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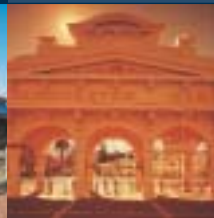


Environment

Access  
Urban Renewal



Northbridge



Gateway



East Perth

ANNUAL REPORT 2000 - 2001  
East Perth Redevelopment Authority

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This is the ninth Annual Report of the  
East Perth Redevelopment Authority.  
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## STATEMENT OF COMPLIANCE

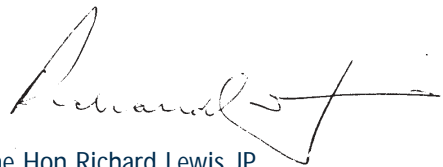
The Hon Alannah MacTiernan MLA  
Minister for Planning and Infrastructure  
13th Floor Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

Dear Minister

In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, we hereby submit for your information and presentation to Parliament, the Annual Report of the East Perth Redevelopment Authority for the year ended 30 June 2001.

The Annual Report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

Yours sincerely



The Hon Richard Lewis JP  
Chairman



Dr Ken Michael  
Deputy Chairman



Mr Tony Morgan  
Chief Executive Officer

31 August 2001

## MISSION STATEMENT

To utilise the powers conferred by the *East Perth Redevelopment Act 1991* to co-ordinate and undertake the urban renewal of specified land on behalf of the Western Australian Government.

### The Vision

To be a self funding Western Australian Government urban planning and development authority with the latest industry experience and knowledge managing the completion of outstanding and successful urban renewal projects.

### Enabling Legislation

The East Perth Redevelopment Authority was established by the *East Perth Redevelopment Act 1991*. EPRA's functions are described in that Act as:

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

There were no amendments to the Act during the year.



## CORPORATE OBJECTIVES

Initially EPRA had four primary objectives:

- ▶ to rejuvenate the area;
- ▶ to rehabilitate its environment;
- ▶ to attract investment and expand the economic base; and
- ▶ to demonstrate advanced forms of urban development.

EPRA's original brief in 1992 related to the redevelopment, within a specified time, of the Claisebrook area in East Perth with a review after five years. The statutory review, published in October 1997, recognised that EPRA had been effective in carrying out its responsibilities. The project is now in its advanced stages with some parks, public accessways and roads already handed over to the City of Perth and preparations being made to 'normalise' planning regulatory responsibilities.

The East Perth project is well recognised as one of the most successful urban renewal projects undertaken in Australia. As a result EPRA has been assigned responsibility for two further projects - the renewal of 27 hectares of land above the Northbridge tunnel and land at the eastern entrance to Perth City, known as the Gateway. Five hectares of Government owned land at the Gateway will be redeveloped by EPRA.

The East Perth redevelopment area boundary was extended by Regulation to place these project areas under EPRA'S jurisdiction of the Authority. The Regulations are made under Sections 4 and 57 of the *East Perth Redevelopment Act*. The Redevelopment Scheme and associated policies were also applied over the new project areas to activate EPRA planning powers.

The current challenges for EPRA are to:

- ▶ manage the finalisation and 'normalisation' of the East Perth project effectively; and
- ▶ replicate the successes of the East Perth redevelopment in the Northbridge and Gateway projects.

Five-year Objectives:

- ▶ at least sustain the worth of the current capital base;
- ▶ deliver unique, high quality urban renewal projects;
- ▶ undertake strategic and statutory town planning functions;
- ▶ ensure adequate human resource, management and information technology systems and support;
- ▶ develop and maintain stakeholder relationships; and
- ▶ ensure EPRA fully achieves the requirements of its mandate.

## CHAIRMAN'S REPORT

I am pleased to report on the East Perth Redevelopment Authority's ninth year of operations, which saw the consolidation of EPRA's position in its statutory defined project areas encompassing East Perth, Northbridge and the Eastern Gateway (opposite the WACA).

The East Perth project continues to unfold with the commencement of works at the Powerhouse Business Park adjacent to the disused power station, the successful release of the Foundry mixed use subdivision and the extension of the public art program.

Whilst it is now difficult to remember what existed in the Claise Brook area of East Perth back on the 1st of July 1992 when EPRA came into being, it can now be fairly said that what has been physically achieved in urban renewal is of excellence and speaks for itself.

Thus with the original East Perth project in the final stages of completion it is now appropriate for EPRA to withdraw its responsibility. We are moving to 'normalise' the planning and regulatory process with a hand-over back to the City of Perth anticipated in the first quarter of the new financial year.

The Australian Broadcasting Corporation recognised the strategic importance of an East Perth location when it settled on the acquisition of half a hectare of land for its new Western Australian headquarters next to the e-Central college of TAFE. This facility emphasises the New Media Village focus for East Perth.

Notable in the Northbridge project was the finalisation of the land acquisition from the Western Australian Planning Commission and Main Roads Western Australia.

Additional, significant milestones in the Northbridge project included the release of the masterplan following several rounds of extensive public consultation; completion of the refurbishment of the three heritage cottages in Aberdeen Street; and the negotiations for the sale of several properties to the Ministry of Housing.

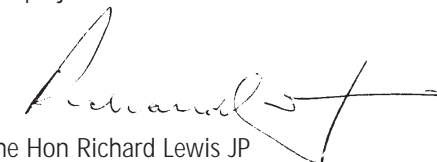
EPRA understands the potential for the Gateway project to transform the eastern end of the city so has invested heavily in preparing a strategic planning framework and a concept plan for the five hectares it owns in this area as the basis for consultation with key stakeholders. In recognition of the previous uses in the area, detailed environmental analyses have been conducted in co-operation with the Department of Environmental Protection.

Negotiations are underway with the Western Australian Police Service, the Department of Transport and the Department of Minerals and Energy for the acquisition of the five hectares of land at the eastern end of Adelaide Terrace.

It is also appropriate at this time to commend the financial statements that manifest a financially sound statutory agency that has over the past years husbanded its resources well to build a strong cash and asset base. This, I trust, has provided Government with a confidence to entrust other urban renewal challenges to EPRA.

Two Board Members' terms expired during the year and I would like to thank them both for their support during their terms: Alan Skinner, who has been Deputy Chairman since EPRA commenced in 1992 and Kareena Ballard, who joined in 1997. I would equally like to welcome the two new Board Members, Christine Costa and Simon Chester, who are settling well into their roles.

This is my fifth and last report as Chairman of EPRA. I would like to take the opportunity to thank the Government of the day for its confidence in EPRA and to particularly express my appreciation to my colleagues on the Board, the current and past Chief Executive Officers and members of staff for their support, professionalism and commitment to EPRA and the projects at hand.



The Hon Richard Lewis JP  
Chairman

## CHIEF EXECUTIVE OFFICER'S REPORT

In response to the continuing demands of managing three substantial redevelopment projects, EPRA undertook a reorganisation of its planning and operating responsibilities on a project specific basis. This amended the previous functional organisation structure and has resulted in greater focus within the three projects. The strategic directions for the next five years and the business plan for 2001-2002 have been prepared to reflect this new focus.

In addition, the concept of triple bottom line reporting was embraced during the formulation of these plans and performance indicators reflecting social, environmental and economic performance have been incorporated.

Commercial activities are becoming increasingly conducted across the internet and EPRA boosted its investment in this area during the year. EPRA's website has been significantly upgraded, is now fully operational and provides straightforward access to EPRA's publications and information. It is intended to extend the content to facilitate EPRA's communication and commercial activities.

The market has been patchy this year causing certain land releases to be deferred. EPRA turned in sales for the year of \$11million, somewhat below expectations and the results of recent years. Significantly, a number of sales that were to have occurred during the year have moved through to 2001-02 and, consequently, follow-on results for the year have been low with an operating surplus of \$5.4 million and a return on assets of 7.2 %. Net asset value has continued to climb and closed the year at \$75.7 million.

