474**
Net loss other than income from State Government		(15,917)	(17,914)
Income from State Government			
Resources received free of charge	34 (a)	357	206
Grants and contributions from other government agencies	34 (b)	6,473	
LOSS FOR THE PERIOD	24	**(9,087)**	**(17,707)**
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	24	522	40
Total Other Comprehensive Income		**522**	**40**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(8,565)**	**(17,667)**

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

STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	Notes	2013 $' 000	2012 $' 000
ASSETS			
Current Assets			
Cash and Cash Equivalents	11	16,141	576
Inventories	12	39,308	43,430
Receivables	13	4,479	1,935
Other Current Assets	14	257	183
Total Current Assets		**60,185**	**46,124**
Non-Current Assets			
Restricted Cash and Cash Equivalents	11	6,236	885
Inventories	12	287,101	179,485
Receivables	13	439	673
Property, Furniture and Equipment	15	8,681	7,870
Investment Properties	16	25,430	26,415
Intangible Assets	17	2,184	116
Total Non-Current Assets		330,071	215,444
TOTAL ASSETS		**390,256**	**261,568**

STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	Notes	2013 $' 000	2012 $' 000
LIABILITIES			
Current Liabilities			
Payables	19	13,818	17,882
Borrowings		815	–
Income in Advance	20	221	268
Provisions	21	1,696	1,190
Total Current Liabilities		16,550	19,340
Non-Current Liabilities			
Borrowings	22	178,373	116,581
Provisions	21	29,556	34,342
Other Non-Current Liabilities	23	294	294
Total Non-Current Liabilities		208,223	151,218
TOTAL LIABILITIES		**224,773**	**170,559**
NET ASSETS		**165,483**	**91,008**
Contributed Equity	24	191,716	108,676
Asset Revaluation Reserve	24	562	40
Accumulated Losses	24	(26,795)	(17,708)
TOTAL EQUITY		**165,483**	**91,008**

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2013

	Note	Contributed Equity $'000	Asset Revaluation Reserve $'000	Retained Earnings $'000	Total Equity $'000
Balance as at 31 December 2011		133,717	–	–	133,717
Surplus/(deficit)	24	–	–	(17,708)	(17,708)
Other comprehensive income	24	–	40	–	40
Contribution by owners	24	14,503	–	–	14,503
Distribution to owners	24	(39,543)	–	–	(39,543)
Balance at 30 June 2012		108,677	40	(17,708)	91,009
Balance at 1 July 2012		108,677	40	(17,708)	91,009
Surplus/(deficit)		–	–	(9,087)	(9,087)
Other comprehensive income		–	522	–	522
Total comprehensive income for the period		108,677	562	(26,795)	82,444
Transactions with owners in their capacity as owners:					
Capital Contribution		78,610	–	–	78,610
Other contributions by owners		9,588	–	–	9,588
Distribution to owners	24	(5,159)	–	–	(5,159)
Total		83,039	–	–	83,039
Balance at 30 June 2013	24	**191,716**	**562**	**(26,795)**	**165,483**

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

STATEMENT OF CASH FLOWS

for the year ended 30 June 2013

	Note	2013 $'000	2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Interest received		50	30
Other operating items		7,707	1,245
Payments			
Payments to suppliers		(20,787)	(6,504)
Payments to employees		(10,235)	(4,417)
Net cash provided by/(used in) operating activities	**25**	**(23,265)**	**(9,646)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Developer Contribution Fees (DCS)		3,731	1,727
Payments			
Payments for capital works		(112,075)	(18,512)
Payment for building refurbishment – investment properties		(37)	(36)
Payments for non-current physical assets		(114)	(47)
Payments for intangible assets		(2,368)	–
Net cash provided by/(used in) investing activities		**(110,863)**	**(16,867)**

STATEMENT OF CASH FLOWS

for the year ended 30 June 2013

	Note	2013 $'000	2012 $'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings		62,607	13,038
Payments			
Repayment of Borrowings		–	–
Interest charges expensed		(1,712)	(660)
Net cash provided by/(used in) financing activities		**60,895**	**12,377**
CASH FLOWS FROM STATE GOVERNMENT			
Capital Contribution		78,610	–
Grants and contributions from other government agencies		15,539	–
Net cash provided by/(used in) state government		**94,149**	**–**
Net increase/(decrease) in cash and cash equivalents		20,916	(14,136)
Opening cash balance		1,461	15,597
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	11	**22,377**	**1,461**

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

for the period ended 30 June 2013

1. Australian Accounting Standards

General

The Authority's financial statements for the period ended 30 June 2013 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. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Authority for the annual reporting period ended 30 June 2013.

2.1 Summary of significant accounting policies

(a) General statement

The Authority is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB 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 impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation in 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 thousand dollars ($'000).

Judgements made by management in applying accounting policies discloses judgements 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.

Key sources of estimation uncertainty discloses 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 amount of assets and liabilities within the next financial year.

for the period ended 30 June 2013

2.1 Summary of significant accounting policies (continued)

(c) Reporting entity

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

(d) Contributed equity

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

Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed Equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions to or 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 land

It is the Authority's practice to recognise the sale of land when the significant risks and returns have been transferred to the buyer, which is normally on settlement of the transaction and transfer of legal title.

For conditional exchanges, sales are recognised only when all the significant conditions are satisfied. If part of the purchase price has been deferred, the sale may be recognised before the purchase price is settled and notional interest recognised on the deferred payment.

Sale of goods (other than land)

Revenue is recognised from the sale of goods when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Service appropriations

Service appropriations are recognised as revenues at fair value in the period in which the Authority gains control of the appropriated funds, which is at the time those funds are deposited to the Authority's bank account

Rental income

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

for the period ended 30 June 2013

Incentives representing rental free periods or reduced rentals are accounted for in accordance with the rental income policy whereby rental income from investment properties is accounted for on a straight line basis over the lease term. If not received at reporting date, revenue is reflected in the statement of financial position as a receivable and carried at fair value.

Contingent rental income is recognised as income in the periods in which it is earned.

Interest

Revenue is recognised as the interest accrues

Grants, donations, gifts and other non-reciprocal contributions

Contributions are only recognised as revenue when they do not represent contributions by owners.

Revenue is recognised at fair value when the Authority obtains control over the assets comprising the contributions.

If the contributions are in the form of cash, control is usually obtained when cash is received. If the contributions are in the form of land or buildings, control is usually obtained when settlement of the acquisition occurs and title is transferred.

Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(f) Developer Contribution Scheme

Developer Contribution Scheme (DCS) revenues are recognised when developers obtain clearance on title(s) for land held within the DCS area. Developer Contribution expenses representing costs incurred in realising the DCS revenues are also recognised at this point.

(g) Income: 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.

(h) Cost of sales

The Authority recognises as inventory all of the costs which have been incurred in bringing developed land to a condition ready for sale. Such costs are typically accumulated on a project by project basis. It is the Authority's practice to record as a cost of sale the cost of each lot sold based on the development cost per square metre in the sub-division.

(i) Borrowing costs

Borrowing costs for qualifying assets (inventories) 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. Where funding is not asset specific, 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.

for the period ended 30 June 2013

2.1 Summary of significant accounting policies (continued)

(j) Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment is 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.

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).

Subsequent measurement

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

Where market 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, the fair value of land and buildings is determined on the basis of existing use.

This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately.

Depreciation

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

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

Buildings	40 years
Plant and equipment	5-10 years
Computer Equipment	3-9.5 years
Infrastructure	22-100 years

Land is not depreciated.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. Upon disposal or de-recognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

(k) Impairment of assets

Property, plant and equipment, infrastructure 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.

(l) Intangible assets

Initial recognition and measurement

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

for the period ended 30 June 2013

2.1 Summary of significant accounting policies (continued)

Computer Software

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

Web site costs

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

Capitalisation/expensing

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.

Subsequent measurement

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

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

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

Software (a)	3 Years
Website	3 Years

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

Impairment

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

(m) Investment property

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

(n) Leases

As lessee

Operating leases are leases that do not transfer to the Authority substantially all the risks and benefits incidental to ownership of the leased item.

The Authority holds operating leases for office premises, motor vehicles and some equipment.

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased assets.

As lessor

Leases in which the Authority transfers substantially all the risks and benefits of ownership of an asset are classified as finance leases.

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 recognises finance income based on a pattern reflecting a constant periodic rate of return on that net investment.

Leases in which the Authority does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases.

From time to time the Authority may offer inducements to tenants to enter into non-cancellable operating leases. These incentives may include contributions to fit-out and relocation costs, rental free periods or direct cash payments. These incentives are recognised as part of the cost of investment properties and amortised over the period of the lease.

In the event the lease is terminated by mutual agreement prior to its conclusion and the costs of incentives are recovered, they are applied in reduction of the investment property cost.

(o) Financial instruments

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

– Loans and receivables
– Held to maturity investments (includes short term deposits).
– Financial liabilities measured at amortised cost

Financial instruments have been disaggregated into the following classes:

Financial assets:

– Cash and cash equivalents
– Receivables
– Restricted cash and cash equivalents – Leased asset receivable

Financial liabilities:

– Payables
– Western Australian Treasury Corporation borrowings
– Other borrowings

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

for the period ended 30 June 2013

2.1 Summary of significant accounting policies (continued)

(p) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

(q) Receivables

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

(r) Inventories

All land and buildings and capital works held for development and subsequent sale are regarded as inventory and are classified as such in the statement of financial position.

Development expenditure is capitalised with reference to the stage of completion of the project.

Land held for development and subsequent sale is classified as a current asset when development is completed and sales are expected to result in realisation of settled sales within twelve months based on management's sales forecasts.

Inventories are valued at the lower of cost and net realisable value (based on undiscounted cashflows).

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and, if appropriate, the estimated costs of making the sale.

Cost includes the costs of acquisition development, holding and borrowing costs incurred during development. When development is completed, holding and borrowing charges are expensed as incurred. Holding and borrowing costs are also expensed if active development is interrupted for extended periods.

Acquisition costs typically include legal and professional fees, and valuation fees.

