EAST PERTH REDEVELOPMENT AUTHORITY
Annual Report 2007-2008
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This is the 16th annual report of the East Perth Redevelopment Authority (EPRA)
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 Dear Minister
In accordance with the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament the Annual Report of the East Perth Redevelopment Authority for the year ended 30 June 2008.

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

Yours sincerely

Mr Stuart Hicks AO
Chairman of Accountable Authority

Mr Milan Chetkovich
Member of Accountable Authority

Mr Tony Morgan
Chief Executive Officer
We are pleased to present the 16th annual report for the East Perth Redevelopment Authority (EPRA). In the 2007/08 financial year, EPRA continued its revitalisation of inner city areas to contribute to a Vital Perth where people want to live, work and visit. EPRA is the planning authority for six inner city project areas – Claisebrook Cove, East Perth; East Perth Power Station; Riverside, East Perth; New Northbridge; The Link; and the Perth Cultural Centre Precinct. These areas cover about 230 hectares of inner city land, including those areas where planning control has been returned to the local council. EPRA is funded by land sales revenue and works within its redevelopment areas to deliver social, environmental and economic returns to Government.

Highlights

• On 8 February 2008, the State Government announced that the East Perth Power Station will be the site for the WA Museum, and committed $506 million to this project. In the 2008/09 financial year, $7.5 million of EPRA’s budget has been committed to the East Perth Power Station site to finalise planning and commence works.

• During the financial year construction commenced on the Perth Arena, a new multi-purpose indoor entertainment and sports stadium. The Perth Arena is within EPRA’s Redevelopment Area and is being delivered by the Department of Housing and Works as the first stage of The Link project.

• A tripartite agreement between EPRA, Women’s Health Services and the City of Perth was announced in October to deliver a Women’s Health Care House at Lot 370 Newcastle Street, Northbridge. EPRA transferred the freehold interest of the site to the City of Perth at no cost, with the City to lease the site to Women’s Health Services to develop the new health care facility.

• EPRA acquired 15 properties on William Street from the Department for Planning and Infrastructure and is preparing a Development Strategy that will guide their revitalisation.

• EPRA has continued to support the Place Leaders Association as part of its commitment to innovation and leadership. This includes ongoing bi-annual representation at Place Leaders Association workshops, such as a workshop hosted by the Land Management Corporation (South Australia) in October 2007 and a forum in Auckland in April 2008.

Community Consultation
As documented in its Stakeholder Engagement Policy, EPRA recognises the importance of involving the community in decision making across the range of its development and regulatory activities. EPRA responds to its statutory requirements to advertise and publicly consult on all new planning policies. In addition, at the planning stage of new projects, a communications strategy is developed which details how stakeholders will be engaged in planning for redevelopment. These communications strategies ensure that the range of EPRA’s stakeholders – landowners, property developers, state and local government agencies, business operators, residents and the general public – are engaged with EPRA’s redevelopment activities.

Consultation for 2007/08 includes:

• EPRA worked with key stakeholders during the year to develop a precinct plan for Royal Street West, one of the final sites to be redeveloped in the Claisebrook Cove project area. It is anticipated that the Precinct Plan, Scheme Amendment and Design Guidelines will be released for public comment in the 2008/09 financial year.
In May 2008, EPRA released the Riverside Masterplan Review for a 50-day period of key stakeholder comment. The Review incorporates the results of engagement with landowners and stakeholders over the past 18 months and responds to changing demographics, population growth projections and sustainability opportunities.

EPRA has developed a CEO-level working party for the Perth Cultural Centre Precinct. Members include the Department of Cultural and the Arts, WA Museum, Art Gallery of WA, State Library of WA, ScreenWest, EPRA and the Perth Theatre Trust.

A key focus for EPRA is to enhance housing diversity within its Redevelopment Area. In April 2008 EPRA released a draft Housing Diversity Planning Policy for consultation with stakeholders and the public. Comments received are being considered as the next phase of the policy development.

On 27 June 2008, the State Government launched The Link Masterplan, which will reconnect Perth with Northbridge by undergrounding a section of the Perth to Fremantle rail line and Wellington Street Bus Station. The release of the Masterplan coincided with the signing of an Implementation Deed by the State Government and the City of Perth to formalise project commitments. The State Government has committed $9 million to commence initial land development works, with completion of the project expected in 2012.

Sponsorship
EPRA continues to support community activation by committing to sponsorship of St Jerome’s Laneway Festival in the Perth Cultural Centre Precinct in 2009, 2010 and 2011. The first year of this sponsorship will be in partnership with the Department of Cultural and the Arts and the City of Perth. EPRA has also sponsored the following groups:

- Form, New Trends of Architecture Exhibition
- UDIA Awards for Excellence
- Department of Culture and the Arts for the WA Business and the Arts Awards
- Property Council of Australia, Future Directions Group
- Northbridge Business Improvement Group, Northbridge Precinct Manager
- Awesome International Arts Festival
- Artrage, Northbridge Festival and Alphabet City Festival
- West Australian Music Industry Festival
Affordable Housing
To address declining housing affordability, and issues of accessibility, adequacy and appropriateness of housing product, EPRA has committed to deliver 10 to 15% social and affordable housing on new land releases. EPRA is on target to achieve this, with units committed in project areas in New Northbridge, Claisebrook Cove and Riverside. The East Perth Power Station and The Link redevelopments will also meet the goal of providing 10 to 15% affordable housing.

Three key sites were sold to developers to deliver long term market rental accommodation, an innovative element of EPRA’s Housing Affordability program which requires developers to retain a number of residential units for rental accommodation for a minimum period of ten years.

Financial

<table>
<thead>
<tr>
<th></th>
<th>2007/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Revenue</td>
<td>$10.585m</td>
</tr>
<tr>
<td>Operating Surplus</td>
<td>$0.160m</td>
</tr>
<tr>
<td>Net Asset Value</td>
<td>$106.268m</td>
</tr>
</tbody>
</table>

EPRA achieved its financial objectives for the 2007-2008 financial year by making a $0.16 million surplus and increasing the net asset value by $19.03 million. The surplus was attained as a result of land sales reaching $10.59 million. Revenue from land sales assisted in increasing EPRA’s net asset value, as did the transfer of William Street properties from the Department for Planning and Infrastructure.

Development Investment
84 Development Approvals were processed in the financial year, attracting a total investment of nearly $46 million.

Two properties were sold in the New Northbridge area in the 2007/08 financial year, with only four remaining. The inner city marketplace is strong, with EPRA continuing to make record sale prices in the New Northbridge area. This has included the following:

- A record price of $3,272 per square metre for a mixed use site at an auction for vacant land in the former Auto Masters site.
- A record price of $4,723 per square metre for a mixed use site was achieved for improved properties for a cottage in the former Auto Masters site.

EPRA completed the subdivision process for the former Auto Masters site this financial year and all 11 sites were successfully contracted. Total revenue under these contracts is $10.87 million, demonstrating significant developer confidence in the New Northbridge project area. These contracts will settle in the next financial year.

The sale of Lot 402 Aberdeen Street, Northbridge, to the Department of Education and Training for $7 million was settled in the 2007/08 financial year. The development will be completed in 2010.
Project Tours
A total of eleven tours of EPRA project areas were conducted throughout the year for various educational, government and planning groups, including:

- South Australian Parliamentary Secretary to the Premier, Mr Michael O’Brien MP
- Senior representatives from VicUrban, Melbourne
- Chairman and CEO of Queensland Urban Land Development Authority
- Maroochy Shire Council, Queensland
- Governor of Western Australia
- New Zealand Government delegation
- Urban Development Institute of Australia
- WA Museum
- Vietnamese Government delegation
- Queensland Government delegation
- Queensland Minister for Urban Development and Planning, the Hon Paul Holloway

We would like to take the opportunity to express our appreciation to EPRA Board members, staff and consultants for their support, professionalism and commitment to EPRA and its planning and redevelopment objectives.

Mr Stuart Hicks AO
Chairman of Accountable Authority

Mr Tony Morgan
Chief Executive Officer
Operational Structure
EPRA was established by the *East Perth Redevelopment Act 1991* (the Act). EPRA was first created to carry out the renewal of Claisebrook Cove in East Perth – now considered one of Australia’s most successful urban renewal projects. More than a decade later, EPRA is now responsible for a range of inner city renewal projects such as the East Perth Power Station, Riverside, New Northbridge and The Link. Under the Act, EPRA has the ability to resume land, undertake environmental rehabilitation and to plan, implement, promote and coordinate urban renewal projects.

EPRA’s functions are described in Section 18 of the Act as follows:

a) To plan, undertake, promote and coordinate the redevelopment of land in the Redevelopment Area; and

b) For that purpose –
   i) under Part 4, to prepare and keep under review a Redevelopment Scheme for that area; and
   ii) under Part 5, to control developments in that area.

The Minister for Planning is responsible for the *East Perth Redevelopment Act 1991*. 

**EPRA’s Redevelopment Area**

Legend

- Existing Lot Boundary
- Original Redevelopment Area Boundary
- Current Redevelopment Area Boundary
Our Vision
Vital Perth

Our Values
Listen Lead Innovate Communicate

Our Guiding Objectives

Quality Outcomes Deliver regeneration projects of enduring quality

Sound Relationships Build and maintain strong, respected relationships

Capable Delivery Capable people, efficient and effective resources and systems to deliver outcomes

Respected Leadership The Government and community will see us as a leading urban place maker

Membership of the EPRA Board

The Board consists of seven members appointed by the Minister, representing a broad spectrum of knowledge and experience in fields appropriate to the activities of the Authority. Criteria for the appointment of members in accordance with sections 7 and 8 of the East Perth Redevelopment Act 1991 are:

(a) Five persons who in the opinion of the Minister have a relevant qualification;
(b) Two persons who are members of the Council of the City of Perth who are nominated by formal resolution of that Council; and
(c) Two members to then be appointed by the Minister as Chairperson and Deputy Chairperson of the Authority.

Board members are remunerated according to guidelines set by the Public Sector Management Office. Board members who are public servants do not receive remuneration.

EPRA Board Members

Mr Stuart Hicks AO (Chair) term expires 31 December 2008
Mr Simon Chester (Deputy Chair) last meeting was 3 June 2008
Dr Peter Nattrass last meeting was 17 September 2007
Mr Milan Chetkovich term expires 31 December 2008
Mr Mike Day term expires 31 December 2008
Ms Carol Hofmeester last meeting was 8 May 2008
Ms Fiona Kalaf term expires 31 December 2009
Ms Judy McEvoy* term expires 31 October 2009
Mr John Tognolini* term expires 31 October 2009

*Members nominated by the City of Perth.

Members whose terms have expired remain in office under clause 1(2) of schedule 2 to the East Perth Redevelopment Act 1991 until a successor is appointed.

For further detailed information on the operation of the EPRA Board, a Board Charter dealing with its operations including processes, functions and role of the Board is available on request from the Executive Officer – Board Support.

Sub-Committees to the Board

Two 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 – Mr Simon Chester (Chair for 9 meetings during 2007/08), Mr Mike Day (Taking the role of Chair as at the meeting of June 2008), Ms Judy McEvoy, Ms Fiona Kalaf (who joined the Committee in June 2008) Mr Tony Morgan and Mr Stuart Hicks AO (ex-officio).

Internal Audit Committee – Ms Carol Hofmeester (Chair), Mr Milan Chetkovich, Mr Mike Day, and Mr Stuart Hicks AO (ex-officio).
**Overview of Agency**

**Board Members’ Attendance**
The Board met 10 times in the financial year with 10 Planning Committee and 2 Internal Audit Committee meetings also taking place. Brackets denote number of board meetings members were eligible to attend.

<table>
<thead>
<tr>
<th>Member</th>
<th>Board Meetings Total = 10</th>
<th>Planning Committee Total = 10</th>
<th>Audit Committee Total = 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stuart Hicks</td>
<td>10</td>
<td></td>
<td>1 (2)</td>
</tr>
<tr>
<td>Simon Chester</td>
<td>7 (9)</td>
<td>9 (10)</td>
<td></td>
</tr>
<tr>
<td>Judy McEvoy</td>
<td>7 (10)</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Carol Hofmeester</td>
<td>9 (9)</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Peter Nattrass</td>
<td>3 (3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Tognolini*</td>
<td>4 (5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milan Chetkovich</td>
<td>9 (10)</td>
<td>8 (10)</td>
<td>2</td>
</tr>
<tr>
<td>Mike Day</td>
<td>9 (10)</td>
<td>8 (10)</td>
<td>2</td>
</tr>
<tr>
<td>Fiona Kalaf**</td>
<td>1 (1)</td>
<td>1 (1)</td>
<td></td>
</tr>
</tbody>
</table>

* The Minister approved Mr Tognolini’s appointment to the Board on 21 January 2008
** The Minister approved Ms Kalaf’s appointment to the Board on 14 May 2008

**Management**
EPRA’s senior management structure consists of a Chief Executive Officer, with three Directors.
The role of Planning is to undertake the functions necessary for EPRA to be the planning authority in its redevelopment area, which includes elements such as creating lots, ensuring the provision of infrastructure, processing Development Applications and development control within the Redevelopment Area through Scheme and Design Guidelines.