Private investment in East Perth reflects confidence in, and expectations of, the redevelopment and some \$40 million has been committed by the private sector in 2000-01.

There were two staff departures during the year: one took advantage of the Government's early retirement scheme for Senior Executive Service members and one resigned to take up a position elsewhere in the public service. There was one new recruitment.

I thank the Chairman and Members of the Board, management, staff and consultants for their support during a year in which I was formally appointed Chief Executive Officer for a five year period until January 2006.

I look forward to new challenges being presented to EPRA and to the progressive transformation of the Northbridge and Gateway projects to become further examples of outstanding urban renewal.



Mr Tony Morgan  
Chief Executive Officer

## EAST PERTH REDEVELOPMENT AUTHORITY BOARD

The members at 30 June 2001 were :

### **The Hon Richard Lewis JP: Chairman**

Richard Lewis was appointed Chairman of the Authority in 1997 after a successful business career in land surveying, private corporate property development and politics. He served as Minister for Planning and Heritage from 1993 to 1997 and also as Minister for Housing and Minister Assisting the Minister for Transport. He is a Fellow of the Institute of Surveyors Australia, and a Fellow of the Australian Institute of Company Directors. He was formerly a Member of the Perth Metropolitan Region Planning Authority and a Councillor and Deputy Mayor of the City of Melville.

### **Dr Ken Michael AM: Deputy Chairman**

Dr Michael is the former Commissioner of Main Roads WA and Public Service Commissioner. He has had a distinguished career in civil engineering, including bridge and road design, and management of road construction and maintenance. He is currently the Western Australian Independent Gas Pipeline Access Regulator, Chairman of Trustees of the WA Museum and Chancellor of the University of Western Australia.

### **Mr Simon Chester: Member**

Mr Chester is a freelance engineering designer with eleven years design experience in both greenfield and brownfield projects. His experience ranges from conceptual design through to construction. Mr Chester is a Councillor for the Town of Vincent where he has served on urban environment, heritage, traffic management and community development advisory groups.

### **Ms Christine Costa: Member**

Ms Costa is Executive Director of the Injury Control Council of Western Australia and is a founding and active executive member of community groups including Inner City Residents Action and Forrest Precinct Group. Ms Costa was the 1997 winner of the University of Western Australia Jan Watt Prize for Excellence in Public Health Field Research. She has wide ranging project management experience and is highly skilled in the areas of community consultation and advocacy.

### **Cr Judy McEvoy: Member**

Cr McEvoy was elected as Councillor of the City of Perth in May 1997 and is now Deputy Lord Mayor. She has more than thirty years experience as a business operator in Perth and currently owns the City Hotel and Venvisto Restaurant. Cr McEvoy is a Board Member of the Perth Theatre Trust. She is also a member of numerous committees.

### **The Rt Hon Peter Natrass: Member**

Dr Natrass graduated from the University of Western Australia Medical School in 1967 and obtained a post-graduate specialist degree from the Royal College of Obstetricians and Gynaecologists, London. He was elected to the City of Perth Council in 1977 and has served the City on many committees and organisations including the Perth Theatre Trust, the Western Australian Planning Commission, the Premier's Capital City Committee and Swan River Management Authority. He was elected Lord Mayor of the City of Perth in 1995 and re-elected in 1999 for a further term.

### **Mr Steven Yovich : Member**

Mr Yovich is a Director of Consolidated Constructions and is experienced in general management, financial management, engineering, property development and urban development. He is a resident of East Perth and a Director of the Property Council of Australia.

## THE MINISTER

EPRA is responsible to the Minister for Planning and Infrastructure, the Hon Alannah MacTiernan MLA.

### Ministerial Directions

EPRA's enabling legislation gives the Minister the right to make written directions to the Board. There were no directions during the year.

## CORPORATE GOVERNANCE

### Membership of the Board

EPRA's Board consists of seven members appointed by the Minister, two of whom are required to be City of Perth Councillors. Board meetings are held monthly or more frequently if required. The Chief Executive Officer, the management team and the Secretary to the Board, attend each meeting.

Board Members are remunerated according to guidelines set by the Public Sector Management Office. The Chairman's remuneration is determined by the Minister. Board members who are also public servants do not receive remuneration.

### Sub-Committees to the Board

Three sub-committees to the Board, with delegated powers to make determinations on behalf of the Board or informed recommendations to the Board, met to deal with issues particular to the roles and responsibilities assigned to each committee:

- ▶ Planning Committee - members are The Hon Richard Lewis (chairman), Mr Simon Chester, Ms Christine Costa, Cr Judy McEvoy and Mr Tony Morgan;
- ▶ Internal Audit Committee - members are The Hon Richard Lewis (chairman), Dr Ken Michael, Mr Steven Yovich, Mr Tony Morgan and Mr Ian Goldsmith, a representative of the Office of the Auditor General; and
- ▶ Works and Services Committee - members are The Hon Richard Lewis (chairman), Dr Ken Michael, Mr Steven Yovich and Mr Tony Morgan.

## BOARD MEMBERS' ATTENDANCE AT MEETINGS

	BOARD 12 meetings	PLANNING 11 meetings	INTERNAL AUDIT 3 meetings	WORKS & SERVICES 4 meeting
Board Member	Attended	Attended	Attended	Attended
The Hon Richard Lewis	12	9	3	4
Mr Allan Skinner	8 (9)	1*	n/a	n/a
Dr Ken Michael	12	1*	1 (1)	4
Mr Steven Yovich	5	n/a	3	3
The Rt Hon Peter Natrass	8	n/a	n/a	n/a
Mrs Kareena Ballard	7 (9)	9 (9)	n/a	n/a
Cr Judy McEvoy	11	11	n/a	n/a
Ms Christine Costa	3 (3)	1 (1)	n/a	n/a
Mr Simon Chester	3 (3)	1 (1)	n/a	n/a

Figures in brackets indicate the eligible number of meetings for those members who were on the Board for less than the full year.

\*Dr Michael and Mr Skinner are not members of the Planning Committee, however they were nominated as Acting Chairman for Planning Committee meetings in the absence of Mr Lewis.

### Terms of Appointment

Member	Expiry of Term
The Hon Richard Lewis JP	31 December 2003
Dr Ken Michael	31 December 2001
Mr Simon Chester	30 June 2002
Ms Christine Costa	30 June 2002
Mr Steven Yovich	31 December 2001
Cr Judy McEvoy	31 May 2003
The Rt Hon Peter Natrass	31 May 2003

### Strategic Planning Workshop

The Board attended a strategic planning workshop in April 2001, to assist management in establishing the strategic directions for EPRA for the next five years and the business plan for 2001-2002, incorporating the concepts of triple bottom line reporting.

## COMPLIANCE WITH OTHER LEGISLATION

EPRA complied with the following legislation during the year: *Disability Services Act 1993*

### *Disability Discrimination Act 1992*

### *Equal Opportunity Act 1984*

EPRA's annual return was submitted as required under the Act.

### *Freedom of Information Act 1992*

There were three formal requests for information during the year which were processed within required times.

### *Financial Administration and Audit Act 1985*

External and internal audits found no significant non-compliance.

A formal certification accompanies the Financial Statements in this Annual Report and is confirmed by the Auditor General's opinion.

### *Industrial Relations Act 1979*

No days were lost due to industrial action and there were no industrial relations problems during the year.

### *Official Corruption Commission Act 1988*

A nil report was filed for the year to 31 May 2001.