Development costs typically include the costs of planning, community consultation, surveying, quantity surveying, engineering and project management including where applicable, remediation cost for contamination. Development costs also include an allocation of internal employee benefit costs directly associated with bringing the land under development to saleable condition.

Holding costs include rates and taxes, service charges including insurance premiums, security fees and repairs and maintenance. Rental income received from tenants while land is under development is treated as a reduction in holding costs.

Borrowing costs are costs such as interest, line fees and legal expenses that would have been avoided if the expenditure on the acquisition and development of the land had not been made.

(s) 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.

(t) Accrued salaries

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

(u) 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.

Employee benefits – annual and long service leave

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

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

Annual and long service leave expected to be settled more than 12 months after the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

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

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Employee benefits – 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 statement of comprehensive income for this leave as it is taken.

for the period ended 30 June 2013

2.1 Summary of significant accounting policies (continued)

Employee benefits – superannuation

The Government Employees Superannuation Board (GESB) administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies according to commencement and implementation dates.

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. From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The Authority makes concurrent contributions to GESB or other funds on Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish the Authority's liability for superannuation charges in respect of employees who are not members of the Pension Schemes or GSS.

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 Consulting (Australia) Pty Ltd Actuaries using the projected unit credit method.

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

The GSS, the WSS, and the GESBS, 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, the WSS, and the GESBS are extinguished by the concurrent payment of employer contributions to the GESB.

The GSSB is a defined benefit scheme for the purpose 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.

Employment on-costs

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

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 and the sale has met the criteria for recognition

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.

Future development obligations

Where the Authority has provided an undertaking to carry out development projects in lieu of arrangements with external parties for contributions paid or for the sale of development rights of land under its control, a provision has been raised to recognise the Authority's future development obligations in respect of contributions paid and/or land sold.

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. 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.

(v) Employee benefits expense

Employee benefits expense comprises all benefits paid to direct employees of the Authority.

It includes:

- Base salary;
- Fringe benefits;
- Personal leave;
- Holiday pay;
- Long service leave;
- Bonuses; and
- Superannuation.

Employee benefits expense does not include the on-costs of providing employment which do not constitute a benefit to employees including:

- Payroll tax; and
- Worker Compensation Insurance.

for the period ended 30 June 2013

2.1 Summary of significant accounting policies (continued)

(w) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the Authority would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

(x) Distribution or disposal of assets at no or nominal cost

Occasionally the Authority may be required to transfer inventories (developed land and/or buildings) to a third party, potentially another organisation established by the State Government, at no or nominal consideration. In those circumstances, the carrying amount of those inventories shall be recognised as a reduction to contributed equity when the inventories are distributed.

(y) Dividends

In accordance with the Metropolitan Redevelopment Authority Act 2011, 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.

(z) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(aa) Comparative figures

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

2.2 Disclosure of changes in accounting policies and estimates

Voluntary changes in accounting policy

There has been no voluntary change in accounting policies.

2.3 Significant estimates and judgements

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

Operating lease commitments

The Authority has entered into commercial leases and has determined that the lessors retain all the significant risks and rewards of ownership of the property. Accordingly, these leases have been classified as operating leases.

Fair value of land and buildings

Land and buildings are independently valued annually by Colliers International Licensed Real Estate and Business Agents and recognised with sufficient regularity 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.

Public infrastructure and planning expenses

Capital expenditure undertaken by the Authority on land owned by the Crown or State as part of the Authority's mandate has been expensed based on the best information currently available regarding the transfer of future ownership at nil or nominal cost.

Recovery of inventory and investment property

Estimated recovery of inventory and investment properties is based on market information as at balance date. Events and circumstances could change in the future resulting in the recoverable amount being less than the cost.

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.

Long service leave provisions

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

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.

for the period ended 30 June 2013

2.3 Significant estimates and judgements (continued)

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 and the probable building design may change requiring the liability to be adjusted.

Provision for annual leave and long service leave

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

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.

for the period ended 30 June 2013

3. Disclosure of Changes in Accounting Policy

(a) 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 2012 that impacted on the Authority.

AASB 2011-9	*Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]* This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially re-classifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

(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.

		Operative for reporting periods beginning on/ after
AASB 9	Financial Instruments This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures amended the mandatory application date of this Standard to 1 January 2015. The Authority has not yet determined the application or the potential impact of the Standard.	1 Jan 2015

for the period ended 30 June 2013

		Operative for reporting periods beginning on/ after
AASB 10	Consolidated Financial Statements This Standard supersedes AASB 127 Consolidated and Separate Financial Statements and Int 112 Consolidation – Special Purpose Entities, introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. The Authority has not yet determined the application or the potential impact of the Standard.	1 Jan 2014
AASB 11	Joint Arrangements This Standard supersedes AASB 131 Interests in Joint Ventures, introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Authority has not yet determined the application or the potential impact of the Standard.	1 Jan 2014
AASB 12	Disclosure of Interests in Other Entities This Standard supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements and AASB 131 Interests in Joint Ventures. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Authority has not yet determined the application or the potential impact of the Standard.	1 Jan 2014

for the period ended 30 June 2013

		Operative for reporting periods beginning on/ after
AASB 13	Fair Value Measurement This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. There is no financial impact.	1 Jan 2013
AASB 119	Employee Benefits This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. Actuarial gains and losses of the defined benefit plans will be recognised in other comprehensive income (currently in profit or loss). This will impact profit or loss but not total comprehensive income for the period. The effect of discounting annual leave and long service leave liabilities that were previously measured at the undiscounted amounts is not material.	1 Jan 2013
AASB 127	Separate Financial Statements This Standard supersedes AASB 127 Consolidated and Separate Financial Statements, introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Authority has not yet determined the application or the potential impact of the Standard.	1 Jan 2014

for the period ended 30 June 2013

		Operative for reporting periods beginning on/ after
AASB 128	Investments in Associates and Joint Ventures This Standard supersedes AASB 128 Investments in Associates, introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Authority has not yet determined the application or the potential impact of the Standard.	1 Jan 2014
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. There is no financial impact.	1 Jul 2013
AASB 1055	Budgetary Reporting This Standard specifies the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the GGS. The Authority will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.	1 Jul 2014
AASB 2010-2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052] This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.	1 Jul 2013

for the period ended 30 June 2013

		Operative for reporting periods beginning on/ after
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 Int 2, 5, 10, 12, 19 & 127] This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Authority has not yet determined the application or the potential impact of the Standard.	1 Jan 2015
AASB 2011-2	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054] This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.	1 Jul 2013
AASB 2011-6	Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131] This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.	1 Jul 2013

for the period ended 30 June 2013

		Operative for reporting periods beginning on/ after
AASB 2011-7	Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17] This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. The Authority has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 2011-8	Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132] This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.	1 Jan 2013
AASB 2011-10	Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14] This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is limited financial impact.	1 Jan 2013
AASB 2011-11	Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.	1 Jan 2013

for the period ended 30 June 2013

		Operative for reporting periods beginning on/ after
AASB 2012-1	Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141] This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.	1 Jul 2013
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132] This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.	1 Jan 2013
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.	1 Jan 2014

for the period ended 30 June 2013

		Operative for reporting periods beginning on/ after
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2] This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.	1 Jan 2013
AASB 2012-6	Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8] This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.	1 Jan 2013
AASB 2012-7	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101 & 127] This Standard adds to or amends the Australian Accounting Standards to provide further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general financial statement. There is no financial impact.	1 Jul 2013

for the period ended 30 June 2013

		Operative for reporting periods beginning on/ after
AASB 2012-10	Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, & 2011-7 and Int 12] This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The Standard was issued in December 2012. The Authority has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 2012-11	Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, 2, 8, 10, 107, 128, 133, 134 & 2011-4] This Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). These corrections ensure that the Standards reflect decisions of the AASB regarding the Tier 2 requirements. This Standard also extends the relief from consolidation and the equity method (in the new Consolidation and Joint Arrangements Standards) to entities complying with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.	1 Jul 2013

for the period ended 30 June 2013

	2013 $' 000	6 mths to 2012 $' 000
4. Trading Profit		
Sales	6,400	293
Cost of goods sold:		
Opening inventory	222,915	(188,807)
Purchases	108,571	(33,814)
Goods available for sale	331,486	(222,621)
Closing inventory	326,409	222,915
Cost of goods sold	(5,077)	293
Trading profit	1,323	–

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

5. Interest Income		
Interest	50	65
	50	65

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

for the period ended 30 June 2013

	2013 $' 000	6 mths to 2012 $' 000
6. Other Income		
Revaluation Increment (a)	712	494
Other income	1,985	287
	2,697	781

(a) Revaluation increment for investment properties. (2013 $712k, 2012 $494k)

7. Employee Benefits		
Wages and salaries (a)	9,295	3,220
Superannuation – defined contribution plans (b)	818	299
Superannuation – defined benefit plans (see note 21)	(85)	306
	10,028	3,825

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component. Increase due to increase in number of staff, increase in discount rate and increase in rates applied to calculate on-costs.

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme.

Employment on-costs expenses, such as worker's compensation insurance, are included in Note 10 'Other Expenses'.

Employment on-costs liability is included at Note 21 'Provisions'.

for the period ended 30 June 2013

	2013 $' 000	6 mths to 2012 $' 000
8. Supplies and Services		
Consultants and contractors	2,780	2,420
Building occupancy	648	251
General office expenses	383	435
Insurance premiums	776	210
Other supplies and services	729	691
	5,316	4,008
9. Depreciation and Amortisation		
Depreciation		
Buildings	93	40
Plant, equipment and improvements	29	11
Office furniture and equipment	58	42
Computer equipment	164	89
Total depreciation	344	182
Amortisation		
Intangible assets	301	83
Total amortisation	301	83
Total depreciation and amortisation	645	265

for the period ended 30 June 2013

	2013 $' 000	6 mths to 2012 $' 000
10. Other Expenses		
Payroll tax	520	180
Doubtful Debts	181	–
Loss on Disposal of Asset	27	–
Other expenses	–	7
	728	187
11. Cash and Cash Equivalents		
Operating account	16,141	576
Restricted cash and cash equivalents	6,236	885
	22,377	1,461

The Authority's operating account is a non interest bearing bank account and the restricted parking funds held with Western Australian Treasury Corporation (WATC) are bearing floating interest rates between 3.04% and 3.64% (2012: 3.45% and 4.20%)

Restricted cash and cash equivalents predominately represents funds held for Developer Contribution Schemes (DCS).