The role of Projects is to redevelop land, which includes land assembly, asset management, masterplanning, securing approvals, development works and sales.

The role of Corporate is to provide the necessary ongoing support for the organisation to operate, incorporating functions such as finances, human resources, information technology, records, procurement and communications.

The Chief Executive Officer, Directors and senior management meet regularly to consider management issues. Quarterly Business Plan reports are presented to the Board.

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, as set out in the document Better Planning Better Futures: A Framework for the Strategic Management of the Western Australian Public Sector. This document states:

“Vision... the best opportunities for current and future generations. Western Australia will be a creative, sustainable and economically successful State that embraces the diversity of its people and values its rich natural resources. The Western Australia public sector will work towards providing the best opportunities for current and future generations to live better, longer and healthier lives.”

The State Government’s vision is broken up into five separate goal areas, which are: Better Services, Jobs and Economic
Development, Lifestyle and the Environment, Regional Development, and Governance and Public Sector Improvement. Within these goal areas, there are separate sub-goals, of which the following are strongly relevant to EPRA’s vision:

1.4 A strong and vibrant community.
2.4 A level and mix of infrastructure that promotes economic growth.
3.1 A unique lifestyle that is maintained and enhanced.

EPRA’s goals were established during the first reading in Parliament of the East Perth Redevelopment Act 1991, and support these State Strategic Goals. EPRA’s aim was described as being to attract thousands of Western Australians back into the city to live, study, work and play. EPRA’s strategic, project development and regulatory activities contribute to goals and outcomes identified in the Government’s strategic framework Better Planning: Better Futures as follows:

Goal 1: Better Services
EPRA’s vision for ‘Vital Perth’ is expressed through its strategic decision making, place making activities, as well as a range of operational and statutory policy. In particular, EPRA contributes to:

• Development of public realm that enhances the vibrancy of the inner city;
• Development of high density and mixed use inner city communities that ensure critical mass for vital communities;
• Delivery of 10 to 15% affordable housing to cater for diverse communities; and
• Passive surveillance in design of street fronts to encourage the safety of project areas.

Goal 2: Jobs and Economic Development
EPRA’s project delivery ensures that inner city redevelopment contributes to vibrant economic activity – generating significant return on Government investments, supporting new businesses and generating employment by attracting private sector investment, setting targets for office and retail floorspace, and marketing commercial space in project areas to key tenants. In addition, the creation of mixed use development in the inner city provides a critical mass to support emerging industries, retail and commercial activity, as well as employment in knowledge and service industries.

Goal 3: Lifestyle and the Environment
EPRA’s draft Green Buildings Planning Policy sets performance criteria for waste, materials, water and energy for building design and construction across all projects, to minimise the impact of redevelopment on the environment. Environmentally sensitive design of public realm across EPRA’s projects also ensures that ecological systems are respected in development activities. For example, Riverside, EPRA’s waterfront project, will ensure that the Swan River and its surrounds are protected into the future through rainwater and stormwater harvesting, use of rainwater and stormwater in landscaping, and enhancement of remnant vegetation.

Goal 5: Governance and Public Sector Improvement
EPRA ensures a whole of government approach to decision making through regular liaison with State and Local Government and participation in a variety of cross-portfolio committees. A range of demographic and market research conducted on an annual basis ensures that EPRA’s redevelopment responds to evolving market demands and community needs. In addition, EPRA’s staff manual provides employees with access to a range of professional development activities to ensure continuous capacity improvement across the organisation.
How EPRA’s Key Performance Indicators (KPIs) align with State Government goals in Better Planning, Better Futures

<table>
<thead>
<tr>
<th>Goal from Better Planning, Better Futures</th>
<th>EPRA KPI No.</th>
<th>EPRA’s Statement of Purpose is “to attract thousands of Western Australians back into the city to live, study, work and play”, measured by the following Key Performance Indicators:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4 A strong and vibrant community.</td>
<td>1</td>
<td>Living in the area</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Studying in the area</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Working in the area</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Playing in the area</td>
</tr>
<tr>
<td>2.4 A level and mix of infrastructure that promotes economic growth.</td>
<td>3</td>
<td>Working in the area</td>
</tr>
<tr>
<td>3.1 A unique lifestyle that is maintained and enhanced.</td>
<td>1</td>
<td>Living in the area</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Studying in the area</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Working in the area</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Playing in the area</td>
</tr>
</tbody>
</table>

Further, EPRA’s KPIs tie into agency-level desired outcomes, as set out by a variety of EPRA’s policy and strategy documents. In particular, EPRA’s Strategic Plan for 2007-2012 sets out the vision ‘Vital Perth’, listing EPRA’s values, guiding objectives, project life cycles and specific projects which are planned into the medium and long term. The KPIs which bring ‘Vital Perth’ into being are the numbers of people coming into the project areas to work, live and play. For more information about EPRA’s KPIs, please refer to the section Report on Operations.
Project Areas
EPRA has a number of project areas, each with its own unique character. These are reported below.

Claisebrook Cove
The Claisebrook Cove project area covers 137.5 hectares of former industrial land including the former East Perth Gasworks, scrap yards, contaminated industrial sites, empty warehouses and railway yards. The inner city urban renewal project is bounded by Lord and Summers Streets, East Parade, the Graham Farmer Freeway, the Swan River, and Arden, Nile, Wittenoom and Royal Streets.

Vision
Claisebrook Cove has been transformed from an industrial wasteland to a waterfront urban village, combining quality residential and commercial development with beautiful parkland, waterways and public art.

Objectives
• Promote the benefits of Transit Oriented Development to residents and workers in the area to increase the use of public transport, such as the Claisebrook train station and extension of the Central Area Transit (CAT) bus routes.
• Conserve both the natural and built environment through the creation of a sustainable inner city community. The area's cultural heritage has also been conserved through the restoration of buildings, such as the Boans Warehouse, and through the delivery of an interpretive public art collection.

• Create vibrant and active public open spaces. The project encompasses more than 22 hectares of public open space, pathways, parklands and foreshore recreation areas.
• Attract key businesses and investment to the project area to generate employment and add to Claisebrook’s vibrancy.

Current Status
• Planning for Royal Street West (one of the final sites in the Claisebrook Cove project area to be redeveloped) is underway, with EPRA currently working with key stakeholders to develop a plan that embraces sustainability and Transit Oriented Development principles. It is anticipated that the Precinct Plan, Scheme Amendment and Design Guidelines will be released for public comment in the 2008/09 financial year.

• 15 Development Applications were received this financial year, attracting total investment of $10.1 million.

Project Expectations

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project area</td>
<td>137.5 hectares (including areas that have been normalised)</td>
</tr>
<tr>
<td>No of dwellings</td>
<td>1,450 new residences</td>
</tr>
<tr>
<td>Housing a population of</td>
<td>up to 2,500 new residents</td>
</tr>
<tr>
<td>Non-residential floor space</td>
<td>130,000m²</td>
</tr>
<tr>
<td>Working population of</td>
<td>up to 6,000 new employees</td>
</tr>
<tr>
<td>EPRA’s investment</td>
<td>$127 million</td>
</tr>
<tr>
<td>Investment attraction</td>
<td>approximately $685 million</td>
</tr>
<tr>
<td>Normalisation</td>
<td>85 percent</td>
</tr>
</tbody>
</table>
East Perth Power Station
The East Perth Power Station project contains one of the State’s most significant industrial heritage buildings. The 8.5 hectare site is bounded by East Parade, Summers Street, the Graham Farmer Freeway and the Swan River.

Vision
A key destination on the Swan River network, the East Perth Power Station will become a waterfront culture and arts precinct with a mix of urban living and working opportunities.

Objectives
- Optimise the Transit Oriented Development benefits presented by the site’s proximity to road, rail and potential future water facilities.
- Secure a suitable tenant for the Power Station building.
- Continue masterplanning for the site, creating a key destination for Perth.
- Develop a Conservation Management Plan for the heritage building and Interpretation Strategy for the heritage machinery in the building.

Current Status
- Planning for the East Perth Power Station Project was on hold during the year, pending a decision on the location of the major stadium, as the Power Station was one of two shortlisted sites. On 8 February 2008, the Government committed $506 million to build a new WA Museum at the East Perth Power Station site and announced that the Major Stadium would be built at Subiaco thus allowing the Power Station site to be redeveloped for mixed use. This achieves one of the key objectives for the site, to secure a suitable tenant.
- A heritage inventory of machinery and equipment items on-site was completed this year in consultation with an expert panel.
- As the Asset Manager for the site, EPRA continues to deliver site security and ongoing maintenance of the building.
- EPRA is finalising the East Perth Power Station Masterplan, which incorporates the development of the new museum.
- Land sales, using an Expressions of Interest process, and development works will commence in the 2008/09 financial year.

Project Expectations
- Project area: 8.5 hectares
- No of dwellings: up to 635 new residences
- Housing a population of: up to 1,040 new residents
- Non-residential floor space: 19,300m²
- Working population of: 1,100 new employees
- EPRA's investment: estimated $31 million
- Investment attraction: up to $345 million
The Link

The Link will play a key role in meeting the needs of our changing city, finally removing the great divide between the city’s commercial and business precinct and Northbridge’s lively cultural, restaurant and nightlife hub. The 13.5 hectare project area will see prime inner city land redeveloped between the Mitchell Freeway, Roe Street, Wellington Street and the Horseshoe Bridge. The project will take 15-20 years to complete and will be delivered in partnership with the State Government (through EPRA and the Public Transport Authority), City of Perth, private land owners and developers.

Vision

The Link will remove the great divide between Northbridge and the CBD and create a vibrant mixed-use precinct in the heart of the city.

Objectives

- Deliver a redevelopment project with high quality urban design and built form outcomes that provides a focus for public life, with the creation of a new and improved public realm.
- Improve pedestrian, cyclist and vehicular connections and provide residents, workers and visitors with good access to high quality transit infrastructure.
- Repopulate Perth by bringing residents, workers and students back to the city.
- Provide quality and innovative architecture of an international standard.
- Deliver positive economic, social and environmental outcomes.

Current status

- In June 2008 the Minister for Planning and Infrastructure launched The Link Masterplan. The State Government has committed $9 million for the first stages of the project to be spent over the next four years and site works are due to start at the end of 2008.
- An Implementation Deed was signed by the State Government and the City of Perth to formalise project commitments.
- Two Development Applications have been processed, with a projected total investment of $0.7 million.
- Site works have already commenced on the Perth Arena, a world class indoor entertainment and sports stadium, which is the first stage of The Link project.
- The delivery of some 165 affordable and social housing units are projected for the site.
- Design Guidelines and a Scheme Amendment will be released for community comment next financial year.
- First land sales for The Link will occur in the 2008/09 financial year.

Project Expectations

- Project area: 13.5 hectares
- No of dwellings: 1,650
- Housing a population of: 3,060
- Non-residential floor space: 244,000m²
- Working population of: 13,350
- Investment attraction: approximately $2,000 million
New Northbridge

New Northbridge has experienced an intensive revitalisation program that has included major streetscaping, public and infrastructure works, the conservation of heritage buildings and the creation of mixed-use development opportunities. The 27 hectare urban renewal project comprises land above and adjacent to the Graham Farmer Freeway tunnel, bounded by Fitzgerald, Newcastle, Parry, Lord and Aberdeen Streets.

Vision

The New Northbridge project is enhancing the area’s rich history through adaptive reuse of heritage buildings, quality infrastructure, a commitment to housing diversity and innovative new mixed-use development.

Objectives

- Enhance and protect the area’s heritage and cultural values, while optimising returns and providing land and property redevelopment opportunities.
- Create an area that is safe, secure, friendly and enjoyable for the Northbridge community to live, work and play in.
- Promote the Transit Oriented Development benefits of New Northbridge, with particular emphasis on Perth’s free CAT bus services, cycleways and pedestrian-friendly streetscaping.
- Ongoing commitment to affordable housing with 10 to 15 percent of new land releases to be reserved for social and affordable housing.
- Attract visitors and businesses to New Northbridge, highlighting the lifestyle benefits of the culturally rich area and the proximity to the CBD.