### *State Supply Commission Act 1991*

All purchases of goods and services followed policies of the State Supply Commission or EPRA's own policies which were developed in line with those of the State Supply Commission. EPRA has Class 2 delegated purchasing authority under the *State Supply Commission Act*.

### *Occupational Health, Safety and Welfare Act 1984*

### *Land Administration Act 1997*

Land resumption activities complied with the procedures set down in the Act, as modified by EPRA's legislation.

### *Workers Compensation and Rehabilitation Act 1981*

No workplace injuries or compensation claims against EPRA occurred during the year.

### *Electoral Act 1907*

In compliance with Section 175ZE of the *Electoral Act 1907*, the following expenditure was incurred during the year:

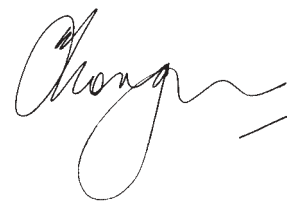
	\$,000
<b>Market Research</b>	
Market Equity	89
<b>Media Advertising</b>	
Marketforce Productions	18
Media Decisions WA	145
Community Newspapers	2
<b>Marketing &amp; Public Relations</b>	
Adlink	251
JDA	484
The Brains Trust	52

### *Public Sector Management Act 1994*

No applications were lodged for review of EPRA's standards during the reporting period covered by this report.

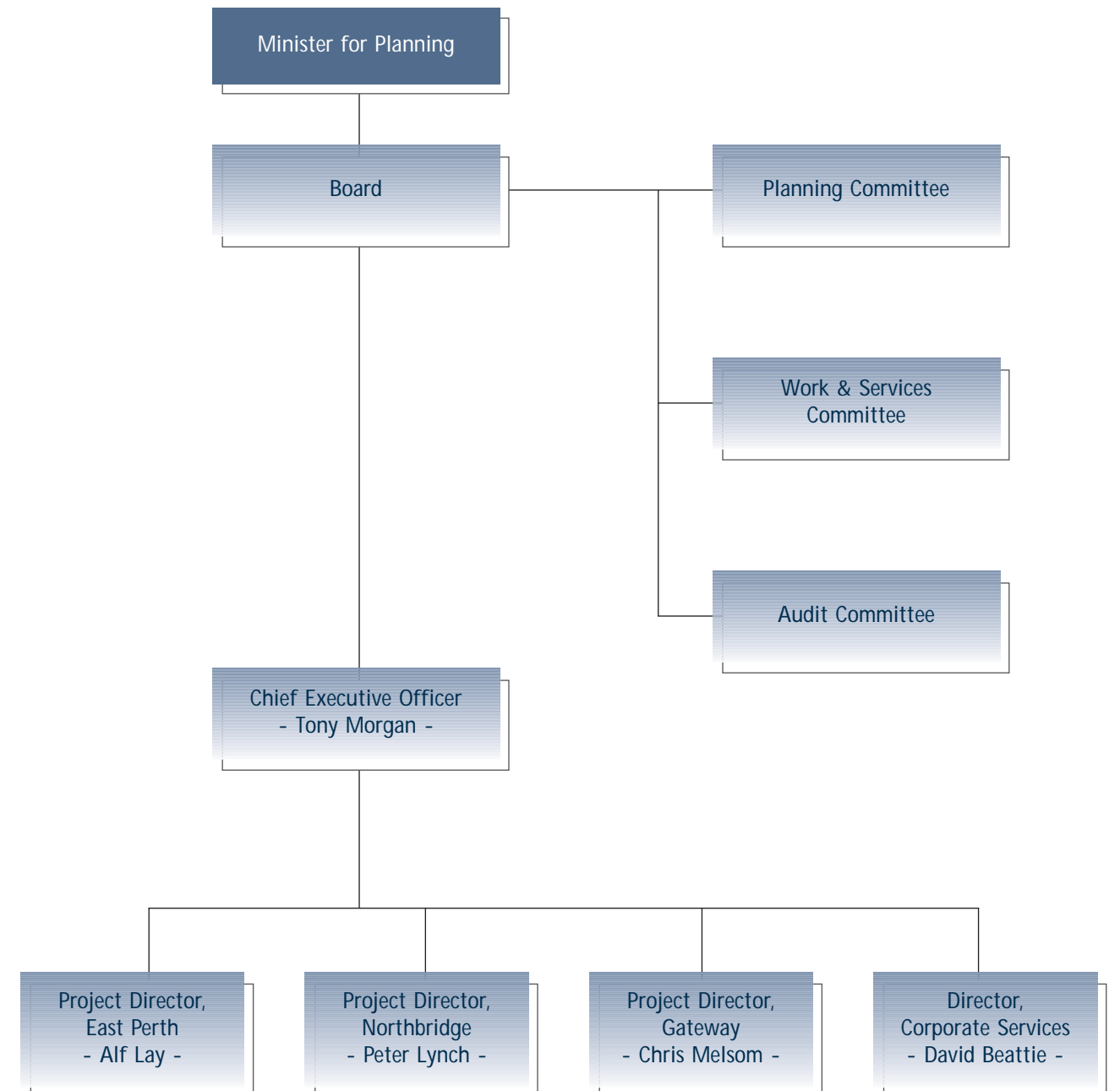
EPRA's *Code of Conduct*, established in 1996, ensures that it operates within the Government's *Code of Ethics*.

In accordance with section 31 of the Act I confirm that EPRA has complied with the Public Sector Standards and the Code of Ethics and that procedures are in place to ensure such compliance and that during the year to 30 June 2001 there were no breaches of the Standards.



Chief Executive Officer

## ORGANISATION STRUCTURE



## STAFF

The Chief Executive Officer and nine other members of staff are full-time employees. One other full-time staff member is seconded from another public sector agency. Three other full-time positions are currently vacant with the duties being carried out by temporary staff.

There has been the addition of one full-time position since the previous year.

The Chief Executive Officer is remunerated according to the Salaries and Allowances Tribunal. Staff salaries are in accordance with EPRA's Workplace Agreement or Enterprise Bargaining Agreement, as appropriate.

The management group, comprising the Chief Executive Officer and the four Directors, meets each week.

The team is supplemented by internal audit, external project management, various consultants including legal, finance, taxation, evaluation, human resource, information technology, urban planning, engineering and real estate groups on contract to EPRA.



## HIGHLIGHTS 2000-2001

### Financial

	\$m
Sales Revenue	11.0
Operating surplus	5.4
Net Asset Value	75.7
Return on assets	7.2 %

### Operational

- ▶ *Strategic Direction Plan 2001-2006* completed.
- ▶ Northbridge Project Land Transfer finalised.
- ▶ Aberdeen Street heritage cottages refurbished.
- ▶ Australian Broadcasting Corporation land sale completed.
- ▶ Gateway strategic planning framework and concept plan completed.
- ▶ Website upgraded.

## PLANNED ACTIVITIES 2001-2002

- ▶ Sales are expected to increase to \$20 million as the Northbridge project moves into the market.
- ▶ Net asset value is forecast to continue to increase to end the year at \$82 million.
- ▶ Return on assets is forecast to be 9.7%.
- ▶ Finalise the land transfers for the Gateway project.
- ▶ Launch the Gateway project to the public.
- ▶ Adopt a heritage inventory for the Northbridge project.
- ▶ Finalise negotiations for the sale of Northbridge properties to the Department of Housing and Works.
- ▶ Assess feasibility for redevelopment of the former East Perth power station.
- ▶ 'Normalise' completed portions of the East Perth Redevelopment project to the City of Perth and pre-EPRA planning and regulatory status through amendment of redevelopment area boundaries.