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
12. Inventories		
The aggregate carrying amount of inventories recognised and included in the financial statements is as follows:		
Current	39,308	43,430
Non-current	287,101	179,485
	326,409	222,915
Current		
Developed Land (at cost)	39,308	43,430
	39,308	43,430
The following represents the transfers to and from developed land inventories:		
Developed Land (at cost)		
Balance at start of period	43,430	34,148
Transferred to undeveloped land	(779)	(1,069)
Transferred from capital works in progress	–	10,644
Transfer from Investment Properties	1,734	
Transferred to cost of sales	(5,077)	(293)
Balance at period end	39,308	43,430
Non-Current		
Capital Works (at cost)	234,614	129,297
Undeveloped Land (at cost)	52,487	50,188
	287,101	179,486

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
The following represents capital works undertaken, offset by components transferred to developed land inventories.		
Capital works		
Balance at start of period	129,297	122,446
Additional works	110,834	27,003
Transfer in from WA Planning Commission	208	14,503
Transfer to Property, Plant & Equipment	(546)	-
Transfer to Public Transport Authority	(5,159)	
Transfer to developed land	–	(10,644)
Transfer to undeveloped land	–	(16,902)
Allocation to contaminated sites	(20)	(11)
Write down inventory to net realisable value	–	(7,071)
Allocation to deferred work	–	(26)
Balance at period end	234,614	129,297
The following represents acquisitions of undeveloped land, offset by transfers to developed land inventories:		
Undeveloped land (at cost)		
Balance at start of period	50,188	32,217
Transfer in from WA Planning Commission	260	–
Transfers from developed land	779	1,069
Transfers from capital work in progress	–	16,902
Land addition	1,260	–
Balance at period end	52,487	50,188

Inventories are recorded at the lower of cost and net realisable value. Valuations of Developed Land, Capital Works in Progress and Undeveloped Land as at 30 June 2013 showed inventories were held at the lower of cost and net realisable value. The valuations have been determined taking into account advice from Landgate and external property advisors about the fair value of inventories.

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

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
13. Receivables		
Current		
Trade receivables	2,960	788
Provision for impairment of receivables	(188)	(7)
GST Receivable	913	150
	3,685	931
Leased asset	234	222
Other receivables	560	781
	4,479	1,935
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	(7)	–
Doubtful Debts expense recognised in the Statement of Comprehensive Income	(181)	(7)
Balance at end of period	(188)	(7)

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

Non Current		
Leased asset	439	673
Total receivables	4,918	2,608

Refer to note 2(o) and note 30 'Financial Instruments'.

14. Other current assets		
Prepayments	257	183

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
15. Property, furniture and equipment		
Land		
At fair value (a)	3,410	3,410
	3,410	3,410
Buildings		
At fair value (a)	3,969	3,262
Accumulated depreciation	–	(342)
	3,969	2,920
Plant and equipment		
At cost	617	368
Accumulated depreciation	(496)	(243)
	121	125
Computer equipment		
At cost	1,686	1,688
Accumulated depreciation	(542)	(420)
	1,144	1,268
Leasehold improvements		
At cost	339	323
Accumulated depreciation	(302)	(263)
	37	59

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
15. Property, furniture and equipment (continued)		
Property, equipment and improvements		
At cost	–	226
Accumulated depreciation	–	(138)
	–	88
Total Property, Plant and Equipment	8,681	7,870

(a) The basis of valuation for land and buildings is fair value. This being the amounts for which the land and buildings could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar land and buildings in the same location and condition and subject to similar leases. The 2013 revaluations were based on independent assessments by Colliers International as at 30 June 2013.

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

2013	Land	Buildings	Plant and equipment and Leasehold Improvements	Computer equipment	Other (b)	Total
	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000
Carrying amount at start of period	3,410	2,920	184	1,268	88	7,870
Adjustment to opening balances from prior period	–	–	88	–	(88)	(0)
Additions	–	620	–	40	–	660
Depreciation	–	(93)	(89)	(164)	–	(346)
Write offs	–	–	(25)	–	–	(25)
Equity distribution to owners	–	–	–	–	–	–
Revaluation Increment	–	522	–	–	–	522
Carrying amount at end of period	3,410	3,969	158	1,144	(0)	8,681

for the period ended 30 June 2013

(b) The category "Other" includes items of infrastructure associated with the Authority's ongoing operations.

2012	Land	Buildings	Plant and equipment and Leasehold Improvements	Computer equipment	Other (b)	Total
	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000
Carrying amount at start of period	4,226	6,029	315	1,357	1,851	13,778
Adjustment to opening balances from prior period	–	–	1,431	–	32,347	33,778
Additions	–	40	–	–	–	40
Depreciation	–	–	(30)	(89)	(23)	(142)
Equity distribution to owners	(816)	(3,109)	(1,532)	–	(34,087)	(39,543)
Depreciation eliminated against reserves	–	(40)	–	–	–	(40)
Carrying amount at end of period	3,410	2,920	184	1,268	88	7,870

(b) The category "Other" includes items of infrastructure associated with the Authority's ongoing operations.

	2013 $' 000	2012 $' 000

16. Investment properties

At Fair value

Opening balance	26,415	25,885
Capitalised expenditure	37	36
Classified as held for sale or disposals	(1,734)	–
Net gain from fair value adjustment (a)	712	494
Closing balance at end of period	25,430	26,415

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
16. Investment properties (continued)		
Amounts recognised in Statement of Comprehensive Income for investment properties		
Revaluation Increment reflected in Statement of Comprehensive Income	712	494
Rental income	905	413
Direct operating expenses from property that generated rental income	55	39

(a) Valuation basis

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The revaluations were based on independent assessments made by Colliers International as at 30 June 2013.

17. Intangible assets

Software at cost	3,837	1,470
Accumulated amortisation	(1,653)	(1,354)
	2,184	116

Reconciliation:		
Carrying amount at start of period	116	152
Additions	2,367	46
Amortisation expense	(299)	(83)
Carrying amount at end of period	2,184	116

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000

18. Impairment of assets

There were no indications of impairment to property, furniture & equipment and intangible assets as at 30 June 2013.

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

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

All surplus assets at 30 June 2013 have either been classified as assets held for sale or written off.

19. Payables

Current		
Trade payables	6,729	1,060
Accrued salaries	244	173
Accrued expenses	5,580	15,205
Other Payables	1,265	1,445
	13,818	17,882

See also note 2(s) 'Payables' and note 30 'Financial Instruments'.

20. Income in Advance

Rental Income	20	61
Finance lease asset income	202	203
Others	(1)	4
	221	268

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
21. Provisions		
Current		
Employee benefits provision:		
Annual leave (a)	784	494
Long service leave (b)	582	439
Superannuation	121	77
	1,487	1,010
Other provisions		
Employment on-costs (c)	89	60
Future Monitoring	120	120
	209	180
	1,695	1,190
Non-Current		
Employee benefits provision:		
Long service leave (b)	526	478
Superannuation	54	40
Defined benefit superannuation plans (d)	1,691	1,776
	2,271	2,295

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
21. Provisions (continued)		
Other provisions		
Employment on-costs (c)	34	31
Deferred Works	–	4,560
Future Monitoring	760	780
Contaminated Sites (e)	25,880	26,084
Parking Contributions	611	592
	27,285	32,047
	29,556	34,342

(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 and employment on-costs will occur as follows:

Within 12 months of reporting period	615	418
More than 12 months after reporting period	220	136
	835	554

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting period. Assessments indicate that actual settlement of the liabilities and employment on-costs will occur as follows:

Within 12 months of reporting period	167	72
More than 12 months after reporting period	1,012	876
	1,179	948

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000

21. Provisions (continued)

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

(d) Defined benefit superannuation plans

	Pension Scheme 2013 $' 000	Pension Scheme 2012 $' 000
The amounts recognised in the Statement of Comprehensive Income are as follows:		
Interest cost (unwinding of the discount)	50	28
Net actuarial loss/(gain) recognised	(95)	278
Total included in 'Employee Benefits ' (see Note 7)	(45)	306
The amounts recognised in the Statement of Financial position are as follows:		
Present value of unfunded obligations	1,691	1,776
Liability in the Statement of Financial Position	1,691	1,776

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

(e) Contaminated Sites are classified as non-current as the work is scheduled for greater than 12 months.

for the period ended 30 June 2013

	Pension Scheme 2013 $' 000	2012 $' 000
21. Provisions (continued)		
Reconciliation of the unfunded liability recognised in the Statement of Financial position is as follows:		
Liability at start of period	1,776	1,470
Interest costs (unwinding of the discount)	50	28
Net actuarial losses/(gains) recognised	(95)	278
Benefits Paid	(40)	
Liability at the end of period	1,691	1,776
Reconciliation of the fair value of plan assets is as follows:		
Fair value of plan assets at start of period	–	–
Employer contributions	40	–
Benefits paid	(40)	–
Fair value of plan assets at end of period	–	–
The principal actuarial assumptions used (expressed as weighted averages) were as follows:		
Discount rate	3.38%	2.84%
Future salary increases	5.00%	5.50%
Historic Summary		
Defined Benefit (Pension Scheme):		
Present value of unfunded obligation	1,691	1,776
Deficit	1,691	1,776

for the period ended 30 June 2013

	Pension Scheme 2013 $' 000	2012 $' 000
21. Provisions (continued)		
Experience adjustments arising on plan liabilities:		
Defined Benefit (Pension Scheme)	68	(11)
Movement in other provisions		
Employment on-cost provision		
Current		
Carrying amount at start of year	60	60
Additional provision recognised	28	–
Carrying amount at end of period	88	60
Non-current		
Carrying amount at start of year	31	41
Additional provision recognised	4	(10)
Carrying amount at end of period	35	31

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
22. Borrowings		
Non-current		
WA Treasury Corporation Loan	168,367	106,575
West Australian Land Authority	10,006	10,006
	178,373	116,581

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

The loan with West Australian Land Authority relates to funding for the Forrestdale Business Park in the Armadale region.