Current Status

- 49 Development Applications were processed, which will generate nearly $25 million in total investment.
- The inner city marketplace is strong, with EPRA achieving a record price of $3,272 per square metre for vacant land in the former Auto Masters site, with Lot 561 Newcastle Street (324m²), selling for $1.6 million.
- A record price of $4,723 per square metre for a mixed use site was achieved for a cottage in the former Auto Masters site. Lot 553 Money Street, a refurbished heritage cottage, sold for $888,000.
- Three key sites were sold to developers for long term market rental delivery, an innovative element of EPRA’s Housing Affordability program which requires developers to retain a number of residential units for rental accommodation for a minimum period of ten years.
• A tripartite agreement between EPRA, Women’s Health Services and the City of Perth was announced in October to deliver a Women’s Health Care House at Lot 370 Newcastle Street. EPRA transferred the freehold interest of the site to the City of Perth at no cost, with the City to lease the site to Women’s Health Services to develop the new health care facility.
• An update of New Northbridge Design Guidelines was completed for the Lindsay Street area.
• The delivery of some 164 affordable and social housing units are projected for the New Northbridge project area.
• EPRA has retained four properties in the New Northbridge area, with two scheduled to be sold in the 2008/09 financial year.

Project Expectations

| Project area | 27 hectares |
| No of dwellings | 460 new residences |
| Housing a population of | up to 1,250 new residents |
| Non-residential floorspace | 70,000m² |
| Working population of | up to 3,500 new employees |
| EPRA's investment | $60 million |
| Investment attraction | approximately $300 million |
**Perth Cultural Centre Precinct**

The Perth Cultural Centre Precinct contains some of the State’s most significant cultural facilities including the Art Gallery, State Library and Museum. The Precinct will be revitalised into a major cultural destination, attracting people back into the area and nurturing the State’s creative industries. The project is bordered by Aberdeen, William, Roe and Beaufort Streets and includes the Central TAFE campus.

**Vision**

The Perth Cultural Centre Precinct will become Perth’s centre of creativity and knowledge, offering a unique cultural experience in an exciting and safe urban environment.

**Objectives**

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

**Current Status**

- A Chief Executive Officer-level working party has been formed with EPRA and other key stakeholders in the precinct, which includes the Art Gallery of WA, Department of Culture and the Arts, WA Museum, State Library of WA, EPRA, ScreenWest and the Perth Theatre Trust.
- Eight Development Applications have been received, attracting total investment of $741,000.
- EPRA acquired 15 properties on William Street from the Department of Planning and Infrastructure and is preparing a Development Strategy that will guide their revitalisation.
- Construction commenced on the New Performing Arts Venue, which represents more than $61 million of Government investment in the project area.

**Project area** 9.5 hectares

This project is currently in the early stages of planning and given the use of the area there is not likely to be a significant increase in the amount of non-residential floor space. Also, a full cost analysis of the area has not yet been determined.
Riverside

Riverside will see the creation of a diverse, high-density, urban community on the doorstep of Perth’s central business district, optimising the benefits of the Swan River frontage. Riverside covers 40 hectares bounded by Plain Street, Adelaide Terrace, the Swan River foreshore and Nile Street. The project area comprises several key recreation and sporting facilities including Queens Gardens, Gloucester Park and the Western Australian Cricket Association (WACA).

Vision

Riverside will transform Perth’s eastern gateway into a vibrant, urban community on the banks of the Swan River.

Objectives

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

Current Status

- EPRA is delivering the redevelopment of the 40 hectare Riverside project in collaboration with the City of Perth, Western Australian Cricket Association (WACA), Western Australian Trotting Association (WATA) and Trinity College. Riverside is expected to involve up to $130 million investment by EPRA and approximately $750 million flow-on investment by the private sector.
- This financial year, 10 Development Applications have been processed, which will generate $9.3 million investment in the area.
- In May 2008, EPRA released the Riverside Masterplan Review for a 50-day period of key stakeholder comment. The Review incorporates the results of engagement with landowners and stakeholders over the past 18 months and responds to changing demographics, population growth projections and sustainability opportunities.
- EPRA has undertaken a review of its 2004 Riverside Masterplan, incorporating the results of engagement with landowners and stakeholders over the past 18 months, changing demographics, population growth projections and sustainability opportunities. This review confirmed that the vision and objectives of the 2004 Masterplan remain valid but enhancements could be made via more density and improved building guidelines.
- Developments at Riverside will be required to incorporate the highest practicable standards of new technologies for heating and cooling; use energy efficient materials; further minimise, recycle and reuse energy, waste and water; and protect the area’s unique biodiversity. The Masterplan maintains a strong focus on high quality streets and targets increased use of public transport, walking and cycling.
• The State Government has committed $27.4 million to fund land acquisitions and will commence redevelopment works in Riverside during the 2008/09 financial year.
• The Redevelopment Scheme Boundary has been extended to include the Waterbank precinct.
• The delivery of some 363 units of affordable and social housing are projected for the site.
• It is anticipated that Design Guidelines and the Scheme Amendment for the Waterbank Precinct will be released for public comment during 2008/09.
• The Waterbank precinct will be released to the market and development works will commence in the 2008/09 financial year.

Project Expectations

- Project area: 40 hectares
- No of dwellings: 3,439 dwellings
- Housing population of: 5,846 new residents
- Non-residential floorspace: 30,010m²
- Working population of: 1,704 new employees
- EPRA’s investment: $130 million
- Investment attraction: approximately $750 million

* Excludes 34,800m² proposed by WACA and excludes retail/commercial floorspace proposed for Gloucester Park
**Sustainability**

In line with the Government’s Sustainability Code of Practice, EPRA has developed a Sustainability Action Plan that details its response to commitments established under the Sustainability Code of Practice. EPRA is currently addressing these obligations as follows:

Planning, reporting and decision making are conducted in accordance with sustainability principles

EPRA’s Sustainability Action Plan identified a project assessment framework as the key tool for ensuring that redevelopment is conducted in accordance with sustainability principles. In 2006, EPRA adopted and implemented a Sustainability Assessment Tool across a range of projects. The tool consists of a range of sustainability priorities (including urban design, economic benefits, environment, community development and infrastructure), as well as criteria for measurement of project performance. The Sustainability Assessment Tool has been successful in integrating sustainability into EPRA’s place making process – from project planning to place development and post development evaluation.

In line with Commitment 1.4 of the Sustainability Code of Practice, EPRA is in the process of reviewing its regulatory framework through revision of the EPRA Redevelopment Scheme. The new Scheme focuses on triple bottom line outcomes, addressing sustainability principles such as sustainable growth and development; resource efficiency; high quality design of public spaces and buildings; diversity in land use, housing and business; heritage conservation and community consultation. The Scheme will also include provisions to adopt detailed Design Guidelines and development policies to ensure sustainable development in all of EPRA’s project areas.

The Scheme review process has incorporated evaluation of the range of planning policies enabled by the Scheme to ensure a sustainability approach. In addition, two new policies have been drafted with the aim of strengthening EPRA’s contribution to environmental and social sustainability. In line with the Government’s strategic framework *Better Planning: Better Futures*, EPRA’s Green Buildings Planning Policy will ensure that impacts on the environment are responsibly and sustainably managed, while EPRA’s Housing Diversity Policy will ensure responsiveness to the evolving needs of diverse communities by providing adaptable, affordable and accessible housing.

**Agency operations support sustainability**

EPRA ensures that planning for the development of Government land is in accordance with sustainability principles through implementation of its Sustainability Assessment Tool. EPRA is ‘living by example’ through conversion of an 1890s heritage bakery into an environmentally sustainable office for its staff. The retro-fit of the bakery incorporated sustainable design and building principles including: thermal insulation to moderate energy requirements for heating and cooling, use of insulating glass, solar hot water, reduced lighting power through use of translucent roofing, natural cooling building design and reuse of existing building stock. In addition, EPRA supports reusability, recyclability, durability, and energy efficiency through its procurement processes. EPRA’s contract documentation is currently being reviewed to ensure compliance with the State Supply Commission’s sustainable procurement requirements and to support the Government’s Sustainability Strategy.

EPRA demonstrates commitment to whole of government planning and decision-making through participation in a range of portfolio committees, including a Transit Oriented Design Committee and an Affordable Living Committee. EPRA has contributed to cross-agency research with Local and State
Government related to sustainability initiatives, such as social infrastructure provision. The social infrastructure study, recently commissioned by City of Perth, Department for Planning and Infrastructure and EPRA, will ensure that community infrastructure requirements in the inner city are met through integrated service delivery. EPRA continues to liaise closely with Local Government to ensure promotion of sustainable development post normalisation.

Public sector employees are encouraged and empowered to support sustainability
EPRA continues to encourage and empower staff to contribute to sustainability outcomes through a range of forums, workshops and other professional development activities related to EPRA’s policy and project activities. Recent sustainability forums and workshops have focussed on the Green Star Scheme, housing affordability, sustainability assessment, disabilities awareness, benchmarking the public realm and transit oriented design. In addition, EPRA’s staff manual outlines a range of staff development programs available to employees.

Sustainability Reporting Based on Better Planning, Better Futures
EPRA’s draft Green Buildings Planning Policy is designed to deliver on Goal 3 of Better Planning, Better Futures, ‘Lifestyle and the Environment’, by ensuring that the impact of EPRA’s redevelopment on the environment is managed and minimised. This is through the setting of performance criteria for waste, materials, water and energy for building design and construction across all projects. For example, EPRA’s waterfront development in Riverside, Waterbank, will ensure that the Swan River and its surrounds are protected into the future through rainwater and stormwater harvesting, use of rainwater and stormwater in landscaping, and enhancement of remnant vegetation.

Significant Issues and Trends
WA has a booming economy, which adds to building costs and has kept prices for inner city land high, a fact that is reflected in the record sales prices that EPRA has experienced this year. This trend also impacts on housing affordability, which EPRA seeks to address with its commitment to providing 10 to 15 percent of affordable housing across the Redevelopment Area.

Perth’s property supply, both commercial and residential, has been unable to adequately meet demand in recent years. The inner city property market in particular has seen greatly increased activity since the beginning of 2005, with commercial, retail and residential apartment markets setting new benchmark records in sales prices, leasing rates and vacancy levels.

The resources sector boom has resulted in record levels of demand in the Perth CBD office market. Commercial property vacancy rates are very low and are forecast to remain under 4.5 percent for the next three years. Perth CBD office market rents were ranked as the tenth fastest growing in the world for the 12 months to March 2008, while the city’s office market became the 41st most expensive on the global index. Up to 730,000 square metres of additional office space will be required in the inner city by 2031.

Between 2008 and 2012 approximately 400,000 square metres of new supply is forecast to be added in the CBD, of which 70 per cent is pre-committed.

The greater metropolitan population of Perth is projected to increase by around 700,000 over the next 30 years. An estimated 30,000 residents will live in the city centre by 2029. Smaller households, as “Lone persons” and “couples without children” will account for 63% of all households in inner city Perth in 2031.
**Ministerial Direction**
EPRA’s enabling legislation requires that if the Minister gives a direction to the Authority, it shall be in writing and tabled in Parliament. There were no Ministerial directions during the 2007/08 financial year.

**Pricing Policies**
As a land redevelopment authority, EPRA does not sell its services to the public, and so it is not relevant to provide information about its pricing policies or reference to any public documents which contain pricing or rating information.

**Major Capital Projects**
As it is part of EPRA’s core business to undertake major capital projects, this information is discussed in the relevant section in Report on Operations.

### Disclosures Relating to Employees
Treasurer’s Instruction 903 requires a summary of the number of employees by category.

<table>
<thead>
<tr>
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</thead>
<tbody>
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<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
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<td>G2</td>
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<td>1</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total – gender</strong></td>
<td><strong>16</strong></td>
<td><strong>35</strong></td>
<td><strong>19</strong></td>
<td><strong>29</strong></td>
</tr>
<tr>
<td><strong>Total – workers</strong></td>
<td><strong>51</strong></td>
<td><strong>48</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figures quoted in this table relate to substantive levels rather than acting positions. It does not include temporary staff, staff who were seconded out, on leave without pay or on maternity leave.
Staff Development
EPRA believes in providing opportunities for staff to receive professional development. To demonstrate this commitment, EPRA engaged in a large scale organisational development program with 13 staff attending a Management Development Program through the Australian Institute of Management. For a relatively small agency, this represents a large commitment to training. Throughout the organisation an array of personalised, role specific training was provided through a wide variety of training providers. EPRA staff also experienced development through attendance at functions and seminars from bodies such as the Property Council, Place Leaders Association, Ernst and Young, Riskcover, ATI Mirage and CGU Safety Services. Senior members of the EPRA team also participated in the State Government Pathways to Leadership program.