## KEY OBJECTIVES 2000-2001

PLANNING	OUTCOMES
Provide planning framework and plans consistent with the <i>East Perth Redevelopment Scheme</i> , Act and relevant legislation	<ul style="list-style-type: none"> <li>● Draft municipal inventory prepared for consultation</li> <li>● Terms for normalisation of Northbridge project area covered in memorandum of understanding with City of Perth</li> <li>● Normalisation process for East Perth project area expected to complete by December 2001</li> </ul>
Understand demographic and community trends	<ul style="list-style-type: none"> <li>● Statistics compiled</li> </ul>
Establish market expectations	<ul style="list-style-type: none"> <li>● All approvals within Scheme provisions</li> <li>● 39 residential dwellings approved</li> <li>● 20,024 square metres of commercial floorspace approved</li> </ul>
Provide planning services to EPRA in the assembly, development and sale of land	<ul style="list-style-type: none"> <li>● Metrobus site approved</li> <li>● Powerhouse Business Park concept under review</li> <li>● Imago, Royal St car park and Saunders St sites being considered</li> </ul>
Prepare and administer the <i>East Perth Redevelopment Scheme</i> and associated Planning Policies	<ul style="list-style-type: none"> <li>● Scheme format and content review being undertaken</li> <li>● Scheme text amendment 11 approved</li> <li>● Waterloo precinct amendment approved</li> <li>● Gateway scheme text amendment deferred</li> <li>● Gateway precinct planning policies deferred</li> <li>● Northbridge, Metrobus, Royal St car park design guidelines on schedule</li> <li>● Foundry design guidelines approved</li> <li>● Imago design guidelines under review</li> <li>● East Perth private land design guidelines completed</li> </ul>
Control and monitor development within the project area through the planning approval process	<ul style="list-style-type: none"> <li>● 100% of applications to commence development processed within statutory time</li> <li>● Advice, monitoring and responses to planning queries completed as necessary</li> </ul>

OPERATIONS	OUTCOMES
Acquisition of land	<ul style="list-style-type: none"> <li>● Northbridge \$23.2m</li> <li>● East Perth \$1.9m</li> </ul>
Achievement of project objectives	<ul style="list-style-type: none"> <li>● \$11.0m sales revenue at East Perth</li> <li>● \$3.6m capital works in East Perth</li> <li>● \$4.8m capital works in Northbridge</li> <li>● \$0.3m capital works in Gateway</li> <li>● 24 lots produced in the Foundry subdivision</li> <li>● Rating system for external project managers developed</li> </ul>
Effectively manage undeveloped land and property assets	<ul style="list-style-type: none"> <li>● Asset inventory maintained</li> <li>● 83% of East Perth saleable land stock is more than 12 months old</li> <li>● Northbridge rental income \$1.4m</li> <li>● East Perth rental income \$0.1m</li> </ul>
CORPORATE SERVICES	
Manage finances	<ul style="list-style-type: none"> <li>● Return on assets 7.2%</li> <li>● Current ratio 11.7:1</li> <li>● Net asset value \$75.7 million</li> <li>● Debt to equity ratio 0:100</li> <li>● External audit report 2001 unqualified</li> </ul>
Provide information technology systems to support business activities	<ul style="list-style-type: none"> <li>● IT systems availability 99% during business hours</li> <li>● Systems upgrade program in place</li> </ul>
Ensure sufficient, competent human resources are available	<ul style="list-style-type: none"> <li>● Organisation review completed</li> <li>● Staff performance management system implemented</li> <li>● Staff training programs conducted</li> </ul>
Ensure appropriate general administration support is available	<ul style="list-style-type: none"> <li>● Contract of sale conditions – 93% compliance</li> <li>● Freedom of information applications – 100% compliance</li> <li>● Internal audit program on target</li> </ul>
Implement public relations program to raise awareness and profile of projects	<ul style="list-style-type: none"> <li>● Corporate communications strategy implemented with regular reviews</li> <li>● Corporate communications brochure produced and distributed</li> <li>● Sponsorship policy adopted</li> <li>● Website upgraded and maintained</li> </ul>

## PUBLICATIONS

Publications by EPRA are available at its office at 184 Bennett Street, East Perth.

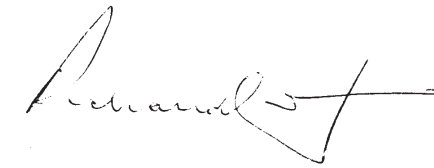
- *East Perth Redevelopment Scheme, Scheme Text and Planning Policies* - the gazetted planning scheme and explanatory policies for the central part of the Redevelopment Area (\$50).
- Information pack and fact sheets on *Northbridge, The Project* – extensive information to supplement the concept plan for the project area.
- Pamphlets, fact sheets and indicative development plans - information on the overall redevelopment as well as specific initiatives (free).
- *Retrospective 1992-97* - a five-year retrospective on the progress of the Redevelopment Area (free).
- *Customer Service Charter* – explains EPRA's commitment to customers, performance standards, monitoring process and points of contact (free).
- *Annual Reports* - for the years ending 1993 – 2000 (free).
- Design Guidelines - published for parcels of land as they become available for sale (free).
- Guidelines Supplement – provides information on brickwork material suitable for use in the Redevelopment Area (free).

All these records are kept in controlled-access filing systems. No information of a personal nature concerning members of the public is kept by EPRA.

Many of these publications are – and others are being made - available on [EPRA's website \(www.epra.wa.gov.au\)](http://www.epra.wa.gov.au).

## CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that in our opinion the accompanying performance indicators are based on proper records and fairly represent the performance of the East Perth Redevelopment Authority for the year ended 30 June 2001.



The Hon Richard Lewis JP  
Chairman



Dr Ken Michael  
Deputy Chairman



Mr Tony Morgan  
Chief Executive Officer

31 August 2001

# OPINION OF THE AUDITOR GENERAL



AUDITOR GENERAL

To the Parliament of Western Australia

## EAST PERTH REDEVELOPMENT AUTHORITY PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2001

### Scope

I have audited the key effectiveness and efficiency performance indicators of the East Perth Redevelopment Authority for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Authority is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Authority's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

### Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the East Perth Redevelopment Authority are relevant and appropriate for assisting users to assess the Authority's performance and fairly represent the indicated performance for the year ended June 30, 2001.

K O'NEIL  
ACTING AUDITOR GENERAL  
November 30, 2001

# KEY PERFORMANCE INDICATORS 2000-2001

The performance indicators for 2000-2001 continue those defined for the 1999-2000 annual report which were devised to reflect the increased responsibilities assigned to EPRA with respect to the land above the Northbridge tunnel and the eastern gateway to Perth city.

Progress of the Authority's projects and the performance of the organisation in accordance with its functions are described in the *East Perth Redevelopment Act 1991* as follows:

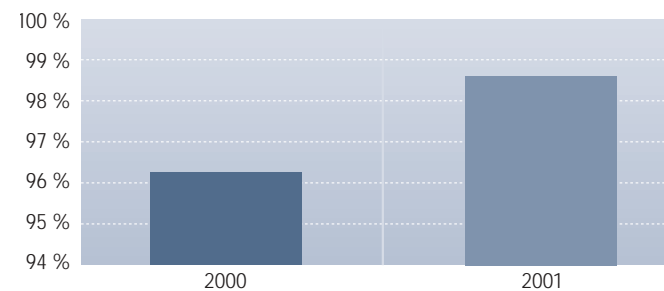
- a) to plan, undertake, promote and coordinate the redevelopment of land in the redevelopment area; and
- b) for that purpose:-
  - i) to prepare and keep under review a redevelopment scheme for that area; and
  - ii) to control developments in that area.