23. Other Liabilities		
Non-current		
Public art and Parking fund contribution (a)	294	294
	294	294

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

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
24. Equity		
Balance at start of period	108,677	133,717
Contribution by owners		
Capital Contribution	78,610	-
Transfer from WA Planning Commission	5,467	14,503
Transfer from Water Corporation	4,066	–
Transfer from Public Transport Authority	55	–
Distribution to owners		
Transfer of Champion Lakes Regatta Centre	–	(39,543)
Transfer of Barrack Square Jetty	(5,159)	-
Balance at end of period	191,716	108,677
Asset Revaluation Reserve		
Balance at start of period	40	–
Net revaluation increments – Buildings	522	40
Balance at end of period	562	40

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
24. Equity (continued)		
Accumulated Surplus/(Deficit)		
Balance at start of period	(17,708)	–
Loss for the period	(9,087)	(17,708)
Balance at end of period	(26,795)	(17,708)
Total Equity at end of period	165,483	91,008

The contributions from WA Planning Commission, Water Corporation and Public Transport Authority were for the Elizabeth Quay Project.

25. Notes to the Statement of Cashflows

Reconciliation of cash

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

	2013 $' 000	6 mths to 2012 $' 000
Cash and cash equivalents	22,377	1,461
	22,377	1,461

for the period ended 30 June 2013

	2013 $' 000	6 mths to 2012 $' 000
25. Notes to the Statement of Cashflows (continued)		
Reconciliation of profit/(loss) after tax equivalent to net cash flows provided by/(used in) operating activities		
Surplus/(deficit)	(9,087)	(17,708)
Non-cash items:		
Depreciation and amortisation	645	265
Revaluation (increment) /decrement	(712)	(494)
Reduction in Provision for deferred works	(4,538)	–
Doubtful Debt and asset writeoff	206	–
Items classified in investing, financing or state government:		
Finance Costs	1,712	–
Developer Contributions	(3,731)	–
(Increase)/decrease in assets:		
Current receivables (a)	(3,434)	(370)
Other current assets	(74)	(301)
Other non current assets	234	277
Inventory charged to Cost of Sales	5,077	293
Write down inventory to NRV	–	7,071
Increase/(decrease) in liabilities:		
Payables (a)	(4,064)	476
Income in advance	(47)	132

for the period ended 30 June 2013

	2013 $' 000	6 mths to 2012 $' 000
25. Notes to the Statement of Cashflows (continued)		
Current provisions	506	(100)
Other non-current liabilities	–	(132)
Non-current provisions	(248)	913
Net GST receipt/(payments) (b)		
Change in GST receivables/payables (c)	763	33
Grants and contributions from other government agencies	(6,473)	–
Net cash provided by/(used in) operating activities	(23,265)	(9,646)

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

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

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

26. 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 and not later than 5 years	276,865	85,798
	276,865	85,798

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
26. Commitments (continued)		
Lease commitments		
Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised in the financial statements as liabilities are payable as follows:		
Within 1 year	58	59
Later than 1 year and not later than 5 years	58	18
	116	76

27. Contingent assets and contingent liabilities

Contingent assets

The Authority has no contingent assets

Contingent liabilities

Grand Palace Lease Dispute – Elizabeth Quay

The Authority is currently in negotiation with the party that formerly occupied the now deconstructed Florence Hummerston Kiosk. This matter is being dealt with on behalf of the Authority by the Western Australian Planning Commission (WAPC). In consultation with the State Solicitor's Office, $5million was paid by WAPC to the former business owner as an advance payment prior to a formal compensation claim being lodged.

Contamination Management – East Perth Gas-Works Site

The Authority is obligated to manage the contamination of the East Perth Gas-Works site and adjacent areas of the Swan River by direction from the Minister for the Environment. There is a containment management strategy in place. MRA undertakes regular testing of the area and there is no evidence of any adverse impact of the site on the Swan River. The test results support the satisfactory operation of the current containment strategy employed by MRA. It is not possible to reliably estimate the potential financial effect of any claims should a contamination event occur in the future.

for the period ended 30 June 2013

27. Contingent assets and contingent liabilities (continued)

Pioneer Road Service Site (PRS) Groundwater Monitoring

The PRS site in Subiaco has some remnant environmental contamination. MRA is undertaking quarterly groundwater monitoring in accordance with the approved PRS groundwater monitoring plan, as required by the Department of Environment and Conservation. Depending on the results of ongoing monitoring, MRA may be required to perform further remediation works; and compensate third parties affected by the contamination.

However it is anticipated that the monitoring of the site will be adequate and further remediation will not be required.

Champion Lakes Regatta Centre Dispute

The Authority was served with a writ of summons on 12 June 2013. The writ sets out a damages claim arising out of an assertion of trespass to an interest in certain land purportedly created by way of adverse possession prior to 2007.

The land, the subject matter of the claim, forms part of the Champion Lakes Regatta Centre which was constructed in 2007. The facility is currently under management by Venueswest. At 30 June 2013, the land was owned by the Authority. The Authority is in the process of transferring title to Venueswest. The State Solicitors Office is acting for the Authority and Venueswest to defend the action, and the action remains on foot at year end.

28. Events Occurring after the Balance Sheet date

No events have occurred after the Balance Sheet date.

for the period ended 30 June 2013

29. Explanatory Statement

This statement provides details of any significant variations between the 12 months actual results and the the 12 months estimate for the current reporting period. Significant variations are considered to be those greater than 5% and $5 million.

Analysis between 2013 and 2012 financial periods have been excluded due to the 2012 financial period only reporting a 6 month period.

	2013 Actual $' 000	2013 Estimates $' 000	Variance $' 000
Income			
Sales Revenue	6,400	48,888	(42,488)
Developer Contribution	3,731	9,708	(5,977)
Expense			
Cost of Sales	5,077	44,816	39,739
Developer Contribution	3,731	9,708	5,977

Income:

Sales revenue was lower than estimated due to the expected sales not occurring in the current financial period.

Expenses:

Cost of sales was lower than the estimate due to the expected sales not occurring in the current financial period.

Developer contribution income and expenditure are both lower than the estimates due to actual contribution income received and therefore expenditure being lower than previously estimated

30. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Authority are cash and cash equivalents held at bank, receivables, finance leases, payables and borrowings. 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 30(c) 'Financial Instruments Disclosures' and Note 13 'Receivables'.

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

Liquidity risk

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

The Authority'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 30(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).

for the period ended 30 June 2013

30. 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:

	2013 $' 000	2012 $' 000
Financial Assets		
Cash and Cash Equivalents: bank account	16,141	576
Restricted Cash	6,236	885
Receivables (i)	3,391	2,457
Financial Liabilities		
Payables	13,818	17,882
Borrowings	178,373	116,581
Income in advance	221	268
Other Liabilities	294	294

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

(c) Financial Instrument Disclosures

Credit Risk

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

The 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.

for the period ended 30 June 2013

30. Financial Instruments (continued)

	Ageing analysis of financial assets		Past due but not impaired					
	Carrying amount	Not past due and not impaired	up to 1 month	1-3 months	3 months to 1 year	1-5 years	more than 5 years	Impaired financial assets
	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	
Financial assets:								
30 June 2013								
Cash and Cash Equivalents: bank account	16,141	16,141	–	–	–	–	–	–
Restricted Cash and Cash Equivalents	6,236	6,236	–	–	–	–	–	–
Receivables (i)	4,005	3,870	88	160	14	–	–	188
	26,382	26,247	88	160	14	–	–	188
Financial assets:								
30 June 2012								
Cash and Cash Equivalents: bank account	576	576						
Restricted Cash and Cash Equivalents	885	885						
Receivables (i)	2,457	1,531	13	441	445	28	–	–
	3,918	2,991	13	441	445	28	–	–

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

for the period ended 30 June 2013

30. Financial Instruments (continued)

(c) Financial Instrument Disclosures (continued)

Liquidity risk and interest rate exposure

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

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

	Interest rate exposure						Maturity date				
	Carrying amount	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing	Adjustment for discount-ing	Total nominal account	up to 3 months	3 – 12 months	1 – 2 years	2 – 5 years	more than 5 years
	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000	$' 000
Financial liabilities:											
30 June 2013											
Payables	13,818	–	–	13,818	–	13,818	13,818	–	–	–	–
Borrowings (b)	179,188	–	179,188	–	–	179,188	815	–	61,189	117,184	–
Income in advance	221	–	–	221	–	221	221	–	–	–	–
Other Liabilities	294	–	–	294	–	294	294	–	–	–	–
	193,521	–	179,188	14,333	–	193,521	15,148	–	61,189	117,184	–
Financial liabilities:											
30 June 2012											
Payables	17,882	–	–	17,882	–	17,882	17,882	–	–	–	–
Borrowings (b)	116,581	–	116,581	–	–	116,581	–	–	106,810	9,771	–
Income in advance	268	–	–	268	–	268	268	–	–	–	–
Other Liabilities	294	–	–	294	–	294	294	–	–	–	–
	135,025	–	116,581	18,444	–	135,025	18,444	–	106,810	9,771	–

for the period ended 30 June 2013

30. Financial Instruments (continued)

(c) Financial Instrument Disclosures (continued)

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

(b) The Authority's borrowings include a loan with Western Australian Land Authority and a non current borrowing facility with Western Australian Treasury Corporation (WATC). The WATC borrowings are classified as non current in the balance sheet although the borrowings in place are across a portfolio of lending products including short term notes. At the discretion of the Authority, these are rolled over on a continuing basis within the confines of the total borrowing limits approved by the Department of Treasury over the four year forward estimates period.