Policies to Assist Employees
EPRA values its employees, and has developed a number of staffing policies to reflect this, including:

- **Grievance Policy** and procedures devised to give staff clarity in the resolution of grievances.
- **Employee Assistance Policy** – A policy that provides staff with six free counselling sessions with a Common Use Arrangement provider to resolve issues in their personal life that may be having an impact on their professional performance.
- **Education Assistance Policy** – New policy that provides staff who have worked through a qualifying period with a subsidy for professional memberships and also further education in the form of subsidised course or textbook costs (approved by their manager to ensure work related and of benefit to EPRA).

- **Strategic HR Plan** – A strategic HR plan was developed to position EPRA to be able to meet staff and organisational needs along the following five principles:
  1. Successfully recruiting, securing, developing and retaining the highest quality Human Resources.
  2. Creating an environment that gives employees clarity, accountability and ownership of their responsibilities including performance and outcome delivery.
  3. Foster a culture of learning, development and continuous improvement.
  4. Creating an employee friendly, supportive and safe working environment that achieves employer of choice branding in the market place.
  5. Maintaining compliance within Human Resource legislative and operational requirements.

Industrial Relations
There were no changes to the Industrial Relations environment within EPRA.

Workers Compensation
There were no workers compensation claims or investigations this year.

No employees were injured or required rehabilitation within the workplace.
Governance Disclosures

There have been no disclosures of any conflict of interest with senior officers of the agency, relating to factors such as shares, contracts, benefits, or any other matter. EPRA operates a contract administration system that requires senior officers to declare confidentiality and interest in respect to any existing or proposed contract. There are no known cases of any conflict of interest in the 2007/08 reporting period.

EPRA paid a total of $21,267.75 for insurance to indemnify its directors as defined in Part 3 of the Statutory Corporations (Liability of Directors) Act 1996 against liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996.

Marketing and Advertising

Electoral Act 1907, S175ZE

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

<table>
<thead>
<tr>
<th>Amount $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Research</td>
</tr>
<tr>
<td>Synovate 5</td>
</tr>
<tr>
<td>Media Advertising (including multimedia)</td>
</tr>
<tr>
<td>303</td>
</tr>
<tr>
<td>Marketforce Productions 126</td>
</tr>
<tr>
<td>Media Decisions WA 115</td>
</tr>
<tr>
<td>Marketing and Public Relations</td>
</tr>
<tr>
<td>Purple Communications 162</td>
</tr>
</tbody>
</table>

Publications

Publications by EPRA are available at its office at 12 Lindsay Street, Perth WA 6000 and online at www.epra.wa.gov.au. The principal publications are:

- East Perth Redevelopment Scheme, Scheme Text and Planning Policies
- Annual Reports for the years ending 1993 – 2008
- Riverside (Gateway) Masterplan
- East Perth Power Station draft Masterplan
- The Link Masterplan
- Design Guidelines
- Corporate brochure
- The Union Bakery Redevelopment brochure
- Urbano magazines
- Sustainability Action Plan
- Project and marketing information
- EPRA Affordable Owner Occupier Housing brochure
- Customer Service Charter

No information of a personal nature concerning members of the public is kept by EPRA.

A copy of the East Perth Redevelopment Act 1991 is available from the State Law Publisher.

EPRA's Disability Access and Inclusion Plan Outcomes 2007-2012

EPRA has a Disability Access and Inclusion Plan which is available from the EPRA website. EPRA also developed a Disability Access and Inclusion Implementation Plan for 2007/08.
Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, EPRA.
- Staff providing EPRA services, consultants, agents and contractors are aware of the relevant requirements for providing access in accordance with the Australian Standards (including Enhanced Standards), the Disability Services Act (1993) and the Disability and Discrimination Act (1992).

Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities of EPRA.
- The EPRA building is user-friendly for members of the public with disabilities.

Outcome 3: People with disabilities receive information from EPRA in a format that will enable them to access the information as readily as other people.
- Materials have been provided in alternative format whenever requested.

Outcome 4: People with disabilities receive the same level and quality of service from staff providing EPRA services as other people.
- A Disability Services Commission training video has been included in staff induction packages, with a requirement that all staff and contractors view this video and comply with its standards.

Outcome 5: People with disabilities have the same opportunities as other people to make complaints to EPRA.
- EPRA is prepared to provide grievance mechanism process and outcome satisfaction survey forms in alternative formats.

Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by EPRA.
- EPRA is committed to improving community awareness about consultation processes and monitoring the Disability Access and Inclusion Plan to ensure implementation and satisfactory outcomes.

Other Legislation Affecting Activities
- Aboriginal Heritage Act 1972
- Contaminated Sites Act 2003
- Disabilities Services Act 1993
- Disability Discrimination Act 1992
- East Perth Redevelopment Act 1991
- Electoral Act 1907
- Environmental Protection Act 1986
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Freedom of Information Act 1992
- Fringe Benefit Tax Assessment Act 1986
- Heritage of Western Australia Act 1990
- Income Tax Assessment Act 1997
- Interpretation Act 1984
- Industrial Relations Act 1979
- Land Administration Act 1997
- Native Title (State Provisions) Act 1999
- Occupational Health and Safety Act 1984
- Planning and Development Act 2005
- Public Interest Disclosure Act 2003
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
Disclosures and Legal Compliance

State Administrative Tribunal Act 2004
State Records Act 2000
State Superannuation Act 2000
State Supply Commission Act 1991
Statutory Corporations (Liability of Directors) Act 1996
Strata Titles Act 1985
Swan and Canning Rivers Management Act 2006
Taxation Administration Act 2003
Trade Practices Act 1985
Transfer of Land Act 1893
Workers Compensation and Injury Management Act 1981

Compliance with Public Sector Standards and Ethical Codes
In accordance with the requirement of section 31(1) of the Public Sector Management Act, EPRA reports that there were no compliance issues that arose during the financial year regarding the public sector standards, the WA Code of Ethics or EPRA’s code of conduct.

Record Keeping
Information is a valuable asset to EPRA and the management of this information is a means to manage any document during its entire life cycle – it is the ability to know what documents exist regarding a particular subject, where they are located, what media they are stored on, who owns them, and when they should be destroyed. Information management encompasses document management, records management, imaging, and knowledge management systems.

EPRA is currently putting in place an electronic document and records management system which incorporates a thorough evaluation of records management practices. This will continue to promote effective information management and initiate improvements where there is scope to do so.

EPRA has a policy on record keeping responsibilities, where all staff, contractors and organisations performing outsourced services on behalf of EPRA are made aware of the need to create full and accurate records, in the appropriate format, of EPRA’s business decisions and transactions to meet all legislative, business, administrative, financial, evidential and historical requirements. This policy applies to all records created or received by any of the above parties, regardless of physical format, storage location or date created.

EPRA complies with the State Records Act 2000. In 2007/08 record keeping training and evaluation requirements were in place to ensure such compliance and EPRA’s staff induction program addresses employee roles and responsibilities regarding record keeping and includes mandatory records training for all new employees.

Corruption Prevention
EPRA has developed policies and procedures to protect against corruption, which supplement the corporate governance policy framework made up of Premier’s Circulars, Treasurer’s Instructions (TIs) and other publications of the Government of Western Australia. These also include the General Corporate Governance arrangements recommended by the Australian Institute of Company Directors.

A first line defence in identifying, managing and preventing misconduct and corruption is the setting of appropriate standards of behaviour. To this end, EPRA has established a Code of Ethics
which fits with the overall ethics direction for the public sector set out by the Commissioner for Public Sector Standards. EPRA’s Code of Conduct is an integral part of the accountability regime, drawn from the range of rules, laws and policies applicable to public sector bodies, and sitting alongside existing policies and procedures that guide, direct or set standards for employee behaviours.

A further step towards preventing corruption is in a range of policies which limit the opportunity for corruption within the agency to occur or go unnoticed. EPRA has policies that put controls and expectations on the following:

- procurement;
- delegation authorities;
- internal and external audits;
- use and access to assets, such as mobile phones and corporate credit cards;
- entertainment and gifts;
- valuations;
- acquisitions;
- hire of consultants;
- management of contracts; and
- development obligations.

The above policies are communicated to staff on induction, and all staff are informed of any updated policies as they are made available.

**Substantive Equality**

All departments represented on the Strategic Management Council are required to set out in their annual report the progress achieved in implementing the Policy Framework for Substantive Equality. While EPRA is not represented on the Strategic Management Council, it is committed to substantive policy and has developed a number of initiatives aimed at increasing social diversity, such as facilitating the development of affordable housing for those on a low income. However, as a redevelopment authority, the focus of EPRA is on land redevelopment, and therefore it does not directly provide services to the community. This therefore limits the extent of its ability to report on substantive equality.

**Occupational Safety and Health**

EPRA is highly committed to occupational safety and health (OSH) and injury management and has invested in OSH management training for 10 staff members with CGU safety services. EPRA has also purchased a Safety Management System in response to the new OSH code of conduct and many current OSH policies are under review to ensure alignment with the best practice within the Safety Management System and also the Code of conduct. These initiatives highlight EPRA’s commitment to the health and well being of its employees.

Due to EPRA being a small agency it has not received any formal staff requests to initiate a Occupational Safety and Health committee, however all hazards, areas of concern and injuries are reported to the Executive on a monthly basis with subsequent follow up actions and control measures.

EPRA maintained compliance with the injury management requirements of the Workers’ Compensation and Injury Management Act 1981.

A report of annual performance for 2007/08 against the following targets:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2007/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of fatalities</td>
<td>Zero</td>
</tr>
<tr>
<td>Lost time injury/diseases incidence rate</td>
<td>Zero</td>
</tr>
<tr>
<td>Lost time injury severity rate</td>
<td>Zero</td>
</tr>
</tbody>
</table>
Certification of Performance Indicators

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the East Perth Redevelopment Authority’s performance, and fairly represent the performance of the East Perth Redevelopment Authority for the financial year ended 30 June 2008.

Mr Stuart Hicks AO
Chairman of
Accountable Authority

Mr Milan Chetkovich
Member of
Accountable Authority

Mr Tony Morgan
Chief Executive Officer
Outcome Statement
EPRA aims to attract thousands of Western Australians back into the city to live, study, work and play.

Effectiveness Indicators
These indicators quantify how well EPRA is achieving its outcomes.

### Claisebrook Cove

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living in the area¹</td>
<td>1,247</td>
<td>1,314</td>
<td>1,314</td>
<td>1,319</td>
<td>1,440</td>
<td>2,257</td>
<td>2,257</td>
</tr>
<tr>
<td>Studying in the area</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational institutions</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>No of Students²</td>
<td>1,763</td>
<td>2,289</td>
<td>2,742</td>
<td>2,873</td>
<td>2,984</td>
<td>2,931</td>
<td>2,926</td>
</tr>
<tr>
<td>Working in the area</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Businesses &lt; 50 staff ³</td>
<td>265</td>
<td>283</td>
<td>401</td>
<td>341</td>
<td>342</td>
<td>341</td>
<td>339</td>
</tr>
<tr>
<td>Businesses &gt; 50 staff ³</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Playing in the area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visitors to public facilities ⁴</td>
<td>2,065,992</td>
<td>1,969,250</td>
<td>2,572,440</td>
<td>1,659,150</td>
<td>2,524,223</td>
<td>4,010,608</td>
<td>3,101,406</td>
</tr>
</tbody>
</table>

Key Finding
The number of people living in Claisebrook Cove is unchanged from the last financial year. Originally a large industrial site, the development of this project area is nearing completion. While the aim is to attract people to live in the area, this is not a measure which can continue to increase beyond the space available and allowable residential density. Similarly, the number of students and businesses in the area has remained fairly stable in the last financial year.

While the number of visitors to public facilities did not match the peak achieved in 2006-07, it was the second-highest figure recorded since this measure was first documented in 2002.
New Northbridge

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
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<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Living in the area</strong>¹</td>
<td>1,199</td>
<td>1,256</td>
<td>1,477</td>
<td>1,489</td>
<td>1,904</td>
<td>2,491</td>
<td>2,657</td>
</tr>
<tr>
<td><strong>Studying in the area</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational institutions</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No of Students²</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>325</td>
<td>430</td>
</tr>
<tr>
<td><strong>Working in the area</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Businesses &lt; 50 staff ³</td>
<td>115</td>
<td>112</td>
<td>116</td>
<td>97</td>
<td>97</td>
<td>98</td>
<td>228</td>
</tr>
<tr>
<td>Businesses &gt; 50 staff ³</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Playing in the area</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visitors to public facilities ⁴</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Key Finding

The number of residents continues its increasing trend, with 166 more people in the project area, a 9% increase achieved through the addition to the project area of single, multiple dwellings and mixed used residential dwellings throughout the financial year.