## Efficiency Indicators

### Development Applications

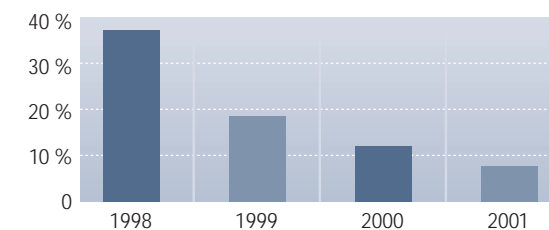
Percentage of development applications processed within the statutory time.

Development applications received by EPRA are required to be processed within a statutory time limit, related to the speed at which development is required to take place.



### Return On Assets

The percentage return on assets indicates the increase in the value of the business. EPRA achieved a return on assets of 7.2% for the year.



## Effectiveness Indicators

### Community Satisfaction

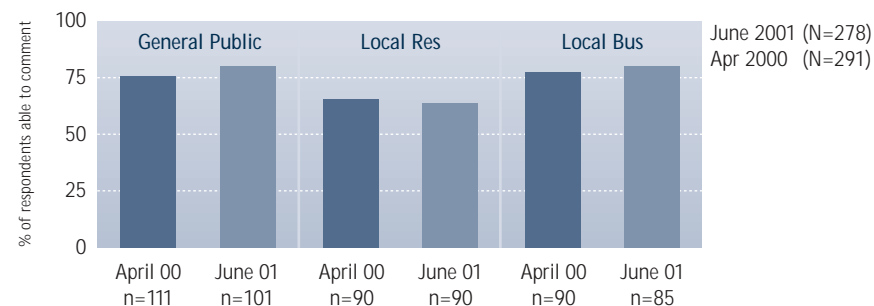
In 2001 an independent market research company, Market Equity, was contracted to determine community, local resident and business satisfaction with the East Perth, Northbridge and Gateway projects. This followed on from the benchmark survey conducted in April 2000, providing an opportunity for year on year comparisons of the performance of EPRA in achieving its goals.

The 2001 study involved undertaking a telephone based quantitative survey of 300 EPRA stakeholders, including 50 East Perth Businesses, 50 Northbridge Businesses, 50 East Perth Residents, 50 Northbridge residents and 150 members of the general public.

#### East Perth

Of the 276 people who felt able to comment on EPRA's success in achieving its organisational objectives, 75% perceived that EPRA was successful in developing a community in East Perth offering a high quality of living, a good mix of businesses and quality recreational space.

### Success of EPRA in Achieving its Organisational Objectives in East Perth



Overall, the 2001 results show little change from the previous year. While changes amongst local residents and businesses are potentially indicative of direction, they do not represent statistically significant changes from the 2000 results.

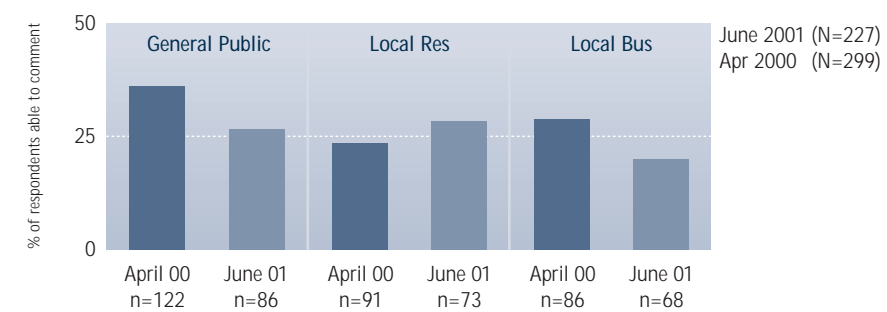
With qualitative feedback from all stakeholder groups being strongly supportive of the East Perth Redevelopment and what it has achieved, a goal of between 75%-80% of all stakeholders being satisfied with the success of the organisation in achieving its objectives in any given development represents a useful benchmark to which to aspire.

In particular, these results reflect the need for EPRA to remain engaged in all aspects of a given project until hand-over occurs, with a perceived lack of business development in the region being the primary reason for local residents being less supportive of EPRA's achievements than other stakeholder groups. In moving forward the challenge for EPRA will be in effectively managing expectations as to the rate of development, and what the physical role of the organisation in achieving outcomes on individual projects will be.

#### Northbridge

Of the 227 people who felt able to comment on their satisfaction with EPRA's communications regarding Northbridge, The Project, 24% were satisfied with the level of communication and community consultation in developing a modern community with equity, efficiency, social quality and liveability.

### Satisfaction with EPRA'S Communications Regarding Northbridge



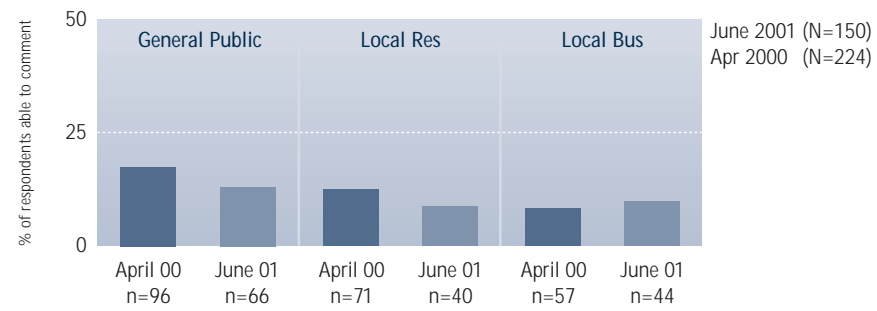
These results reflect the relative infancy of Northbridge, The Project, with the core residential group, around whom the majority of early communications and public consultation have centred, showing a positive improvement over the survey period. These figures should enjoy further growth over the next 12 months, as physical development on the site commences and the visibility of communications builds.

Comparatively general perceptions of communications amongst the general public and local business communities fell, reflecting the absence of site development issues on which local business and general public need to be informed or consulted.

Gateway

Of the 150 people surveyed who felt able to comment on EPRA's communications regarding the Gateway Redevelopment, 10 per cent were satisfied with the level of communication and community consultation in developing a modern community with equity, efficiency, social quality and liveability.

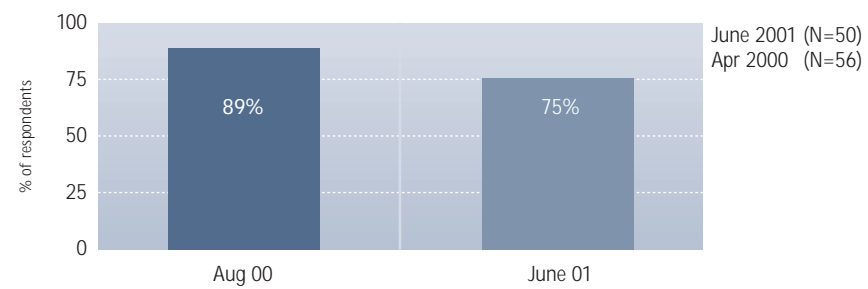
Satisfaction with EPRA'S Communications Regarding The Gateway



Stakeholder Satisfaction (referring to East Perth)

Key stakeholder satisfaction with EPRA in developing a community offering high quality living, a good mix of business and quality recreational space fell in 2001 from 89% to 75%.

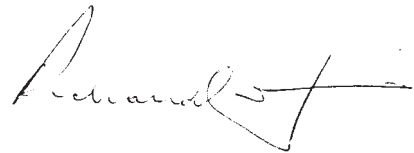
Perceived Success of EPRA in Achieving its Goals in East Perth



## CERTIFICATION OF FINANCIAL STATEMENTS

We certify that the accompanying financial statements of the East Perth Redevelopment Authority have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the year ending 30 June 2001 and the financial position as at 30 June 2001.