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	Surplus	Equity	Surplus	Equity
	$' 000	$' 000	$' 000	$' 000	$' 000
Financial assets:					
30 June 2013					
Cash and Cash Equivalents: bank account	16,141	(161)	(161)	161	161
Restricted Cash	6,236	(62)	(62)	62	62
Receivables	3,391	–	–	–	–

for the period ended 30 June 2013

30. Financial Instruments (continued)

(c) Financial Instrument Disclosures (continued)

		-100 basis points		+100 basis points	
	Carrying Amount	Surplus	Equity	Surplus	Equity
	$' 000	$' 000	$' 000	$' 000	$' 000
Financial liabilities:					
Payables (i)	13,818	–	–	–	–
Borrowings	179,188	1,792	1,792	(1,792)	(1,792)
Income in advance	221	–	–	–	–
Other Liabilities	294	–	–	–	–
Total Increase/(Decrease)		1,569	1,569	(1,569)	(1,569)
Financial assets:					
30 June 2012					
Cash and Cash Equivalents: bank account	576	(6)	(6)	6	6
Restricted Cash	885	(9)	(9)	9	9
Receivables	2,457	–	–	–	–
Financial liabilities:					
Payables (i)	17,882	–	–	–	–
Borrowings	116,581	(1,166)	(1,166)	1,166	1,166
Income in advance	268	–	–	–	–
Other Liabilities	294	–	–	–	–
Total Increase/(Decrease)		(1,180)	(1,180)	1,180	1,180

for the period ended 30 June 2013

30. Financial Instruments (continued)

(c) Financial Instrument Disclosures (continued)

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

(d) Fair Values

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

31. Remuneration of members of the Accountable Authority and senior officers

	2013 $' 000	2012 $' 000
Remuneration of Members of the Accountable Authority		
The number of members of the Accountable Authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial period, fall within the following bands are:		
$ 0 – $ 10,000 (a)	–	
$ 10,001 – $ 20,000	1	–
$ 20,001 – $ 30,000	4	5
$ 30,001 – $ 40,000	3	–
Total remuneration of the members of the accountable Authority:	211	115

(a) One member ceased membership part way through the financial year.

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.

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000

31. Remuneration of members of the Accountable Authority and senior officers

Remuneration of Senior Officers

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

$ 20,001 – $ 30,000 (i)	–	1
$ 70,001 – $ 80,000	–	1
$ 80,001 – $ 90,000	–	3
$ 140,001 – $ 150,000	–	1
$ 170,001 – $ 180,000	2	–
$ 190,001 – $ 200,000	1	–
$ 210,001 – $ 220,000	1	–
$ 290,001 – $ 300,000	1	–
Base remuneration and superannuation	987	461
Annual leave and long service leave accruals	78	50
Other benefits		
The total remuneration of senior officers:	1,065	511

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

(i) New CEO appointed in June 2012

for the period ended 30 June 2013

	2013 $' 000	2012 $' 000
32. Remuneration of Auditors		
Remuneration payable to the Auditor General in respect of the audit for the current financial period is as follows:		
Auditing the accounts, financial statements and key performance indicators	48	52
	48	52

33. Supplementary financial Information

(a) No public property was written off during the financial period.

(b) No losses of public money or public property occurred during the financial period.

(c) No gifts of public property was provided by the Authority.

(d) Significant event occurring during the year

During the year the MRA entered into a Project Development Deed for the development of the Waterbank Precinct (Riverside Project). In accordance with the Project Development Deed, works will partially be funded by MRA through the existing Western Australian Treasury Corporation facility.

34 (a). Resources received free of charge

During the period the following resources were provided to the agency free of charge for functions outside the normal operations of the Authority:

Western Australia Land Information Authority (Landgate)	357	206
	357	206

34 (b). Grants and contributions from other government agencies

	6,473	-
	6,473	-

Comprises mainly of receipts of Metropolitan Region Improvement Fund (MRIF) from WA Planning Commission.

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

Auditor General

METROPOLITAN REDEVELOPMENT AUTHORITY

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit.
The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Metropolitan Redevelopment Authority at 30 June 2013 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Metropolitan Redevelopment Authority during the year ended 30 June 2013.

Controls exercised by the Metropolitan Redevelopment Authority are those policies and procedures established by the Board to ensure 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.

Board's Responsibility for Controls

The Board is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Authority complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Opinion

In my opinion, the controls exercised by the Metropolitan 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 during the year ended 30 June 2013.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Metropolitan Redevelopment Authority for the year ended 30 June 2013.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Board's Responsibility for the Key Performance Indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Board's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

for the period ended 30 June 2013

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

Opinion

In my opinion, the key performance indicators of the Metropolitan Redevelopment Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2013.

Independence

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

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Metropolitan Redevelopment Authority for the year ended 30 June 2013 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements and key performance indicators described above.

It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance version of the financial statements and key performance indicators.

COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA

Perth, Western Australia
27 August 2013

CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the Key Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Metropolitan Redevelopment Authority's performance, and fairly represent the performance of the Metropolitan Redevelopment Authority for the financial year ended 30 June 2013.

Richard Muirhead
Chairperson

Jeff Dowling
Deputy Chairperson

Kieran Kinsella
Chief Executive Officer

KEY PERFORMANCE INDICATORS

The MRA's Agency Level Desired Outcome is 'To deliver vibrant, attractive and active Redevelopment Areas by building a Sense of Place, enhancing Connectivity and Environmental Integrity, and promoting Economic Well Being, Urban Efficiency, and Social Inclusion through providing for the planning and redevelopment of those areas.' This Outcome is guided by the MRA Redevelopment Objectives as prescribed in the *Metropolitan Redevelopment Authority Regulations 2011*. Regulation 14 Redevelopment Area Objectives: s.30(5)(c) states:

The objectives of each Redevelopment Area are as follows

1. to build a sense of place by supporting high-quality urban design, heritage protection, public art and cultural activities that respond to Perth's environment, climate and lifestyle;
2. to promote economic wellbeing by supporting, where appropriate, development that facilitates investment and provides opportunity for local businesses and emerging industries to satisfy market demand;
3. to promote urban efficiency through infrastructure and buildings, the mix of land use and facilitating a critical mass of population and employment;
4. to enhance connectivity and reduce the need to travel by supporting development aimed at well-designed places that support walking, cycling and public transit;
5. to promote social inclusion by encouraging, where appropriate, a diverse range of housing and by supporting community infrastructure and activities and opportunities for visitors and residents to socialise;
6. to enhance environmental integrity by encouraging ecologically sustainable design, resource efficiency, recycling, renewable energy and protection of the local ecology.

The Redevelopment Objectives define the outcomes that the MRA intends to deliver within its Redevelopment Areas and apply to all of the MRA's projects.

A single set of Key Performance Indicators (KPI's) is in place to measure the delivery of these Redevelopment Objectives. Each Redevelopment Objective is represented by a KPI that best reflects the individual Redevelopment Objective, and each KPI attempts to provide a useful measurement at any stage of the project cycle.

A number of the MRA Board members that considered the KPI's were previously on the Boards of the four abolished Redevelopment Authorities. These Board members were party to the decision to approve this set of Key Efficiency Indicators. The MRA Board considered that the proposed Key Efficiency Indicators would provide useful information to the readers of the MRA Annual Report in considering the MRA performance.

Agency Desired Outcome

To deliver vibrant, attractive and active Redevelopment Areas by building a Sense of Place, enhancing Connectivity and Environmental Integrity, and promoting Economic Well Being, Urban Efficiency, and Social Inclusion through providing for the planning and redevelopment of those areas.

Redevelopment Objective 1	Redevelopment Objective 2	Redevelopment Objective 3	Redevelopment Objective 4	Redevelopment Objective 5	Redevelopment Objective 6
Sense of Place To build a sense of place by supporting high quality urban design, heritage protection, public art, and cultural activities that respond to Perth's environment, climate and lifestyle.	**Economic Well Being** To promote economic well-being by supporting, where appropriate, development that facilitates investment and provides opportunities for local businesses and emerging industries to satisfy market demand.	**Urban Efficiency** To promote urban efficiency through infrastructure and buildings, the mix of land use and facilitating a critical mass of population and employment.	**Social Inclusion** To promote social inclusion for various people in the Redevelopment Area by requiring diverse and affordable housing and supporting community infrastructure, activities and opportunities for visitors and residents to socialise.	**Connectivity** To enhance connectivity by supporting development aimed at well-designed places that support walking, cycling and public transit.	**Environmental Integrity** To enhance environmental integrity by encouraging ecologically sustainable design, resource efficiency, recycling, renewable energy and protection of the local ecology.

Key Performance Indicators

User Satisfaction
The concept of Sense of Place is best experienced and enunciated by the users of the Redevelopment Area. In order to measure sense of place, it is acknowledged that each Redevelopment Area, project and its associated precinct are at different stages of development and in turn, may not be suitable for surveying. User satisfaction will measure the level of satisfaction of the users of the Redevelopment Areas.

Investment Generated
The MRA invests money into Redevelopment Areas to stimulate the investment by other parties into the area. The proportion of investment made by private industry and/or non MRA government bodies into the Redevelopment Area is an indicative measure of the economic activity that has been produced from the MRA investment.

Land Use Volume and Mix
A critical mass of population is best measured through the capacity of buildings produced through the redevelopment. These measures must include the mix of land use – residential, commercial, retail and industrial that might be included in MRA Redevelopment Areas.

Housing Stock Diversity
Redevelopment Areas require a mixture of housing sizes to ensure the needs of the demographic mix of an area are catered for and to ensure consistency of measurements. Housing Stock Diversity will be based on the number of bedrooms in a dwelling. This will represent a range of size of dwellings. The diversity of the housing stock delivered by the MRA in the Redevelopment Area is the most accurate measure to gauge social inclusion.

Public Transit Access
Access of residents, workers and visitors to public transport options is an important gauge of connectivity within the Redevelopment Area.

Green Star Rating
The Green Star Rating system provides a measure of the environmental integrity and efficiency of the built form developed within the Redevelopment Area. This measure will demonstrate the environmental integrity and efficiency of commercial buildings.

Services

The delivery of major projects within MRA Redevelopment Areas

Key Efficiency Indicator – Overheads to Inventory and Profit
The MRA exists to acquire land, develop land and sell land. The costs it incurs to deliver these services speaks to the efficiency of the organisation. The inventory of land assets held and the gross profit achieved through sales are two of the main metrics applicable to the MRA so a ratio of these metrics relative to the net operational overheads will track the efficiency of the Authority over time.