The number of businesses with less than 50 staff has more than doubled to 228 businesses. This is consistent with the stage of development at New Northbridge and the number of small businesses will continue to rise as construction of approved mixed use developed is completed.

There has been a pleasing increase in the number of students enrolled in the School of Print and Technology, a Central Metropolitan College of TAFE facility in the project area. Students were first enrolled at this new facility in the 2006/07 financial year. For the purpose of gathering statistics, this is not counted as an ‘Educational Institution’, as it is only one facility.

Calculations for visits to public facilities are not applicable for New Northbridge due to the inability for respondents to separate frequency of visiting this area from frequency of visiting the whole Northbridge area.
Key Performance Indicators

Riverside

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Living in the area</strong>¹</td>
<td>266</td>
<td>266</td>
<td>266</td>
<td>266</td>
<td>266</td>
<td>749</td>
<td>1021</td>
</tr>
<tr>
<td><strong>Studying in the area</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational institutions</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>No of Students²</td>
<td>1,126</td>
<td>1,148</td>
<td>1,179</td>
<td>1,186</td>
<td>1,196</td>
<td>1,202</td>
<td>1,200</td>
</tr>
<tr>
<td><strong>Working in the area</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Businesses &lt; 50 staff³</td>
<td>27</td>
<td>25</td>
<td>29</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>48</td>
</tr>
<tr>
<td>Businesses &gt; 50 staff³</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Playing in the area</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visitors to public facilities⁴</td>
<td>1,691,172</td>
<td>1,217,886</td>
<td>1,567,584</td>
<td>813,516</td>
<td>1,629,754</td>
<td>573,886</td>
<td>2,031,690</td>
</tr>
</tbody>
</table>

Key Finding

The Riverside project area has experienced an increase in its residential population, which is primarily due to a higher density of population in the area, as reported by the ABS. This figure will rise substantially as construction of residential development in the Queens Precinct is completed and other Riverside precincts are progressed.

The number of students in the area has remained very consistent since statistics gathering commenced.

The number of businesses with less than 50 staff has more than doubled in the past year, while the number of larger business has remained stable. This is indicative of the strong investor confidence being generated by the Riverside project.

The number of people playing in the area experienced its highest peak since recording began, with more than two million visitors to public facilities. This is partly due to a small increase in the number of visitors, with 30.8% of those surveyed reporting that they had visited Riverside, compared to 26.1% in the previous year. However the increase was mostly attributable to each visitor returning to the site multiple times, for an average of six times in 2007/08, compared to an average of two times the previous financial year.
Methodology Notes to Accompany Effectiveness Results

Living in the Area:
1 Results derived by multiplying the total number of residential dwellings (from EPRA data) times the average number of residents per dwelling. The average number of residents per dwelling is:
   • 2.123 in East Perth project area
   • 1.999 in New Northbridge
   • 1.994 in Riverside
   + (As indicated by 2006 Australian Bureau of Statistics census data).

Average number of residents per dwelling is always calculated with the most recently available Australian Bureau of Statistics Census Data.

Studying in the Area:
2 Institutions identified through 2008 Marketing Pro Database, followed by a telephone census with educational institutions, conducted by Synovate. Includes full-time and part-time students.

Working in the Area:
3 Number of businesses identified through 2008 Marketing Pro Database followed by a telephone census, with organisations to determine number of employees, conducted by Synovate.

Playing in the Area:
4 Synovate conducted a telephone survey of 400 adults (aged 18 years and over) in the Perth metropolitan area. ABS 2006 Census Data estimates a population of 1,099,399 adults (18+) living in the Perth metropolitan area in 2006. Telephone numbers were randomly generated from Australia on Disc, which generates household numbers by street name in geographic areas. A sample of 400 provides results with a maximum sampling accuracy of ±4.9% at the 95% confidence level. Interviewing commenced on 30th June 2008 and was completed on 5th July 2008.
**Key Performance Indicators**

**Efficiency Indicators**
These relate inputs to outputs to quantify how well EPRA is using its resources and show dollar of operating costs per dollar of land sales made, and capital works conducted, during the year.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$ per $ of:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land sales</td>
<td>0.16</td>
<td>0.105</td>
<td>0.196</td>
<td>0.275</td>
<td>0.131</td>
<td>0.195</td>
<td>0.413</td>
<td>0.334</td>
</tr>
<tr>
<td>Capital works</td>
<td>0.166</td>
<td>0.191</td>
<td>0.252</td>
<td>0.271</td>
<td>0.233</td>
<td>0.678</td>
<td>0.874</td>
<td>0.714</td>
</tr>
</tbody>
</table>

**Key Findings**

**Land Sales**
In 2007/08, for every dollar received from a land sale, it cost 41.3 cents in operating costs associated with the sales. Despite record prices per square metre being achieved throughout the year expected, overall revenues were lower in 2007/08 due to the stage reached in several of the major projects. As operating costs typically remain stable, this increases the cost per dollar received.

Although the land sales indicator has a marginal variance to the target, the change in programming of land sales was made in order to optimise triple bottom line results, although a consequence of this is that settlement has been deferred into the subsequent financial year.

**Capital Works**
There was a significant reduction in capital works during 2007/08 which influenced the higher dollar per capital works indicator of 87.4 cents. The reduction in capital works is representative of the stages reached in several of the major projects, with projects such as Riverside and The Link predominantly in the planning stage when the capital works costs are low. Again, when measured against a relatively stable operating cost base, this has the effect of driving up the cost per dollar incurred on capital works.

The capital works indicator was higher than the target as the amount spent on capital works during 2007/08 was less than budget. This reflects the reforecast program of acquisitions and capital works during the year, and resulted in a higher operating cost per dollar of capital works conducted.
Certification of Financial Statements

The accompanying financial statements of the East Perth Redevelopment Authority have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2008 and the financial position as at 30 June 2008.

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.

Mr Stuart Hicks AO
Chairman of Accountable Authority

18 August 2008

Mr Milan Chetkovich
Member of Accountable Authority

Mr Sean Henriques
Chief Finance Officer

18 August 2008

Mr Tony Morgan
Chief Executive Officer
## Income Statement

For the Year Ended 30 June 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

### INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>10,585</td>
<td>22,977</td>
</tr>
<tr>
<td>Interest revenue</td>
<td>2,900</td>
<td>1,995</td>
</tr>
<tr>
<td>Rental revenue</td>
<td>321</td>
<td>204</td>
</tr>
<tr>
<td>Other revenue</td>
<td>897</td>
<td>650</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>14,703</strong></td>
<td><strong>25,826</strong></td>
</tr>
</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales</td>
<td>5,277</td>
<td>9,549</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>3,915</td>
<td>3,112</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>2,134</td>
<td>1,973</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>191</td>
<td>152</td>
</tr>
<tr>
<td>Sales and marketing expenses</td>
<td>684</td>
<td>627</td>
</tr>
<tr>
<td>Property and estate management</td>
<td>1,274</td>
<td>1,204</td>
</tr>
<tr>
<td>Communications expense</td>
<td>157</td>
<td>382</td>
</tr>
<tr>
<td>Economic and community development</td>
<td>195</td>
<td>318</td>
</tr>
<tr>
<td>Development control expense</td>
<td>383</td>
<td>330</td>
</tr>
<tr>
<td>Loss on disposal of non-current assets</td>
<td>–</td>
<td>9</td>
</tr>
<tr>
<td>Other expenses</td>
<td>333</td>
<td>275</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>14,543</strong></td>
<td><strong>17,931</strong></td>
</tr>
</tbody>
</table>

### SURPLUS/(DEFICIT) for the period

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SURPLUS/(DEFICIT) for the period</strong></td>
<td><strong>160</strong></td>
<td><strong>7,895</strong></td>
</tr>
</tbody>
</table>

The Income Statement should be read in conjunction with the accompanying notes.
### ASSETS

#### Current Assets
- Other current assets: $0 (2008), $0 (2007)


#### Non-Current Assets
- Inventories: $37,723 (2008), $39,208 (2007)
- Property, furniture and equipment: $4,690 (2008), $4,744 (2007)
- Investment properties: $18,870 (2008), $0 (2007)


### TOTAL ASSETS

Balance Sheet continued next page.
Balance Sheet continued from previous page.

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

**LIABILITIES**

**Current Liabilities**

- Payables: 17, 1,748, 1,051
- Income in advance: 18, 59, 55
- Provisions: 19, 538, 393

**Total Current Liabilities**: 2,345, 1,498

**Non-Current Liabilities**

- Provisions: 19, 681, 599
- Other non-current liabilities: 20, 301, 28

**Total Non-Current Liabilities**: 982, 627

**TOTAL LIABILITIES**: 3,327, 2,125

**NET ASSETS**: 106,268, 87,238

**EQUITY**

- Contributed equity: 21, 21,890, 3,020
- Capital reserve: 10,338, 10,338
- Asset revaluation reserve: 1,694, 1,694
- Retained earnings: 72,346, 72,186

**TOTAL EQUITY**: 106,268, 87,238

The Balance Sheet should be read in conjunction with the accompanying notes.
Statement of Changes in Equity  For the Year Ended 30 June 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance of equity at start of period</strong></td>
<td>87,238</td>
<td>78,511</td>
</tr>
<tr>
<td><strong>CONTRIBUTED EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at start of period</td>
<td>3,020</td>
<td>3,020</td>
</tr>
<tr>
<td>Contribution By Owners</td>
<td>18,870</td>
<td>–</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>21,890</td>
<td>3,020</td>
</tr>
<tr>
<td><strong>RESERVES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Revaluation Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at start of period</td>
<td>1,694</td>
<td>729</td>
</tr>
<tr>
<td>Gains/(losses) from asset revaluation</td>
<td>–</td>
<td>965</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>1,694</td>
<td>1,694</td>
</tr>
<tr>
<td>Capital Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at start of period</td>
<td>10,338</td>
<td>10,338</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>10,338</td>
<td>10,338</td>
</tr>
<tr>
<td><strong>RETAINED EARNINGS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at start of period</td>
<td>72,186</td>
<td>64,291</td>
</tr>
<tr>
<td>Surplus/(deficit) for the period</td>
<td>160</td>
<td>7,895</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>72,346</td>
<td>72,186</td>
</tr>
<tr>
<td><strong>Balance of equity at end of period</strong></td>
<td>21</td>
<td>106,268</td>
</tr>
<tr>
<td><strong>Total income and expense for the period</strong></td>
<td>160</td>
<td>8,860</td>
</tr>
</tbody>
</table>

(a) The aggregate net amount attributable to each category of equity is: profit $160,000 (2007: Profit of $7,895,000 plus gains from asset revaluations $965,000)

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.
An annual report for the years 2007-2008 is presented. It includes a cash flow statement for the year ended 30 June 2008. The report details cash flows from operating activities, investing activities, and financing activities. The statement is accompanied by notes and should be read in conjunction with the accompanying notes.
1. **Australian equivalents to International Financial Reporting Standards**

**General**

The Authority’s financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Authority has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

**Early adoption of standards**

The Authority cannot early adopt an Australian Accounting Standard or Interpretation unless specifically permitted by TI 1101 ‘Application of Australian Accounting Standards and Other Pronouncements’. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Authority for the annual reporting period ended 30 June 2008.

2. **Summary of significant accounting policies**

(a) **General Statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer’s instructions. Several of these are modified by the Treasurer’s instructions to vary application, disclosure, format and wording.

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

Where modification is required and has 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, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

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

(c) **Reporting Entity**

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

(d) **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:
Notes to the Financial Statements For the Year Ended 30 June 2008

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

• Sale of goods (other than land)
Revenue from the disposal of other assets is recognised when the Authority has passed control of the asset.

• Provision of services or goods
Revenue is recognised on delivery of the services or goods to the customer.

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

• Interest
Revenue is recognised as the interest accrues.

• Rental Revenue
The Authority receives rental income in relation to certain buildings leased within the redevelopment area. Rental income is due on the first day of each month and all amounts are settled within seven days. Revenues are recognised for rental income when it becomes due and payable to the Authority.

Gains
Gains may be realised or unrealised and 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.