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



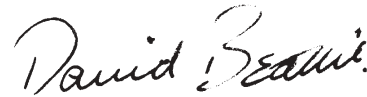
The Hon Richard Lewis JP  
Chairman



Dr Ken Michael OA  
Deputy Chairman



Tony Morgan  
Chief Executive Officer  
31 August 2001



David Beattie  
Principal Accounting Officer  
31 August 2001

## OPINION OF THE AUDITOR GENERAL



AUDITOR GENERAL

To the Parliament of Western Australia

**EAST PERTH REDEVELOPMENT AUTHORITY  
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001**

### Scope

I have audited the accounts and financial statements of the East Perth Redevelopment Authority for the year ended June 30, 2001 under the provisions of the *Financial Administration and Audit Act 1985*.

The Authority is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Authority.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Authority to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Authority's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

### Audit Opinion

In my opinion,

- (i) the controls exercised by the East Perth Redevelopment Authority provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Authority at June 30, 2001 and the results of its operations and its cash flows for the year then ended.



K O'NEIL  
ACTING AUDITOR GENERAL  
November 30, 2001

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

East Perth Redevelopment Authority

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2001

2000 \$' 000	Note	2001 \$' 000	2001 \$' 000
<b>REVENUE</b>			
Revenue from ordinary activities			
11,951	2	10,995	
4,116	3	5,490	
7,835		5,505	
2,031		2,694	
213		1,567	
10,079			9,766
<b>EXPENSES</b>			
Expenses from ordinary activities			
643		1,063	
37		181	
52		57	
296		353	
705		876	
107		753	
119		295	
432		789	
2,391		789	4,367
7,688	19		5,399
0	4		1,587
7,688			3,812
<b>NET PROFIT</b>			
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS			
7,688			3,812

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

East Perth Redevelopment Authority

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2001

2000 \$' 000	Note	2001 \$' 000	2001 \$' 000
<b>CURRENT ASSETS</b>			
6,452	6	7,117	
60	7	874	
60	14,20	0	
44,083	20	23,551	
50,655			31,542
<b>NON-CURRENT ASSETS</b>			
34,895	8	32,284	
14,922	9	19,819	
274	10	365	
50,091			52,468
100,746			84,010
<b>CURRENT LIABILITIES</b>			
178		294	
42		35	
25,200	11	300	
3,032	12	5,742	
69	13	53	
28,521			6,424
<b>NON CURRENT LIABILITIES</b>			
226	13	248	
60	14	0	
0	4	1,587	
286			1,835
28,807			8,259
71,939			75,751
<b>EQUITY</b>			
29,923	22		29,923
42,016	23		45,828
71,939			75,751

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

East Perth Redevelopment Authority

STATEMENT OF CASH FLOWS FOR THE YEAR TO 30 JUNE 2001

2000 \$' 000		2001 \$' 000	2001 \$' 000
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(1,668)	Payments to suppliers	(3,012)	
(767)	Payments to employees	(1,059)	
0	GST payments on purchases	(1,161)	
0	GST receipts on Sales	90	
0	GST receipts from Australian Taxation Office	820	
1,976	Interest received	2,670	
15,227	Other operating receipts	12,023	
14,768	NET CASH FROM OPERATING ACTIVITIES	19	10,371
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(3,559)	Payments for capital works in progress	(5,469)	
(802)	Undeveloped land acquisitions	(25,422)	
(22)	Payments for assets	(72)	
(4,383)	NET CASH USED IN INVESTING ACTIVITIES		(30,963)
10,385	NET INCREASE/(DECREASE) IN CASH		(20,592)
33,758	CASH ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR		44,143
44,143	CASH ASSETS AT THE END OF THE FINANCIAL YEAR	20	23,551

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

East Perth Redevelopment Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2001

1. Statement of Accounting Policies

a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Urgent Issues Group Consensus Views 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 Administration and Audit Act 1985* and *Treasurer's Instructions* are legislative provisions governing preparation of financial statements and take precedence over Australian Accounting Standards and Urgent Issues Group Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has had a material or significant effect upon the reported results, details of that modification and, where practicable, the resulting financial effect is disclosed in the notes to these financial statements.

b) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, and have not been adjusted for changes in the purchasing power of the dollar, or changes in the prices of specific assets. The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated, these policies are consistent with those adopted in the previous year.

c) Land Assets

Land acquired in a commercial manner is recognised at cost from the date of settlement. Land acquired by Crown grant is recognised at a valuation determined in accordance with practical usage from the date of transfer of title. Land that has been resumed is recognised at cost from the time of effective control, whether or not compensation has settled.

d) Taxes

From 1 July 1996 the Authority has been subject to the State Tax Equivalent Regime. The Authority is exempt from the Commonwealth of Australia's *Income Tax Assessment Act 1997* but makes income tax equivalent payments to the Western Australian Government and has adopted the liability method of tax effect accounting whereby the income tax expense shown in the Statement of Financial Performance is based on the accounting profit before income tax adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit before income tax and taxable income, are brought to account either as a provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period to which the benefits will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.



East Perth Redevelopment Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2001

The amount of benefits brought to account, or which may be realised in the future, are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Authority will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by the law.

e) Valuation of Non-Current Assets

Furniture and office equipment, computer hardware, buildings and motor vehicles purchased by the Authority are recorded at their purchase price.

f) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are depreciated over their useful lives in a manner which would reflect the consumption of their service potential. Furniture and office equipment, computer hardware and buildings are depreciated at 13 per cent, 24 per cent and 2.5 per cent respectively using the straight line method.

g) Property Sales

Proceeds from the sale of land are recognised as revenue when the transfer of land is effected.

h) Employee Entitlements

Annual and long service leave entitlements are calculated at current remuneration rates. A liability for long service leave is recognised for permanent employees after completion of four years of service.

The liability for annual leave is measured at the amount unpaid at reporting date in respect of employee's service up to that date.

i) Superannuation

Employees may contribute to the *Superannuation and Family Benefits Act Scheme*, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme, also now closed to new members. Employees who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*.

The liability for superannuation charges incurred under the *Superannuation and Family Benefits Act Scheme*, together with the pre transfer service liability for employees who transferred to the Gold State Superannuation Scheme, are provided for at reporting date.

The liability for superannuation charges under the Gold State Superannuation Scheme is extinguished by quarterly payments to the Government Employees Superannuation Board.

The note disclosure required by paragraph 51(e) of *Australian Accounting Standard 30* (being the employer share of the difference between employee accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employees Superannuation Board's records are not structured to provide the information for the Authority.

East Perth Redevelopment Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2001

Accordingly, deriving the information for the Authority is impractical under current arrangements and thus any benefits thereof would be exceeded by the cost of obtaining the information.

j) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

2. Land Sales

	2000-2001		1999-2000	
	Lots	\$,000	Lots	\$,000
Haig Park	0	0	1	490
Belvidere	0	0	1	315
Belvidere West	25	4,565	49	9,081
Eastbrook	2	685	2	920
Saunders Street	0	0	1	230
Primary school	0	0	2	915
Foundry	12	2,402	0	0
New Media Village	1	2,170	0	0
Quadrant	3	1,173	0	0
Total	43	10,995	56	11,951

3. Cost of Sales

The developed land inventory represents completed subdivisions released for sale. See Note 6. When lots are sold, costs are transferred to cost of sales:

	2000-2001	1999-2000
	\$,000	\$,000
Opening inventory developed land at 1 July	6,452	9,769
Transferred from undeveloped land	1,641	0
Transferred from capital works in progress	2,948	0
Lots repurchased	1,566	799
Closing inventory developed land at 30 June	(7,117)	(6,452)
Cost of Sales	5,490	4,116

## East Perth Redevelopment Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

#### 4. Income Tax Equivalent

The Authority accounts for income tax in accordance with the policy set out in Note 1d.