Statutory Planning Control

Key Efficiency Indicator – Statutory Planning Determination Timeframes
Determining Statutory applications is one of the most important and visible services the MRA provides to external parties who wish to develop in the Redevelopment Area. The efficiency of these services is tied directly to critical services delivery and has the ability to impact the MRA reputation.

Targets

Approval of the 2012/13 Metropolitan Redevelopment Authority inaugural Key Performance Indicators was received on 20 June 2013.

In an effort to measure the effect that the MRA is having on the Perth Metropolitan area, it was determined that baseline measurements should be undertaken to provide a comparable basis for future measurements, in order to quantify the progress of achievements over the life of the Projects within the four Redevelopment Areas. The MRA will not be reporting against targets in the 2012/13 Annual Report, but will be reporting the actual figures for each Key Performance Indicator.

Targets for the MRA's Key Performance Indicators for 2013/2014 have been prepared for consideration by the MRA's Board. Subject to Board approval, the targets will be reported in the MRA's 2013/2014 annual report. This will include an analysis of the results achieved for each Performance Indicator.

Armadale Redevelopment Area

The Armadale Redevelopment Area comprises the Armadale and Wungong Urban Project Areas.

Key Performance Indicator	Actual Score	Analysis
User Satisfaction User Satisfaction against: • Project area quality • Project area amenity • Project area vitality	80%	The sample size in Armadale was 73. This is broken down below (%): Very Satisfied: 14 Satisfied: 66 Neither Satisfied nor Dissatisfied: 7 Dissatisfied: 13 Very Dissatisfied: 1
Investment Generated $ value of non-MRA investment compared to MRA investment.	1 : 0.02	For every $1 of private investment contributed, the MRA contributes $0.02. Private Investment – $63,278,789 : $1,229,745 – MRA Investment
Land Use Volume and Mix Number of approved Development Application residential units	83	The number of approved Development Application residential units is broken down below: Champion Lakes Precinct 20 Champion Drive Precinct 15 Wungong Urban Project Area 48
Square metres of approved commercial, retail and industrial space	75,366m²	The second measurement is broken down below: Commercial: 7,900m² Retail: 5,151m² Industrial: 62,315m²
Housing Stock Diversity Percentage of approved diverse residential dwellings according to number of bedrooms (1, 2 and 3 bedroom).	1 0% 2 0% 3+ 100%	All 83 dwellings within the Armadale Redevelopment Area have 3+ bedrooms. These dwellings are found within the Champion Lakes, Champion Drive and Wungong Urban Precincts.
Public Transit Access Number of approved dwellings within walkable catchment of public transport nodes/stops.	17%	Number of Development Applications within a walkable catchment – 22 Total Applicable Development Applications – 130
Green Star Rating Number of (4-6) Green Star rated (or equivalent) buildings.	4 Star 0 5 Star 0 6 Star 0	

Central Perth Redevelopment Area

The Central Perth Redevelopment Area comprises the Elizabeth Quay, Perth City Link, Riverside, Perth Cultural Centre, New Northbridge, Claisebrook Village and East Perth Power Station Project Areas.

Key Performance Indicator	Actual Score	Analysis
User Satisfaction User Satisfaction against: • Project area quality • Project area amenity • Project area vitality	90%	The sample size in Central Perth was 135. This is broken down below (%): Very Satisfied: 41 Satisfied: 49 Neither Satisfied nor Dissatisfied: 5 Dissatisfied: 3 Very Dissatisfied: 2
Investment Generated $ value of non-MRA investment compared to MRA investment.	1 : 0.56	For every $1 of private investment contributed, the MRA contributes $0.56. Private Investment – $193,405,302 : $108,917,311 – MRA Investment
Land Use Volume and Mix Number of approved Development Application residential units	41	The number of approved Development Application residential units is broken down below: New Northbridge 13 Riverside 28
Square metres of approved commercial, retail and industrial space	36,808m²	The second measurement is broken down below: Commercial: 35,131m² Retail: 1,677m² Industrial: 0m²
Housing Stock Diversity Percentage of approved diverse residential dwellings according to number of bedrooms (1, 2 and 3 bedroom).	1 14.6% 2 48.8% 3+ 36.6%	1 6 dwellings 2 20 dwellings 3+ 15 dwellings All 41 dwellings are found within the New Northbridge and Riverside Precincts.
Public Transit Access Number of approved dwellings within walkable catchment of public transport nodes/stops.	100%	Number of Development Applications within a walkable catchment – 4 Total Applicable Development Applications – 4
Green Star Rating Number of (4-6) Green Star rated (or equivalent) buildings.	4 Star 4 5 Star 2 6 Star 0	

Midland Redevelopment Area

The Midland Redevelopment Area comprises the Midland Project Area.

Key Performance Indicator	Actual Score	Analysis
User Satisfaction User Satisfaction against: • Project area quality • Project area amenity • Project area vitality	76%	The sample size in Midland was 105. This is broken down below (%): Very Satisfied: 19 Satisfied: 57 Neither Satisfied nor Dissatisfied: 14 Dissatisfied: 7 Very Dissatisfied: 3
Investment Generated $ value of non-MRA investment compared to MRA investment.	1 : 0.21	For every $1 of private investment contributed, the MRA contributes $0.21. Private Investment – $20,353,903 : $4,368,050 – MRA Investment
Land Use Volume and Mix Number of approved Development Application residential units Square metres of approved commercial, retail and industrial space	15 8,485m²	The total amount of approved Development Application for residential units was within the Midland City Centre Precinct. The second measurement is broken down below: Commercial: 6,967m2 Retail: 2,030m2 Industrial: -512m² *
Housing Stock Diversity Percentage of approved diverse residential dwellings according to number of bedrooms (1, 2 and 3 bedroom).	1 53.3% 2 40% 3+ 6.7%	1 8 dwellings 2 6 dwellings 3+ 1 dwellings All 15 dwellings are found within the Midland City Centre Precinct.
Public Transit Access Number of approved dwellings within walkable catchment of public transport nodes/stops.	100%	Number of Development Applications within a walkable catchment – 1 Total Applicable Development Applications – 1
Green Star Rating Number of (4-6) Green Star rated (or equivalent) buildings.	4 Star 1 5 Star 0 6 Star 0	

*The negative value either represents an amendment to an existing development approval which reduces the floor space of a particular land use; or; a change of use where a new land use replaces an existing land use.

Subiaco Redevelopment Area

The Subiaco Redevelopment Area comprises the Subi Centro Project Area.

Key Performance Indicator	Actual Score	Analysis
User Satisfaction User Satisfaction against: • Project area quality • Project area amenity • Project area vitality	82%	The sample size in Subiaco was 92. This is broken down below (%): Very Satisfied: 35 Satisfied: 47 Neither Satisfied nor Dissatisfied: 13 Dissatisfied: 6 Very Dissatisfied: 0
Investment Generated $ value of non-MRA investment compared to MRA investment.	1 : 0.03	For every $1 of private investment contributed, the MRA contributes $0.03. Private Investment – $24,384,530 : $670,012 – MRA Investment
Land Use Volume and Mix Number of approved Development Application residential units Square metres of approved commercial, retail and industrial space	101 345m²	The number of approved Development Application residential units is broken down below: Hood Street 87 Centro North 14 The second measurement is broken down below: Commercial: 387m² Retail: -42m²* Industrial: 0m²
Housing Stock Diversity Percentage of approved diverse residential dwellings according to number of bedrooms (1, 2 and 3 bedroom).	1 49.5% 2 41.7% 3+ 8.8%	1 51 dwellings 2 43 dwellings 3+ 15 (-3**) dwellings
Public Transit Access Number of approved dwellings within walkable catchment of public transport nodes/stops.	100%	Number of Development Applications within a walkable catchment – 3 Total Applicable Development Applications – 3
Green Star Rating Number of (4-6) Green Star rated (or equivalent) buildings.	4 Star 1 5 Star 0 6 Star 0	

* The negative value represents an amendment to an existing development approval which reduces the floor space of a particular land use; or; a change of use where a new land use replaces an existing land use.

** The negative value represents an amendment to an existing approval which has altered the approved dwelling mix, e.g. overall approved number of 3 bedroom units for that development are decreased in favour of more 2 bedroom units.

Services

Services	Actual Score	Analysis
Delivery of major projects within MRA Redevelopment Areas Key Performance Indicator Ratio of net operational overheads to average inventory plus gross profit	11%	
Statutory Planning Control Key Performance Indicator Median determination timeframe in days for Development Applications (standard and major), subdivision applications and structure plans	57 days	

Redevelopment Area	Major DA's	Standard DA's	Subdivisions	Structure Plans
Central Perth	113	59	160	Not Applicable
Subiaco	113	84	Not Applicable	Not Applicable
Armadale	Not Applicable	47	Not Applicable	94
Midland	253	96	Not Applicable	Not Applicable
Overall Median	***136**	****54**	**160**	**94**

* Section 65(2) of the *Metropolitan Redevelopment Authority Act 2011* requires major Development Applications be approved within 120 days after the date on which the application is received. Whilst the medium determination is over the statutory obligation, this is a result of a single determination that was 120 days over the required determination period due to the resubmission by the applicant of amended plans.

** Section 65(2) of the *Metropolitan Redevelopment Authority Act 2011* requires standard Development Applications to be approved within 90 days after the date on which the application is received.

Methodology Notes to Accompany Effectiveness Results

User Satisfaction

The key information objectives were as follows:

- Measure satisfaction with the user experience.
- Measure the quality, vitality and amenity in the area.

Metrix Consulting was engaged to undertake the User Satisfaction survey. A total number of 405 interviews were conducted and completed in the MRA Redevelopment Areas, utilising telephone and face-to-face data collection methods. This sample size provides a maximum error margin of +4.87% at the 95% confidence level. There were 330 refusals to do the survey and 19 interviews were terminated. Therefore the response rate was 54%.

Investment Generated

Results derived by:

MRA Investment:

- Amount capitalised as inventory.
- Plus any capitalised work on the MRA's investment properties.
- Plus the cost of works done by the MRA for other government agencies.

Non-MRA Investment:

- Development Applications approved in the period were filtered by Redevelopment Area, then by Project and Precinct.

A ratio is then sought after both Non-MRA Investment and MRA Investment has been calculated.