(e) Property, Furniture and Equipment

Capitalisation/Expensing of assets:
Items of property, furniture and equipment costing over $5,000 are recognised as assets and the cost of utilising assets are depreciated over their estimated useful lives. Items of property, furniture and equipment costing less than $5,000 are expensed directly to the Income Statement.

Initial recognition and measurement:
All items of property, furniture and equipment are initially recognised at cost.

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

Subsequent measurement:
After recognition as an asset, the Authority uses the revaluation model for the measurement of land and buildings and the cost model for all other property, furniture and equipment. Land and buildings are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, furniture and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Where market evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market evidence is not available, 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 written-down current replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

The revaluation of land and buildings is an independent valuation provided on a three year basis (or earlier when required) by the Colliers International (Valuation Services).

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets. Professional judgment by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Refer to note 13 ‘Property, furniture and equipment’ for further information on revaluations.

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.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>40 Years</td>
</tr>
<tr>
<td>Office Furniture and Equipment</td>
<td>7-8 Years</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>4 Years</td>
</tr>
</tbody>
</table>

(f) Intangible Assets

Capitalisation/Expensing of assets:
Acquisitions of intangible assets costing over $5,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred of less than $5,000 are immediately expensed directly to the Income Statement.

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

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

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.

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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>3 Years</td>
</tr>
</tbody>
</table>

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

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

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

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 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 each reporting date.

(h) Leases
The Authority holds operating leases for motor vehicles where the lessor effectively retains all of the risks and benefits incident to ownership of the motor vehicles held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased motor vehicles.

(i) Financial Instruments
The Authority has two categories of financial instrument:
- Loans and receivables (includes cash and cash equivalents, receivables, term deposits);
- Non-trading financial liabilities (payables)

These have been disaggregated into the following classes:
- Financial Assets
  - Cash and cash equivalents
  - Receivables
- Financial Liabilities
  - Payables
  - Income in Advance
  - Employee Benefits
  - Other Liabilities

Initial recognition and measurement is at fair value. The transaction cost or face value is equivalent to the fair 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.

(j) Cash and Cash Equivalents
For the purpose of the Cash Flow Statement, cash and cash equivalents include restricted cash and cash equivalents. These include 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.

(k) Inventories
Inventories are valued at the lower of cost and net realisable value. Inventories consist of developed land, capital works and undeveloped land. See note 10 ‘Inventories’

(l) Receivables
Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect its debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(i) ‘Financial Instruments’ and note 11 ‘Receivables’.

(m) Payables
Payables are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services at the amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

See note 2(i) ‘Financial Instruments and note 17 ‘Payables’.

(n) Provisions
Provisions are liabilities of uncertain timing and amount. The Authority only recognises a provision where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. See note 19 ‘Provisions’.

(n)(i) Provisions – Employee Benefits
Annual Leave and Long Service Leave
The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting date 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 reporting date.

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 to present value using market yields at the reporting date 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 date.

PriceWaterhouseCoopers performed an actuarial assessment of long service leave for the year ended 30 June 2008.

**Superannuation**

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. Employees who are not members of either of this scheme become non-contributory members of the West State Superannuation Scheme (WSS), an accumulation fund. The Authority contributes to this accumulation fund in compliance with the Commonwealth Government’s *Superannuation Guarantee (Administration)* Act 1992.

The Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS Scheme are defined benefit schemes. These benefits are wholly unfunded and the liabilities for future payments are provided for at reporting date. The liabilities under these schemes have been calculated separately for each scheme annually by Mercers Human Resource Consulting Actuaries using the projected unit credit method.

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

The GSS Scheme and the WSS Scheme, where the current service superannuation charge is paid by the Authority to the GESB, are defined contribution schemes. The liabilities for current service superannuation charges under the GSS Scheme and WSS Scheme are extinguished by the concurrent payment of employer contributions to the GESB.

The Gold State Superannuation Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, from an agency perspective, apart from the transfer benefits, it is a defined contribution plan under AASB 119.

See also note 2(o) ‘Superannuation expense’.

**(n)(ii) Provisions – Other Employment On Costs**

Employment on-costs, including workers’ compensation insurance and payroll tax, 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 not included as part of the Authority’s ‘Employee benefits expense’ and the related liability is included in Employment on-costs provision. See ‘Other expenses’ and note 18 ‘Provisions’.

**(o) Superannuation Expense**

The superannuation expense of the defined benefit plans is made up of the following elements:

- Current service cost;
- Interest cost (unwinding of the discount);
- Actuarial gains and losses; and
- Past service cost.

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

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

See also note 2(n)(i) ‘Provisions – Employee Benefits’ under Superannuation.
(p) Accrued Salaries
Accrued salaries (refer note 19 ‘Other liabilities’) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to the net fair value.

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

(r) Investment Property
Investment property, principally comprising freehold land and buildings, is held for long-term rental yields and is not occupied by the Authority. 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 income statement as part of other income.

(s) Rental Income
Rental income arising on investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

3. Disclosure of changes in accounting policy

(a) Voluntary changes in Accounting Policy
There has been no voluntary changes in accounting policies.

(b) Future impact of Australian Accounting Standards not yet operative
The Authority cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 ‘Application of Australian Accounting Standards and Other Pronouncements’. Consequently, the Authority has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. Where applicable, the Authority plans to apply these Standards and Interpretations from their application date:
Title

AASB 101 ‘Presentation of Financial Statements’ (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from nonowner changes in equity. The Authority does not expect any financial impact when the Standard is first applied. 1 January 2009

Review of AAS 27 ‘Financial Reporting by Local Governments’, 29 ‘Financial Reporting by Government Departments’ and 31 ‘Financial Reporting by Governments’. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:

AASB 1004 ‘Contributions’ (December 2007). 1 July 2008
AASB 1050 ‘Administered Items’ (December 2007). 1 July 2008
AASB 1051 ‘Land Under Roads’ (December 2007). 1 July 2008
AASB 1052 ‘Disaggregated Disclosures’ (December 2007). 1 July 2008
Interpretation 1038 ‘Contributions by Owners Made to Wholly-Owned Public Sector Entities (revised) (December 2007). 1 July 2008

The following Australian Accounting Standards and Interpretations are not applicable to the Authority as they will have no impact or do not apply to not-for-profit entities:
Notes to the Financial Statements For the Year Ended 30 June 2008

Title

AASB 3 ‘Business Combinations’ (March 2008)
AASB 123 ‘Borrowing Costs’ (June 2007). This Standard has been revised to mandate the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assets. The Authority already capitalises borrowing costs directly attributable to buildings under construction, therefore, this will be no impact on the financial statements when the Standard is first applied. Agencies presently expensing such borrowing costs will need to report the impact.

AASB 1049 ‘Whole of Government and General Government Sector Financial Reporting’

AASB 2007-2 ‘Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]’ – paragraphs 1 to 8

AASB 2007-3 ‘Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]’

AASB 2007-6 ‘Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]’

AASB 2007-8 ‘Amendments to Australian Accounting Standards arising from AASB 101’

AASB 2008-3 ‘Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138, 139 and Interpretations 9 & 107]’


AASB 2009-1 ‘Amendments to Australian Accounting Standards arising from AASB 3 and AASB 2008-3 [AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138, 139, 140, 141, 142 and Interpretations 9 & 107]’

AASB 2009-2 ‘Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 121, AASB 127, AASB 131 & AASB 139]’

AASB 2009-3 ‘Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 127, AASB 131 & AASB 139]’

AASB 2009-4 ‘Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 127, AASB 131 & AASB 139]’

Operative for reporting periods beginning on/after

1 July 2009
1 January 2009
1 July 2008
1 January 2008
1 January 2009
1 January 2009
1 January 2009
1 July 2009
## Notes to the Financial Statements

**For the Year Ended 30 June 2008**

### 4. Trading profit

<table>
<thead>
<tr>
<th></th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>10,585</td>
<td>22,977</td>
</tr>
<tr>
<td>Cost of Sales:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening inventory</td>
<td>(41,597)</td>
<td>(40,941)</td>
</tr>
<tr>
<td>Purchases</td>
<td>(4,786)</td>
<td>(10,205)</td>
</tr>
<tr>
<td></td>
<td>(46,383)</td>
<td>(51,146)</td>
</tr>
<tr>
<td>Closing inventory</td>
<td>41,106</td>
<td>41,597</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>(5,277)</td>
<td>(9,549)</td>
</tr>
<tr>
<td><strong>Trading Profit</strong></td>
<td>5,307</td>
<td>13,428</td>
</tr>
</tbody>
</table>

See note 2(k) ‘Inventories’ and note 10 ‘Inventories’

### 5. Interest revenue

<table>
<thead>
<tr>
<th></th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Revenue</td>
<td>2,900</td>
<td>1,995</td>
</tr>
<tr>
<td></td>
<td><strong>2,900</strong></td>
<td><strong>1,995</strong></td>
</tr>
</tbody>
</table>

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

### 6. Employee benefits expense

<table>
<thead>
<tr>
<th></th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries (a)</td>
<td>3,253</td>
<td>2,694</td>
</tr>
<tr>
<td>Superannuation – defined contribution plans</td>
<td>296</td>
<td>248</td>
</tr>
<tr>
<td>Superannuation – defined benefit plans (see note 18)</td>
<td>81</td>
<td>108</td>
</tr>
<tr>
<td>Long Service Leave (b)</td>
<td>87</td>
<td>(81)</td>
</tr>
<tr>
<td>Annual Leave (b)</td>
<td>56</td>
<td>5</td>
</tr>
<tr>
<td>Other related expenses</td>
<td>141</td>
<td>138</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,915</strong></td>
<td><strong>3,112</strong></td>
</tr>
</tbody>
</table>

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component

(b) Includes a superannuation contribution component
Notes to the Financial Statements For the Year Ended 30 June 2008

7. Supplies and Services

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants and contractors</td>
<td>718</td>
<td>538</td>
</tr>
<tr>
<td>Building occupancy</td>
<td>126</td>
<td>129</td>
</tr>
<tr>
<td>General Office Expenses</td>
<td>667</td>
<td>591</td>
</tr>
<tr>
<td>Other Supplies and Services</td>
<td>623</td>
<td>715</td>
</tr>
<tr>
<td></td>
<td><strong>2,134</strong></td>
<td><strong>1,973</strong></td>
</tr>
</tbody>
</table>

8. Depreciation and amortisation expense

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings (Property, Plant and Equipment)</td>
<td>77</td>
<td>65</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>28</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total depreciation</strong></td>
<td><strong>125</strong></td>
<td><strong>120</strong></td>
</tr>
</tbody>
</table>

(a) A large proportion of the depreciation expense relates to depreciation of the Lindsay St building.

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amortisation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>65</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total amortisation</strong></td>
<td><strong>65</strong></td>
<td><strong>32</strong></td>
</tr>
<tr>
<td><strong>Total depreciation and amortisation</strong></td>
<td><strong>191</strong></td>
<td><strong>152</strong></td>
</tr>
</tbody>
</table>
### 9. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
</tr>
<tr>
<td>Bank account</td>
<td>4,903</td>
</tr>
<tr>
<td>Short term deposits/at call funds</td>
<td>39,295</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>44,197</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2007</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11,830</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30,801</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>42,632</td>
</tr>
</tbody>
</table>

The term deposits mature on a monthly or a three monthly basis and are bearing fixed interest rates between 6.27% and 7.63% (2007: 5.79% and 6.16%) and the at call funds are bearing floating interest rates between 4.35% and 4.85% (2007: 5.12% and 6.42%)

### 10. Inventories

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Current</td>
<td>3,384</td>
<td>2,389</td>
</tr>
<tr>
<td>Non-current</td>
<td>37,723</td>
<td>39,208</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>41,106</td>
<td>41,597</td>
</tr>
</tbody>
</table>

#### Current

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed Land (at cost)</td>
<td>3,384</td>
<td>2,389</td>
</tr>
</tbody>
</table>

The following represents the transfers to and from developed land inventories:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July (at cost)</td>
<td>2,389</td>
<td>4,842</td>
</tr>
<tr>
<td>Transferred from undeveloped land (excluding lots repurchased)</td>
<td>4,011</td>
<td>2,885</td>
</tr>
<tr>
<td>Transferred from capital works in progress</td>
<td>2,261</td>
<td>4,020</td>
</tr>
<tr>
<td>Transferred to cost of sales</td>
<td>(5,277)</td>
<td>(9,549)</td>
</tr>
<tr>
<td>Lots repurchased</td>
<td>–</td>
<td>191</td>
</tr>
<tr>
<td>Balance at 30 June (at cost)</td>
<td>3,384</td>
<td>2,389</td>
</tr>
</tbody>
</table>
10. Inventories (continued)

Non-Current

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Works (at cost)</td>
<td>31,169</td>
<td>28,840</td>
</tr>
<tr>
<td>Undeveloped Land (at cost)</td>
<td>6,553</td>
<td>10,368</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>37,723</strong></td>
<td><strong>39,208</strong></td>
</tr>
</tbody>
</table>

The following represents capital works undertaken, offset by components transferred to developed land inventories:

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July</td>
<td>28,840</td>
<td>27,677</td>
</tr>
<tr>
<td>Additional works</td>
<td>4,590</td>
<td>5,183</td>
</tr>
<tr>
<td>Less transfers to developed land</td>
<td>(2,261)</td>
<td>(4,020)</td>
</tr>
<tr>
<td><strong>Balance at 30 June (at cost)</strong></td>
<td><strong>31,169</strong></td>
<td><strong>28,840</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July</td>
<td>10,368</td>
<td>8,422</td>
</tr>
<tr>
<td>Cost of land acquired commercially</td>
<td>195</td>
<td>5,021</td>
</tr>
<tr>
<td>Less transfers to developed land</td>
<td>(4,011)</td>
<td>(3,076)</td>
</tr>
<tr>
<td>Add transfers from Property, Furniture and Equipment</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Balance at 30 June (at cost)</strong></td>
<td><strong>6,553</strong></td>
<td><strong>10,368</strong></td>
</tr>
</tbody>
</table>

Included in inventories, Undeveloped Land, is land leased to external parties, pending redevelopment. The gross amount of leased land at 30 June 2008 is $396,848 (2007: $1,403,699).