##### a) Reconciliation

The income tax expense attributable to the profit from ordinary activities is reconciled to the prima facie income tax equivalent expense on that profit as follows:

	2000-2001 \$,000	1999-2000 \$,000
Prima facie income tax at 34 per cent (2000: 36%)	1,882	2,768
Tax effect of permanent and other differences:		
Write-off of FITB not virtually certain	0	288
Recoupment of timing differences not previously brought to account	0	(2,508)
Recoupment of tax losses not previously brought to account	(37)	(548)
Restatement of deferred tax balances due to income tax rate changes	(212)	0
Income tax equivalent expense	<u>1,587</u>	<u>0</u>

##### b) Benefit of Income Tax Losses not brought to account

For deferred tax purposes as at 30 June 2001, the Authority has estimated unconfirmed unrecouped income tax losses of \$NIL (2000: \$125,000) available to offset against future year's taxable income. The benefit of these losses of \$NIL (2000: \$37,000) has not been brought to account as realisation is not virtually certain, in accordance with the policy note set out in Note 1d.

##### c) Offsetting of Future Income Tax benefit Attributable to Tax losses against Provision for Deferred Income Tax.

The following amounts have been offset against the Provision for Deferred Income Tax

	2000-2001 \$,000	1999-2000 \$,000
FITB attributable to carried forward tax losses	<u>37</u>	<u>548</u>

#### 5. Segment Information

The Authority undertakes the development of land for resale for residential purposes and commercial purposes in the urban development industry segment in the Western Australian geographical segment. All revenue, costs, assets and liabilities of the Authority relate to the Authority's activities in these segments.

## East Perth Redevelopment Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

#### 6. Developed Land

The following represents the undeveloped land and capital works in progress components transferred to completed subdivisions. When lots are sold, costs are transferred to cost of sales:

	2000-2001 \$,000	1999-2000 \$,000
Balance at 1 July	6,452	9,769
Transferred from undeveloped land	1,641	0
Transferred from capital works in progress	2,948	0
Transferred to cost of sales	(5,490)	(4,116)
Lots repurchased	1,566	799
Balance at 30 June	<u>7,117</u>	<u>6,452</u>

#### 7. Receivables

The Authority's receivables are comprised as follows:

	2000-2001 \$,000	1999-2000 \$,000
Accounts Receivable	544	5
Accrued Interest	79	55
GST refundable from Australian Taxation Office	251	0
	<u>874</u>	<u>60</u>

#### 8. Undeveloped Land

The Authority acquired land for redevelopment as follows:

	2000-2001 \$,000	1999-2000 \$,000
Balance at 1 July	34,895	9,817
Cost of land acquired commercially	865	25,000
Adjustment to acquisition costs pursuant to resumption claims	300	78
Less transfers to developed land stock	(1,641)	0
Less discount on Northbridge land purchase	(2,135)	0
Balance at 30 June	<u>32,284</u>	<u>34,895</u>

All land has been brought to account in accordance with accounting policies (Note 1c) at valuations that recognise their circumstances.

East Perth Redevelopment Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2001

9. Capital Works In Progress

These works represent items of public infrastructure and direct subdivision development:

	2000-2001	1999-2000
	\$,000	\$,000
Balance at 1 July	14,922	11,591
Additional works	6,547	3,331
Less transfers to developed land stock	(2,948)	0
Balance at 30 June	19,819	14,922

10. Property, Plant and Equipment

	2000-2001	1999-2000
	\$,000	\$,000
Office furniture and equipment at cost	363	163
accumulated depreciation	(288)	(130)
	75	33
Computer equipment at cost	225	153
accumulated depreciation	(144)	(126)
	81	27
Buildings (184 Bennett Street) at cost	200	200
accumulated depreciation	(27)	(22)
	173	178
Land (184 Bennett Street) at cost	36	36
Total of property, plant, and equipment.	365	274

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment between the beginning and end of the current financial year.

	Office furniture & equipment	Computer equipment	Land and building	Total
	\$,000	\$,000	\$,000	\$,000
Balance at 1 July	33	27	214	274
Additions	200	88	-	288
Disposal	-	(16)	-	(16)
Depreciation	(158)	(18)	(5)	(181)
Balance at 30 June	75	81	209	365

East Perth Redevelopment Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2001

11. Land Creditors

Deferred settlements due for land acquisitions.

	2000-2001	1999-2000
	\$,000	\$,000
Current amounts - due within 12 months	300	25,200
Total	300	25,200

12. Capital Works Creditors

	2000-2001	1999-2000
	\$,000	\$,000
Amounts due and payable for capital works in progress	2,710	0
Contribution from Main Roads Western Australia, for the Authority to continue work commenced by MRWA at the Northbridge project.	3,032	3,032
	5,742	3,032

13. Employee Entitlements

	2000-2001	1999-2000
	\$000	\$000
Current Liabilities		
Liability for annual leave	53	69
	53	69
Non-Current Liabilities		
Liability for long service leave	122	110
Liability for superannuation	126	116
	248	226
	301	295

14. Parking Contribution Fund

This represents cash in lieu of parking spaces as required under the East Perth Redevelopment Scheme. The funds have been used to provide public car parking facilities

	2000-2001	1999-2000
	\$,000	\$,000
Balance at 1 July	60	20
Received during the year	0	65
Paid during the year	(60)	(25)
Balance at 30 June	0	60

East Perth Redevelopment Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

15. Remuneration of Auditors

Total fees paid, or due and payable to the Office of the Auditor General:

	2000-2001	1999-2000
	\$,000	\$,000
Due and payable	22	25

16. Remuneration of Members of the Board of the Authority and Senior Officers

Total fees, salaries and other benefits received or due and receivable by members of the Board of the Authority and senior officers:

	2000-2001	1999-2000
	\$,000	\$,000
Members of the Board	52	51
Senior officers	621	544
Total	673	595

The number of members of the board and senior officers whose total of fees, salaries and other benefits received or due and receivable for the financial year fell within the following bands:

	Members of the Board		Senior Officers	
	2000-01	1999-00	2000-01	1999-00
Nil	-	1	-	-
\$1 - \$9,999	7	5	-	-
\$20,000 - \$29,999	1	1	-	-
\$60,000 - \$69,999	-	-	-	2
\$80,000 - \$89,999	-	-	-	1
\$90,000 - \$99,999	-	-	1	-
\$100,000 - \$109,999	-	-	1	1
\$110,000 - \$119,999	-	-	-	2
\$150,000 - \$159,999	-	-	1	-
\$260,000 - \$269,999	-	-	1	-

17. Retirement Benefits

In respect of members of the board and senior officers of the Authority the following contributions were paid or became payable during the financial year in relation to the government Superannuation Schemes.

	Board Members		Senior Officers	
	2001	2000	2001	2000
	\$,000	\$,000	\$,000	\$,000
Gold State Superannuation Scheme	-	-	53	35
West State Superannuation Scheme	3	3	7	5
Total	3	3	60	40

East Perth Redevelopment Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

18. Explanatory Statement

a) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than \$1 million.

	2001	2000	Variance
	\$,000	\$,000	\$,000
Sales revenue	10,995	11,951	(956)
Cost of Sales	5,490	4,116	1,374
Other revenue from ordinary activities	1,567	213	1,354

Sales revenue

The variance is due to lower sales turnover reflecting slower market conditions.

Cost of Sales

The variance is due to higher land and development costs incurred in comparison to the previous year.

Other revenue from ordinary activities

The variance is due to increased rent from rental properties as a result of an increase in the number of rental properties pending development.

b) Significant variations between estimates and actual results for the financial year.