The formula is: $ value of non-MRA Investment compared to MRA Investment.

Urban Efficiency

Number of approved Development Applications residential units:

- This was demonstrated by the number of approved Development Applications for residential, mixed use, change of use to residential and amendments approved in the last financial year per Redevelopment Area, then by Project and Precinct.
- Development Applications for mixed use developments which did not include residential or included applications for transient residential such as hotel uses were not included.
- Individual files and relevant Planning reports were reviewed where necessary for each relevant Development Application to determine the number of approved units.

Square metres of approved Development Applications for commercial, residential, industrial space:

- This was demonstrated by the number of Development Applications approved in the last financial year per Redevelopment Area, then by Project and Precinct.
- Only Development Applications for Change of Use, Additions, Commercial, Community, Industrial and Mixed Use Development Applications' and Development Application Amendment (Amendments may include changes to existing floor space) were included.
- Development Applications for small additions such as patios and fencing were not included.
- Details of all approved floor space for applications up until 4 April 2013 were used to cross check floor space statistics with relevant applications.

- For all applications after 4 April 2013, individual files and relevant planning reports were reviewed for each relevant Development Application to determine floor space. Area was calculated using the 'measure' area tool in Adobe Reader if a specific value was not provided in the plans.

Social Inclusion

- Only Development Applications approved in the last financial year per Redevelopment Area, then by Project and Precinct were included.
- The Development Applications were for residential, mixed use, change of use to residential and amendments to Development Applications.
- Development Applications for mixed use developments which did not include residential or applications for transient residential such as hotel uses were not included.
- The details of diversity of all dwellings approved up until 4 April 2013 to cross check dwelling statistics with relevant Development Applications on the list were utilised.
- For all applications after 4 April 2013, individual files and relevant planning reports were reviewed for each relevant Development Application to determine floor space diversity of approved residential units.

Connectivity

- Results derived by using only:
  - Development Applications;
  - Residential and Mixed Use Development Applications;
  - Approved Development Applications; and
  - Development Applications approved in 2012/13 financial year were selected.
- Straight Line Distance Analysis
  - Development Applications which were within walkable 400m distance of a bus stop and/or 800m of transit stops were analysed.
  - The straight line distance analysis was used to rationalise the full list of applicable Development Applications so that manual walkable analysis of the Development Applications could be undertaken.
- Walkable distance analysis
  - The list of Development Application lots within a straight line 400m to 800m distance of a transit stop were assessed to see if they were within 400m to 800m via the road network. This was undertaken using Google Maps measurement tool as the transit stops are visible on Google Maps.
- Final count of applicable Development Applications within walkable distance of transit stops by Scheme Area
  - The list of applicable Development Applications within walkable distance of transit was then sorted by Project Area.

Environmental Integrity

- Results derived by only including Development Applications approved in the last financial year for each Redevelopment Area and then by Project Area and Precinct.
- These results were further refined by including only Development Applications for new commercial, industrial, mixed use, community or residential units excluding single dwellings.
- Green star conditions are only imposed when constructing new buildings.
- Development approvals and individual files were reviewed to determine whether a (4/5/6 star) Green Star rating was imposed as a condition of the approval.

Statutory Planning Control

- The measure utilised was the average timeframe (in days) within which Development Applications (standard and major), subdivision applications and structure plans were considered and applicants notified.

Ministerial Directives

Section 115(1) of the *Metropolitan Redevelopment Authority Act 2011* provides "the Minister may give written directions to the Authority with respect to the performance of its functions under this or any other Act, either generally or in relation to a particular matter, and the Authority must give effect to any such direction when it becomes effective under section 116."

There were no Ministerial directives from 1 July 2012 to 30 June 2013.

Ministerial Recommendations

Section 29(1) of the *Metropolitan Redevelopment Authority Act 2011* states the Governor must not make regulations under section 30 or 31 that declare land to be, or that add land to, a Redevelopment Area except on the recommendation of the Minister.

Section 29(5) of the *Metropolitan Redevelopment Authority Act 2011* provides "if the Minister recommends the making of regulations the content of which is, in the Minister's opinion, significantly different to any recommendation made by the Western Australian Planning Commission under this section, the Minister must cause notice of the difference to be laid before each House of Parliament or dealt with under section 132 of the Act, within 14 days after the day on which the Minister's recommendation is given."

There were no Ministerial Recommendations of this nature made from 1 July 2012 to 30 June 2013.

Ministerial Approvals

Section 47(4) of the *Metropolitan Redevelopment Authority Act 2011* provides "if the Minister approves a draft redevelopment scheme the content of which is, in the Minister's opinion, significantly different to any recommendation given by the WAPC under section 46, the Minister must cause notice of the difference to be laid before each House of Parliament or dealt with under section 132 of the Act, with 14 days after the scheme start day."

There were no Ministerial Approvals of this nature from 1 July 2012 to 30 June 2013.

Pricing Policies

In accordance with the *Metropolitan Redevelopment Authority Regulations 2011* (the Regulations) the MRA provides planning services in accordance with fees prescribed at Schedule 5 of the Regulations.

Disclosures Relating to Employees

Summarised below are details of employees by category as at 30 June 2013. Figures relate to substantive positions and do not include staff who are in acting positions, temporary, or on secondment, leave without pay, or maternity leave.

Level	2013	
	Male	Female
SAT Band 3	1	0
C1	1	0
9	1	1
8	3	4
7	6	3
6	3	9
5	2	17
4	1	5
3	5	12
2	0	3
1	0	3
SCL 7	1	0
SCL 6	1	1
SCL 5	0	1
SCL 4	1	1
SCL 3	1	3
SCL 2	4	6
SCL 1	1	5
Total – gender	32	74
Total – workers	**106**	

Staff Development

The MRA values its employees and continually seeks to identify and provide opportunities for staff to develop their personal and professional competencies.

MRA staff have attended a range of role-specific professional development courses, as well as courses aimed at developing broader capabilities to enhance future management career opportunities, including the implementation of a Leadership Development Program, and Accountable and Ethical Decision Making and Project Management programs.

The MRA will continue to provide opportunities for staff to develop to ensure they meet the current and future needs of the MRA.

Policies, Procedures and Programs to Assist Employees

The MRA has a number of policies in place to assist employees, including:

- Workplace Policy
- Home Based Work Policy
- Occupational Safety and Health Policy
- Eyesight Screening and Testing Policy
- Purchased Leave 42-52 Salary Arrangements Policy
- Education and Professional Membership Assistance Policy
- Hours and Flexible Working Arrangements Policy

Industrial Relations

There were no changes to the industrial relations environment within the MRA from 1 July 2012 to 30 June 2013.

Workers Compensation

There were no workers compensation claims within the MRA during the reporting period.

Governance Disclosures

The MRA's contract administration system requires senior officers to declare interests in any existing or proposed contracts they are involved in administering. During the 2013 year, no interests were declared.

All MRA Board and Committee agendas have a standing item which invites Board and Committee members to declare conflicts of interest in accordance with the requirements of section 92 of the *Metropolitan Redevelopment Authority Act 2011*.

All interests declared during 2013 have been recorded on the MRA's Interests Register.

During 2013, the MRA paid $43,956.00 (excluding GST) 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*.

Major Capital Projects

Please refer to Agency Performance on page 20 for information about MRA's major capital projects.

Substantive Equality

Whilst the MRA is not required to set out in its annual report the progress achieved in implementing the policy framework for substantive equality, it is committed to substantive equality and has developed a number of initiatives aimed at increasing social inclusion and diversity. Examples of these include the preparation of planning policies facilitating the development of affordable, diverse, universally accessible and adaptable housing.

Marketing and Advertising

In compliance with Section 175ZE of the *Electoral Act 1907,* the MRA incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

Marketing and advertising expenditure was used to communicate traffic and project updates and to promote place making initiatives across MRA's 12 major redevelopment projects.

Total expenditure for the reporting period was $2,997,908. Expenditure was incurred in the following areas:

Advertising Agencies and Public Relations Organisations	Total Amounts
Mills Wilson Communication Consultants	$68,422
Rare Creative Thinking	$1,579,104
Block Branding	$96,586
Market Research Organisations	
Synovate/Ipsos	$122,020
Media Advertising Organisations	
Optimum Media Decisions/Mitchells	$1,077,202
AdCorp	$54,574
Polling Organisations	Nil
Direct Mail Organisations	Nil

Publications

During the reporting period, copies of MRA publications were available online at www.mra.wa.gov.au or could be obtained from 12 Lindsay Street, Perth WA. Available publications included:

- Redevelopment Schemes for Armadale, Central Perth, Midland, Subiaco and Wungong Urban.
- Planning policies and documents.
- Design Guidelines.
- Annual Reports from 2001 to 2012.
- Project communications and marketing brochures including the MRA magazine, *Re*.

Disability Access and Inclusion Plan

In November 2012, in accordance with part 5 of the *Disability Services Act 1993*, the MRA established a Disability Access and Inclusion Plan (DAIP) 2012 to 2017 so that people with disability have the same opportunities as others to access the MRA's services, facilities and information.

DAIP initiatives undertaken during the reporting period to address the desired outcomes in accordance with schedule 3 of the Disability Services Regulations 2004 (the DS Regulations) were:

Outcome 1: People with disability have the same opportunities as other people to access the services of, and any events organised by, the relevant public authority.

- 25 new employees were made aware of the DAIP and the Act requirements through their initial induction process.
- A register was developed of key employees to receive updates on disability access issues relating to services provided by the MRA.
- Planning of all public events, such as those conducted in the Perth Cultural Centre, was undertaken utilising the Disability Services Commission's (DSC) "Creating Accessible Events" checklist to ensure the venue was accessible to all ages and abilities and event promoters/holders provided adequate facilities for people with disability.

Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.

- The Elizabeth Quay Design Guidelines adopted in August 2012 were prepared in consultation with the City of Perth Access Working group and requires compliance with the *Disability Discrimination Act 1992* (the DDA) and the MRA Central Perth Development Policy 10 Adaptable and Accessible Housing.
- The Carter Lane Design Guidelines drafted in March/April 2013 (expected to be adopted November 2013), specifically identify universal access as an objective that must be satisfied in the design of the public realm and will require compliance with the DDA and the MRA Subiaco Development Policy Adaptable and Accessible Housing.