Inventories are recorded at the lower of cost and net realisable value. An internal valuation of Developed Land at market value and Capital Works in Progress and Undeveloped Land at current use value as at 30 June 2008 amounted to $44.223 (net realisable value) (2007: $47.708 million). The cost of the inventories amounted to $41.106 million (2007: $41.596 million). The internal valuations have been determined taking into account advice from external valuers, and both internal and external property advisors.
### 11. Receivables

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>139</td>
<td>89</td>
</tr>
<tr>
<td>Provision for impairment of receivables (note (a))</td>
<td>(33)</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>105</td>
<td>89</td>
</tr>
<tr>
<td>Other receivables (note (b))</td>
<td>300</td>
<td>255</td>
</tr>
<tr>
<td></td>
<td>406</td>
<td>344</td>
</tr>
<tr>
<td>1 to 3 months</td>
<td>65</td>
<td>76</td>
</tr>
<tr>
<td>3 to 6 months</td>
<td>40</td>
<td>13</td>
</tr>
<tr>
<td>Over 6 months</td>
<td>33</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>139</td>
<td>89</td>
</tr>
</tbody>
</table>

(a) Impaired trade receivables

There were no impaired trade receivables for EPRA in 2007.

Movements in the provision for impairment of receivables are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 July</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Provision for impairment recognised during the year</td>
<td>(33)</td>
<td>–</td>
</tr>
<tr>
<td>Receivables written off during the year as uncollectible (i)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>(33)</td>
<td>–</td>
</tr>
</tbody>
</table>

(i) No receivables have been written off as at 30 June 2008 as the organisation is continuing to seek recovery of these debts.

(b) Other receivables

The amount relates to interest accrued on the treasury investment for the last three months of the financial year.

Interest is earned on the deposit at a rate of 7.63% p.a. on the principal amount of $15,808k.
### 12. Other Current Assets

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>–</td>
<td>13</td>
</tr>
</tbody>
</table>

### 13. Property, furniture and equipment

#### Land

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Lindsay Street at fair value (a)</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,500</td>
<td>1,500</td>
</tr>
</tbody>
</table>

#### Buildings

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Lindsay Street at fair value (a)</td>
<td>3,110</td>
<td>3,050</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(77)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,033</td>
<td>3,050</td>
</tr>
</tbody>
</table>

#### Office furniture and equipment

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At cost</td>
<td>179</td>
<td>430</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(59)</td>
<td>(315)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>120</td>
<td>115</td>
</tr>
</tbody>
</table>

#### Computer equipment

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At cost</td>
<td>119</td>
<td>392</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(82)</td>
<td>(313)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37</td>
<td>79</td>
</tr>
</tbody>
</table>

### Total Property, Furniture and Equipment

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>4,690</td>
<td>4,744</td>
</tr>
</tbody>
</table>

(a) Land and buildings were revalued as at 30 June 2007 by Landgate (Valuation Services). The fair value of all land and buildings has been determined by reference to recent market transactions.
13. Property, furniture and equipment (continued)

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

<table>
<thead>
<tr>
<th>For the year ended 30-June-2008</th>
<th>Land $'000</th>
<th>Buildings $'000</th>
<th>Office Furniture and Equipment $'000</th>
<th>Computer Equipment $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at the start of the year</td>
<td>1,500</td>
<td>3,050</td>
<td>115</td>
<td>79</td>
<td>4,744</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>–</td>
<td>26</td>
<td>–</td>
<td>85</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Depreciation</td>
<td>–</td>
<td>(77)</td>
<td>(21)</td>
<td>(28)</td>
<td>(125)</td>
</tr>
<tr>
<td>Transfers (a)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(14)</td>
<td>(14)</td>
</tr>
<tr>
<td>Write-off</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Valuation Increments</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Change in accounting policy</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Carrying amount at the end of the year</td>
<td>1,500</td>
<td>3,033</td>
<td>120</td>
<td>37</td>
<td>4,690</td>
</tr>
</tbody>
</table>

(a) An amount of 14K was transferred to Software. Refer to Intangibles note 14.
Notes to the Financial Statements For the Year Ended 30 June 2008

13. Property, furniture and equipment (continued)

For the year ended 30-June-2007

<table>
<thead>
<tr>
<th></th>
<th>Land $'000</th>
<th>Buildings $'000</th>
<th>Office Furniture and Equipment $'000</th>
<th>Computer Equipment $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at the start of the year</td>
<td>1,060</td>
<td>2,590</td>
<td>136</td>
<td>8</td>
<td>3,873</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>–</td>
<td>8</td>
<td>26</td>
<td>34</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Depreciation</td>
<td>–</td>
<td>(65)</td>
<td>(21)</td>
<td>(34)</td>
<td>(120)</td>
</tr>
<tr>
<td>Write-off</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Valuation Increments</td>
<td>440</td>
<td>525</td>
<td>–</td>
<td>–</td>
<td>965</td>
</tr>
<tr>
<td>Change in accounting policy</td>
<td>–</td>
<td>–</td>
<td>(8)</td>
<td>–</td>
<td>(8)</td>
</tr>
<tr>
<td>Carrying amount at the end of the year</td>
<td>1,500</td>
<td>3,050</td>
<td>115</td>
<td>79</td>
<td>4,744</td>
</tr>
</tbody>
</table>

14. Non-current assets – Investment properties

At Fair value

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance at 1 July</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>18,870</td>
<td>–</td>
</tr>
<tr>
<td>Capitalised subsequent expenditure</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Classified as held for sale or disposals</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net gain (loss) from fair value adjustment</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Transfer (to) from inventories and owner occupied property</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Closing balance at 30 June</td>
<td>18,870</td>
<td>–</td>
</tr>
</tbody>
</table>

See note 21 ‘Equity’
14. Non-current assets – Investment properties (continued)

(a) Amounts recognised in profit and loss for investment properties

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental income</td>
<td>294</td>
<td>–</td>
</tr>
<tr>
<td>Direct operating expenses from property that generated rental income</td>
<td>40</td>
<td>–</td>
</tr>
</tbody>
</table>

Non-current assets – Investment properties (continued)

(b) 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 2008 revaluations were based on independent assessments made by a member of the Australian Property Institute (Colliers International).

15. Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software at cost</td>
<td>454</td>
<td>95</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(128)</td>
<td>(62)</td>
</tr>
<tr>
<td>Accumulated impairment losses</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Change in accounting policy</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Reconciliation:

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at start of year</td>
<td>33</td>
<td>65</td>
</tr>
<tr>
<td>Additions</td>
<td>345</td>
<td>2</td>
</tr>
<tr>
<td>Transfers in</td>
<td>14</td>
<td>–</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Amortisation expense</td>
<td>(65)</td>
<td>(32)</td>
</tr>
<tr>
<td>Change in accounting policy</td>
<td>–</td>
<td>(2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>326</td>
<td>33</td>
</tr>
</tbody>
</table>

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were $231,100 in intangible assets that were not yet available for use. The amount relates to the Objective Management System which will be available for use in the next financial year. Cheops Financial System and the records management system accounts for 92k and 3k of intangible assets which is currently being utilised by EPRA.
16. Impairment of assets
There were no indications of impairment to property, furniture, equipment and intangible assets at 30 June 2008.

17. Payables
<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>643</td>
<td>400</td>
</tr>
<tr>
<td>GST payable to the Australian Taxation Office</td>
<td>19</td>
<td>545</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>1085</td>
<td>105</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1748</td>
<td>1051</td>
</tr>
</tbody>
</table>

See also note 2(m) ‘Payables’ and note 25 ‘Financial Instruments’.

18. Income in advance
<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subiaco Redevelopment Authority – Corporate Service Fee</td>
<td>58</td>
<td>39</td>
</tr>
<tr>
<td>Rental Revenue</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>Sundry income</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>59</td>
<td>55</td>
</tr>
</tbody>
</table>

### Current
Employee benefits provision:
- Annual leave (a) 268 201
- Long service leave (b) 205 149
- Superannuation 37 26

Other provisions
- Employment on-costs (c) 27 17

**Total Current** 538 393

### Non-Current
Employee benefits provision:
- Long service leave (b) 132 130
- Superannuation 8 10
- Defined benefit superannuation plans (d) 532 451

Other provisions
- Employment on-costs (c) 8 8

**Total Non-Current** 681 599
19. Provisions (continued)
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 12 months of reporting date</td>
<td>203</td>
<td>159</td>
</tr>
<tr>
<td>More than 12 months after reporting date</td>
<td>65</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>268</td>
<td>201</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 12 months of reporting date</td>
<td>89</td>
<td>71</td>
</tr>
<tr>
<td>More than 12 months after reporting date</td>
<td>248</td>
<td>208</td>
</tr>
<tr>
<td>Total</td>
<td>337</td>
<td>279</td>
</tr>
</tbody>
</table>

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers’ compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense is included in ‘Other expenses’.
19. Provisions (continued)
(d) Defined benefit superannuation plans

The amounts recognised in the Income Statement are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Pension Scheme</th>
<th>Pre-transfer benefit – Gold State Superannuation Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008 $'000</td>
<td>2007 $'000</td>
</tr>
<tr>
<td>Current service cost</td>
<td>17</td>
<td>45</td>
</tr>
<tr>
<td>Interest cost (unwinding of the discount)</td>
<td>27</td>
<td>20</td>
</tr>
<tr>
<td>Net actuarial loss/(gain) recognised</td>
<td>37</td>
<td>45</td>
</tr>
<tr>
<td>Total included in ‘Employee benefits expense’ (see Note 6)</td>
<td>81</td>
<td>110</td>
</tr>
</tbody>
</table>

The amounts recognised in the Balance Sheet are as follows:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of unfunded obligations</td>
<td>532</td>
<td>451</td>
</tr>
<tr>
<td>Liability in the balance sheet</td>
<td>532</td>
<td>451</td>
</tr>
</tbody>
</table>

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

Reconciliation of the unfunded liability recognised in the balance sheet is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability at start of year</td>
<td>451</td>
<td>341</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Current service cost</td>
<td>17</td>
<td>45</td>
<td>0</td>
<td>–</td>
</tr>
<tr>
<td>Interest costs (unwinding of the discount)</td>
<td>27</td>
<td>20</td>
<td>0</td>
<td>–</td>
</tr>
<tr>
<td>Net actuarial losses/(gains) recognised</td>
<td>37</td>
<td>45</td>
<td>0</td>
<td>(2)</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>–</td>
<td>–</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Liability at the end of year</td>
<td>532</td>
<td>451</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
19. Provisions (continued)

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

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>6.64%</td>
<td>7.50%</td>
<td>5.81%</td>
</tr>
<tr>
<td>Future salary increases</td>
<td>4.50%</td>
<td>4.50%</td>
<td>4.50%</td>
</tr>
</tbody>
</table>

Historic summary

Pension scheme:
- Present value of unfunded obligation: $532,000, $451,000, $341,000
- Fair value of plan assets: $0, $0, $0
- Deficit: $532,000, $451,000, $341,000

Pre-transfer benefit – Gold State Superannuation Scheme:
- Present value of unfunded obligation: $0, $0, $2,000
- Fair value of plan assets: $0, $0, $0
- Deficit: $0, $0, $2,000

Experience adjustments arising on plan liabilities:
- Pension scheme: $121,000, $78,000, $388,000
- Pre-transfer benefit – Gold State Superannuation Scheme: $0, $(2,000), $4,000

The historic summary is to present information for the current reporting period and the previous four reporting periods. AASB 1 allows an exemption to apply this requirement on a prospective basis from 2006.
19. Provisions (continued)

Pension Scheme
The Pension Scheme is a unit-based scheme. The level of pension payable is determined by the number of units purchased, the length of service and the final salary of the member. The employer liability is funded only on the emergence of a member’s pension benefit entitlement and is recouped by the Government Employees Superannuation Board fortnightly following the payment of each pension.