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than \$1 million.

	2001	2001	Variance
	Estimates	Actual	
	\$,000	\$,000	\$,000
Sales revenue	22,170	10,995	(11,175)
Cost of Sales	12,432	5,490	(6,942)

Sales revenue

The variance is due to lower sales turnover reflecting slower market conditions. A number of sales that were to have occurred during the year have moved through to 2001/2002.

Cost of Sales

The variance is due to lower sales turnover for reasons given above, consequently resulting in a lower cost of sales.

East Perth Redevelopment Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2001

19. Reconciliation of Cash Provided from Operating Activities with Profit from Ordinary Activities

	2000-2001 \$,000	1999-2000 \$,000
Operating surplus	5,399	7,688
Add/(subtract):		
Changes to provisions	6	(212)
Depreciation	181	37
Capital contribution	0	3,032
Increase/(Decrease) in accrued expenses	(31)	107
(Increase)/Decrease in Debtors excluding accruals	(790)	0
Increase/(Decrease) in Payables excluding accruals	116	0
Inventory charged to cost of sales	5,490	4,116
	<u>4,972</u>	<u>7,080</u>
Net Cash From Operating activities	<u>10,371</u>	<u>14,768</u>

20. Reconciliation of Cash

For the purposes of the statement of cash flows, cash at bank is the only component. Cash at the end of the financial year as shown in the statement of cash flows is reconciled with the related items in the Statement of Financial Position:

	2000-2001 \$,000	1999-2000 \$,000
Restricted cash	0	60
Cash assets	<u>23,551</u>	<u>44,083</u>
Cash at bank	<u>23,551</u>	<u>44,143</u>

21. Capital Commitments

The Authority's funds at 30 June, 2001 were committed to the extent of \$ 4,273,928 (2000: \$ 2,430,947) against outstanding components of various works contracts, expected to be settled within 12 months from the reporting date.

East Perth Redevelopment Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2001

22. Capital Reserves

	2000-2001 \$,000	1999-2000 \$,000
Balance at 30 June	<u>29,923</u>	<u>29,923</u>
In February 1996, <i>Treasurer's Instruction 1102</i> was issued requiring certain items previously treated as capital injections to be reclassified as revenue. In June 1996 several items of public infrastructure were transferred to the City of Perth for no consideration. These items were recognised in 1997-98 as a capital reserve constituting receipts and returns of capital:		
		\$,000
Commonwealth grant under the Building Better Cities program		32,078
Government land grants		18,142
Government cash injections		12,500
State Energy Commission – environmental decontamination		15,000
Public assets transferred to City of Perth		<u>(47,797)</u>
Amount transferred to capital reserve		<u>29,923</u>

23. Retained profits

	2000-2001 \$,000	1999-2000 \$,000
Opening balance at 1 July	42,016	34,328
Net profit for the year	<u>3,812</u>	<u>7,688</u>
Closing balance at 30 June	<u>45,828</u>	<u>42,016</u>

East Perth Redevelopment Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2001

24. Financial Instruments

a) Credit risk exposures

The credit risk of financial assets which have been recognised on the Statement of Financial Position is the carrying amount of the assets.

b) Interest rate risk exposures

The Authority has no borrowings so the only exposure to the variable nature of interest rates is on its cash deposits.

Financial assets:

	Notes	Floating Interest Rate \$,000	Non Interest Bearing \$,000	2000-01 Total \$,000	1999-00 Total \$,000
Cash reserves	13, 14, 20	23,551		23,551	44,143
Debtors	7		874	874	60
<b>Total financial assets</b>		<b>23,551</b>	<b>874</b>	<b>24,425</b>	<b>44,203</b>

Weighted average interest rate during the year 5.868% (2000; 5.269 %)

Financial liabilities:

	Notes	Floating Interest Rate \$,000	Non Interest Bearing \$,000	2000-01 Total \$,000	1999-00 Total \$,000
Employee entitlements	13		301	301	295
Creditors			294	294	178
Accruals			35	35	42
Parking contribution fund	14		0	0	60
Land creditors	11		300	300	25,200
Deferred income tax equivalent	4		1,587	1,587	0
Capital works creditor	12		5,742	5,742	3,032
<b>Total financial liabilities</b>			<b>8,259</b>	<b>8,259</b>	<b>28,807</b>
<b>Net financial assets</b>		<b>23,551</b>	<b>(7,385)</b>	<b>16,166</b>	<b>15,396</b>

East Perth Redevelopment Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2001

Reconciliation of net financial assets to net assets:

	Notes	2000-01 \$,000	1999-00 \$,000
Net financial assets		16,166	15,396
Non financial assets and liabilities: Inventories	6, 8, 9	59,220	56,269
Property, plant and equipment	10	365	274
<b>Net assets</b>		<b>75,751</b>	<b>71,939</b>

c) Net fair value of financial assets and liabilities

The net fair value of cash and non interest bearing monetary financial assets and financial liabilities of the Authority approximates their carrying value.

25. Contingent Liabilities

At the reporting date, the Authority is negotiating the settlement of various land acquisitions relating to its activities. The estimated amount that will become payable within the next twelve months by the Authority for those land acquisitions is \$17.5 million, which is contingent upon the outcome of the settlement negotiations.

East Perth Redevelopment Authority

BUDGET STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
30 JUNE 2002

	Budget 2001-02
	\$,000
<b>REVENUE</b>	
Sales Revenue	20,220
Less cost of sales	<u>12,768</u>
Trading profit	7,452
Interest on investments	685
Other revenue	<u>3,000</u>
	11,137
<b>EXPENSES</b>	
Salaries and staffing	1,404
Property management	564
Sales and marketing	936
Corporate public relations	110
Administration	<u>433</u>
	3,447
Profit from ordinary activities before income tax equivalent	7,690
Less Income tax equivalent expense	<u>2,307</u>
<b>NET PROFIT</b>	5,383
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS</b>	<u>5,383</u>

East Perth Redevelopment Authority

BUDGET STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2002

	Budget 2001-02
	\$,000
<b>CURRENT ASSETS</b>	
Developed land	5,610
Receivables	50
Restricted cash	60
Cash assets	<u>7,656</u>
	13,376
<b>NON CURRENT ASSETS</b>	
Undeveloped land	42,094
Capital works in progress	32,150
Office equipment	<u>260</u>
	74,504
<b>TOTAL ASSETS</b>	87,880
<b>CURRENT LIABILITIES</b>	
Payables	50
Provision for income tax equivalent liability	2,307
Capital contribution ex MRWA	3,032
Provision for annual leave	<u>73</u>
	5,462
<b>NON CURRENT LIABILITIES</b>	
Provision for long service leave	88
Provision for superannuation	130
Property and maintenance bonds	120
Parking Contribution Fund	<u>60</u>
	398
<b>TOTAL LIABILITIES</b>	5,860
<b>NET ASSETS</b>	<u>82,020</u>
<b>EQUITY</b>	
Capital reserve	29,923
Retained profits	<u>52,097</u>
<b>TOTAL EQUITY</b>	<u>82,020</u>

East Perth Redevelopment Authority

BUDGET STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2002

	Budget 2001-02
	\$,000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Payments to suppliers	(2,042)
Payments to employees	(1,404)
Interest received	685
Other operating receipts	23,293
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>20,532</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Payments for capital works	(17,820)
Land acquisitions	(15,350)
Payments for assets	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(33,170)</u>
<b>INCOME TAX EQUIVALENT PAID</b>	
<b>NET INCREASE/(DECREASE) IN CASH</b>	<u>(12,638)</u>
<b>CASH ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	20,354
<b>CASH ASSETS AT THE END OF THE FINANCIAL YEAR</b>	<u>7,716</u>





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