Outcome 3: People with disability receive information from the relevant public authority in a format that will enable them to access the information as readily as other people are able to access it.

- An Accessible Information policy was approved in June 2013, applying to printed and electronic information produced by the MRA which all members of the community, including people with disability have access to.

Outcome 4: People with disability receive the same level and quality of service from the staff of the relevant public authority.

- Employee awareness of disability and access issues was improved through notification of the MRA's DAIP developed for 2012 to 2017; the induction process for new staff including a review of the DSC "Getting There – Access Awareness Video"; and information provision on the MRA's intranet of the MRA's DAIP, Accessible Information Policy and the DSC Accessible Information Guidelines.

Outcome 5: People with disability have the same opportunities as other people to make complaints to the relevant public authority.

- A review of the MRA's complaint mechanisms for accessibility by people with disability was undertaken and incorporated in the new Complaints Handling Policy, approved in June 2013.

Outcome 6: People with disability have the same opportunities as other people to participate in any public consultation by the relevant public authority.

- Tasks addressing the strategy to ensure that the public consultation process is available in formats to meet the needs of people with disability will be undertaken in 2013/14.

Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

- Following the June 2013 amendments to the DS Regulations, the MRA's DAIP was amended to include the new Outcome 7 with a strategy to ensure the MRA's employment processes allow the attraction and retention of employees with disability. Outcome 7 formally commences in the DS Regulations for reporting purposes from 11 June 2014, therefore tasks addressing the strategy will be undertaken in 2013/14.

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 MRA reports that no internal investigations were undertaken during the reporting period relating to breaches of discipline as defined under section 80 of the *Public Sector Management Act 1994*. There were no other compliance issues that arose during the reporting period regarding the Public Sector Standards in Human Resource Management, Commissioner's Instructions and Code of Ethics.

The MRA has developed a new Code of Ethics in accordance with Commissioner's Instruction No. 7 Code of Ethics; and a Code of Conduct in accordance with Commissioner's Instruction No. 8 Code of Conduct and Integrity Training. The new Codes address the minimum standards and required seven areas of conduct, which apply to the MRA Board, Land Redevelopment Committees, Chief Executive Officer, and employees. Accountable and Ethical Decision Making Training was provided to all employees and the MRA Board members during the reporting period and will be provided to the Land Redevelopment Committee members prior to the end of the calendar year 2013.

Record Keeping Plan

The MRA Record Keeping Plan governs the MRA's record keeping and complies with the *State Records Act 2000* (the Act). Under the Act, a new government agency must submit a draft Recordkeeping Plan (a Plan) to the State Records Office within six months of its creation.

The MRA submitted and subsequently gained approval of its draft Plan on 22 June 2012. Feedback was provided and addressed in the final MRA Record Keeping Plan, approved by the State Records Commission on 30 August 2012.

In support of the plan, the MRA has a Record Keeping Policy which holds staff, contractors and organisations who perform on behalf of the MRA responsible for their records involvement. The policy incorporates all legislative, business, administrative, financial, evidential and historical information requirements.

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

In 2013/14 the MRA will consider the digitisation and destruction of source records, the establishment of a recordkeeping guideline for outsourced contracts, undertake a complete offsite storage review and review the process for destruction or archival storage of offsite records.

Occupational Safety and Health

The MRA is committed to responsible and effective management of Occupational Safety and Health (OSH) in all aspects of its functions. We value the safety and health of our people, our contractors, our customers and other stakeholders affected by the work we undertake and property we are involved with.

In November 2012 a revised OSH Management System (OSH-MS) and OSH Policy were approved to reflect the MRA's new organisational structure and governance directives. Continued development and improvement of the OSH-MS is a key focus of the MRA Executive Committee.

Through the OSH-MS an internal OSH Committee has been established, which meets on a bi-monthly basis and provides an accessible forum to employees and management for consultation on safety related issues. The OSH Committee also implements a range of safety and health management practices including education, training, reporting, discussion and accountability as part of the OSH-MS Action Plan. All OSH-MS documentation, policies, procedures and OSH Committee meeting notes are available to employees, management and internal consultants on the MRA intranet.

The MRA complies with injury management requirements of the Workers' Compensation and Injury Management Act 1981 and has workers' compensation, injury management and return to work policies, procedures and documentation.

OSH and injury management statistics are reported to the Executive Committee and MRA Board on a bi-monthly basis. An internal audit and assessment of the first 12 months of the revised OSH-MS and Action Plan will be conducted prior to 31 December 2013.

Measure	Actual Results		Results against Target	
	2011-12	2012-13	Target	Comment on result
Number of fatalities	0	0	0	Target achieved
Lost time injury and/or disease incidence rate	0	0	0	Target achieved
Lost time injury and/or disease severity rate	0	0	0	Target achieved
Percentage of injured workers returned to work:				
(i) Within 13 weeks	Not Applicable	Not Applicable	Not Applicable	Target achieved
(ii) Within 26 weeks	Not Applicable	Not Applicable	Not Applicable	
Percentage of managers trained in occupational safety, health and injury management responsibilities	0%	50%	Greater than or equal to 80%	Target yet to be achieved. Training will continue throughout 2013/14

Significant Legislation Affecting the MRA's Activities

Age Discrimination Act 2004

Auditor General Act 2006

Building Act 2011

Competition and Consumer Act 2010

Construction Contracts Act 2004

Contaminated Sites Act 2003

Disability Services Act 1993

Disability Discrimination Act 1992

Environmental Protection Act 1986

Environment Protection and Biodiversity Conservation Act 1999

Equal Opportunity Act 1984

Financial Management Act 2006

Freedom of Information Act 1992

Heritage of Western Australia Act 1990

Industrial Relations Act 1979

Land Administration Act 1997

Local Government (Miscellaneous Provisions) Act 1960

Main Roads Act 1930

Metropolitan Redevelopment Authority Act 2011

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

Racial Discrimination Act 1975

State Records Act 2000

State Superannuation Act 2000

State Supply Commission Act 1991

Statutory Corporations (Liability of Directors) Act 1996

Swan and Canning Rivers Management Act 2006

Trade Marks Act 1995

Transfer of Land Act 1893

Workers Compensation and Injury Management Act 1981

Board Members and Attendance (1 July 2012 to 30 June 2013)

Current Members	Position	Meetings Attended*
Mr Richard Muirhead	Chair	8(8)
Mr Jeff Dowling	Deputy Chair	6(8)
Ms Fiona Kalaf	Member	12(15)
Mayor Carol Adams	Member	14(15)
Mr Charles Johnson	Member	12(15)
Mr Nicholas Bruining	Member	8(8)
Mr Eric Lumsden**	Member	3(4)
Retired Members	**Position**	**Meetings Attended***
Mr Eric Lumsden**	Chair	6(7)
Mr Donald Humphreys	Deputy Chair	7(7)
Dr Fred Affleck	Member	5(7)
Mr Gary Prattley	Member	0(6)

* Numbers in brackets represent the number of meetings Members were eligible to attend.

** Mr Eric Lumsden's term as MRA Board Chairperson expired 31 December 2012. In May 2013, Mr Lumsden was subsequently appointed as the WAPC nominated member of the Board.

Audit and Risk Committee Members and Attendance (1 July 2012 to 30 June 2013)

Current Members	Position	Meetings Attended*
Mr Jeff Dowling	Chair	2(2)
Ms Fiona Kalaf	Member	4(4)
Mr Nick Bruining	Member	2(2)
Retired Members	**Position**	**Meetings Attended**
Mr Donald Humphreys	Chair	2(2)
Mr Charles Johnson	Member	1(2)

* Numbers in brackets represent the number of meetings Members were eligible to attend.

** Mr Donald Humphreys' term as Chair of the Audit and Risk Committee expired 31 December 2012.

Armadale Land Redevelopment Committee Members and Attendance (1 July 2012 to 30 June 2013)

Current Members	Position	Meetings Attended*
Mayor Carol Adams	Deputy Chair	5(6)
Mayor Henry Zelones	Member	5(6)
Mr Linton Reynolds	Member	6(6)
Mr Matthew Handcock	Member	6(6)
Retired Members	**Position**	**Meetings Attended**
Mr Charles Johnson	Chair	5(5)

* Numbers in brackets represent the number of meetings Members were eligible to attend.

Central Perth Land Redevelopment Committee Members and Attendance (1 July 2012 to 30 June 2013)

Current Members	Position	Meetings Attended*
Mr Charles Johnson	Chair	0(0)
Ms Fiona Kalaf	Deputy Chair	2(2)
The Rt. Honourable Lord Mayor Lisa Scaffidi	Member	0(2)
Prof. Geoffrey London	Member	0(0)
Ms Jennifer Duffecy	Member	0(0)
Retired Members	**Position**	**Meetings Attended**
Mr Gary Prattley	Chair	2(2)
Mr Bart Boelen	Member	2(2)
Prof. Richard Weller	Member	1(2)

* Numbers in brackets represent the number of meetings Members were eligible to attend.

Midland Land Redevelopment Committee Members and Attendance (1 July 2012 to 30 June 2013)

Current Members	Position	Meetings Attended*
Mr Nicholas Bruining	Deputy Chair	4(5)
Mayor Charlie Zannino	Member	5(5)
Mr Brian Hunt	Member	4(5)
Dr Ann ten Seldam	Member	4(4)
Retired Members	**Positions**	**Meetings Attended**
Dr Fred Affleck	Chair	2(3)

* Numbers in brackets represent the number of meetings Members were eligible to attend.

Subiaco Land Redevelopment Committee Members and Attendance (1 July 2012 to 30 June 2013)

Current Members	Position	Meetings Attended*
Mr Jeff Dowling	Chair	0(0)
Dr Lynley Hewett	Deputy Chair	5(6)
Ms Sharni Howe	Member	4(6)
Mr Loren White	Member	6(6)
Mr David Hartree	Member	6(6)
Retired Members	**Position**	**Meetings Attended**
Mr Donald Humphreys	Chair	4(4)

* Numbers in brackets represent the number of meetings Members were eligible to attend.

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