No employer contributions are expected to be paid to the Pension Scheme for the year ending 30 June 2008.

Gold State Superannuation Scheme
The Gold State Superannuation Scheme is a lump sum scheme. The Authority is required under the State Superannuation Regulations 2001 to make concurrent employer contributions direct to the Scheme in respect of contributory members who are the Authority’s employees.

The employer contribution rate for 2007-08 for contributory members was 12% (2006-07: 12%) of a member’s salary, based on a 5% member contribution. The employer contribution rate is proportionately less or more where members elect a contribution rate of 3%, 4%, 6% or 7% of salary.

In respect of those members who transferred their membership from the Pension Scheme, the employer liability in relation to service or period of employment constituted as service for the purposes of the Superannuation and Family Benefits Act 1938, is calculated at a rate of 12% of final average salary for each year of such service, based upon a 5% member’s average contribution rate to the scheme (this rate is proportionately less where a member’s average contribution rate is less than 5%). This employer liability becomes payable on the payment of the benefit to the member.

No employer contributions are expected to be paid to the Gold State Superannuation Scheme for the year ending 30 June 2008.

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking fund contribution (a)</td>
<td>301</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>301</td>
<td>28</td>
</tr>
</tbody>
</table>

(a) This represents cash in lieu of parking spaces as required under the East Perth Redevelopment Scheme. The funds are to be used to provide public facilities.
### 21. Equity

**Contributed equity**

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the start of the year</td>
<td>3,020</td>
<td>3,020</td>
</tr>
<tr>
<td>Capital Contribution</td>
<td>18,870</td>
<td>–</td>
</tr>
<tr>
<td><strong>Balance at end of year</strong></td>
<td><strong>21,890</strong></td>
<td><strong>3,020</strong></td>
</tr>
</tbody>
</table>

The Authority undertook stabilisation of the East Perth Power Station building with contributions from the Government of Western Australia in 2003-04 and Western Power in 2004-05. The Government’s contribution of $3.02m was in the form of a non-repayable capital appropriation and in accordance with Treasurer’s Instruction 955, has been designated as contributions by owners. During 2007-2008, The State of Western Australia acting through the Minister Planning & Infrastructure transferred to EPRA $18.87m in land and buildings.

### Reserves

**– Capital Reserve**

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at start of year</td>
<td>10,338</td>
<td>10,338</td>
</tr>
<tr>
<td>Movements during the year</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Balance at end of year</strong></td>
<td><strong>10,338</strong></td>
<td><strong>10,338</strong></td>
</tr>
</tbody>
</table>

In February 1996, Treasurer’s Instruction 1102 was issued requiring certain items previously treated as capital injection to be reclassified as revenue. These items were recognised in 1997-98 as a capital reserve constituting receipts and returns of capital in relation to the following items:

**Commonwealth grant under the Building Better Cities program**

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government land grants–adjustment for Westrail land purchase in 2002</td>
<td>17,748</td>
<td>17,748</td>
</tr>
<tr>
<td>Government cash injections</td>
<td>12,500</td>
<td>12,500</td>
</tr>
<tr>
<td>State Energy Commission – environmental decontamination</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Book value of public assets vested in City of Perth 1996-97</td>
<td>(47,797)</td>
<td>(47,797)</td>
</tr>
<tr>
<td>Book value of public assets vested in City of Perth 2001-02</td>
<td>(19,191)</td>
<td>(19,191)</td>
</tr>
<tr>
<td><strong>Total Capital reserve</strong></td>
<td><strong>10,338</strong></td>
<td><strong>10,338</strong></td>
</tr>
</tbody>
</table>
21. Equity (continued)

Asset Revaluation Reserve

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at start of year</td>
<td>1,694</td>
<td>729</td>
</tr>
</tbody>
</table>

Net revaluation increments/(decrements):

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land &amp; Buildings</td>
<td>–</td>
<td>965</td>
</tr>
</tbody>
</table>

Balance at end of year

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,694</td>
<td>1,694</td>
</tr>
</tbody>
</table>

Retained Earnings

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at start of year</td>
<td>72,186</td>
<td>64,291</td>
</tr>
<tr>
<td>Result for the period</td>
<td>160</td>
<td>7,895</td>
</tr>
</tbody>
</table>

Balance at end of year

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>72,346</td>
<td>72,186</td>
</tr>
</tbody>
</table>

22. Notes to the Cash Flow Statement

Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance sheet as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>44,197</td>
<td>42,632</td>
</tr>
</tbody>
</table>

|                        | 44,197     | 42,632     |
22. Notes to the Cash Flow Statement (continued)

Reconciliation of surplus/(deficit) to net cash flows provided by/(used in) operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 ($'000)</th>
<th>2007 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus</td>
<td>160</td>
<td>7,895</td>
</tr>
<tr>
<td>Non-cash items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>191</td>
<td>152</td>
</tr>
<tr>
<td>Net (gain)/loss on sale of property, furniture and equipment</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>(Increase) / decrease in assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>(61)</td>
<td>(59)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>13</td>
<td>71</td>
</tr>
<tr>
<td>Inventory charged to Cost of Sales</td>
<td>5,277</td>
<td>9,549</td>
</tr>
<tr>
<td>Increase / (decrease) in liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>322</td>
<td>122</td>
</tr>
<tr>
<td>Current provisions</td>
<td>149</td>
<td>64</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>439</td>
<td>(307)</td>
</tr>
<tr>
<td>Non-current provisions</td>
<td>355</td>
<td>111</td>
</tr>
<tr>
<td>Change in GST in receivable/payables</td>
<td>(526)</td>
<td>(180)</td>
</tr>
<tr>
<td>Net cash provided by / (used in) operating activities</td>
<td>6,318</td>
<td>17,427</td>
</tr>
</tbody>
</table>

23. Commitments

Capital expenditure commitments

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

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 ($'000)</th>
<th>2007 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>2,370</td>
<td>7,096</td>
</tr>
<tr>
<td>Later than 1 year and not later than 5 years</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>2,370</td>
<td>7,096</td>
</tr>
</tbody>
</table>
23. Commitments (continued)

Lease commitments
Commitment 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:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>39</td>
<td>31</td>
</tr>
<tr>
<td>Later than 1 year and not later than 5 years</td>
<td>72</td>
<td>31</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>110</td>
<td>62</td>
</tr>
</tbody>
</table>

24. Contingent liabilities

In addition to the liabilities included in the financial statements, there are the following contingent liabilities:

Contamination Management
The Authority is obligated to manage the contamination of the East Perth Gas-Works site and adjacent areas of the Swan River by direction from the Minister for the Environment. There is a contamination management strategy in place which is working satisfactorily. It is not possible to reliably estimate the potential financial effect of any claims should a contamination event occur in the future.

25. Explanatory Statement

This statement provides details of any significant variations between estimates and actual results for 2008 and between the actual results for 2007 and 2008. Significant variations are considered to be those greater than 10% and $500,000.

Significant variances between estimate and actual results for the financial year

<table>
<thead>
<tr>
<th></th>
<th>2008 Actual $'000</th>
<th>2008 Estimates $'000</th>
<th>Variance $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Revenue</td>
<td>10,585</td>
<td>18,792</td>
<td>(8,207)</td>
</tr>
<tr>
<td>Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>5,277</td>
<td>12,207</td>
<td>(6,931)</td>
</tr>
</tbody>
</table>
25. Explanatory Statement (continued)

Sales Revenue:
Sales revenue was lower than the estimate due to the deferral of settlement for certain sites into the following financial year. This was partly offset by higher than estimated revenues on all sites sold during the year.

Cost of Sales:
Cost of sales were lower than estimate due to the deferral of settlement for certain sites into the following financial year.

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

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Revenue</td>
<td>10,585</td>
<td>22,977</td>
<td>(12,393)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>5,277</td>
<td>9,549</td>
<td>(4,272)</td>
</tr>
</tbody>
</table>

Sales Revenue:
Sales revenues decreased in 2007-08 as a result of the stage in the project lifecycle. The majority of sales have occurred in previous years, with the current or future years representing a minimal number of remaining lots.

Cost of Sales:
Cost of Sales decreased in 2007-08 as a result of lower number of lots sold due to the project lifecycle.

26. Financial Instruments

(a) Financial Risk Management Objectives and Policies
Financial instruments held by the Authority are cash and cash equivalents, at-call, short term deposits, receivables and payables. The Authority has limited exposure to financial risks. The Authority’s overall risk management program focuses on managing the risks identified as follows.
26. Financial Instruments (continued)

**Credit risk**
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. There are no significant concentrations of credit risk.

**Liquidity risk**
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.

**Cash flow interest rate risk**
The Authority is not exposed to significant interest rate risks. The Authority has no borrowings so the only exposure to interest rate risk is the variable interest rates of cash deposits and at-call accounts.

**Market risk**
The Authority does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of Financial Instruments
In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4,903</td>
<td>11,831</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>39,295</td>
<td>30,801</td>
</tr>
<tr>
<td>Receivables(i)</td>
<td>406</td>
<td>344</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>1,748</td>
<td>1,051</td>
</tr>
<tr>
<td>Income in advance</td>
<td>59</td>
<td>55</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>1,219</td>
<td>992</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>301</td>
<td>133</td>
</tr>
</tbody>
</table>

(i) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).
26. Financial Instruments (continued)

(c) Financial Instrument Disclosures

Credit Risk, Liquidity Risk and Interest Rate Risk Exposures

The following table details the Authority’s maximum exposure to credit risk and the exposure to liquidity risk and interest rate risk as at the balance sheet date. The table is based on information provided to senior management of the Authority. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date. An adjustment for discounting has been made where material.

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.

<table>
<thead>
<tr>
<th></th>
<th>Weighted Average Interest Rate</th>
<th>Fixed Interest Rate Less Than 1 Year</th>
<th>Variable Interest Rate</th>
<th>Non Interest Bearing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-Jun-08</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6.84% 39,295</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>39,295</td>
</tr>
<tr>
<td></td>
<td>4.61% – 4,903</td>
<td>4,903</td>
<td>–</td>
<td>4,903</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>–</td>
<td>–</td>
<td>406</td>
<td>406</td>
<td></td>
</tr>
<tr>
<td>Total financial assets</td>
<td>39,295 4,903</td>
<td></td>
<td>406</td>
<td>44,603</td>
<td></td>
</tr>
<tr>
<td>Financial liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>–</td>
<td>–</td>
<td>1,748</td>
<td>1,748</td>
<td></td>
</tr>
<tr>
<td>Income in advance</td>
<td>–</td>
<td>–</td>
<td>59</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>–</td>
<td>–</td>
<td>1,219</td>
<td>1,219</td>
<td></td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>–</td>
<td>–</td>
<td>301</td>
<td>301</td>
<td></td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>39,295 4,903</td>
<td></td>
<td>3,327</td>
<td>41,275</td>
<td></td>
</tr>
</tbody>
</table>
### 26. Financial Instruments (continued)

(c) Financial Instrument disclosures (continued)

<table>
<thead>
<tr>
<th>Weighted Average Interest Rate</th>
<th>Fixed Rate Less Than 1 Year $'000</th>
<th>Variable Rate $'000</th>
<th>Non Interest Bearing $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>30-Jun-07</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>6.10%</td>
<td>30,801</td>
<td>–</td>
<td>30,801</td>
</tr>
<tr>
<td></td>
<td>4.32%</td>
<td>–</td>
<td>11,830</td>
<td>11,830</td>
</tr>
<tr>
<td>Receivables</td>
<td>–</td>
<td>–</td>
<td>344</td>
<td>344</td>
</tr>
<tr>
<td>Other assets</td>
<td>–</td>
<td>–</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Total financial assets</td>
<td><strong>30,801</strong></td>
<td><strong>11,830</strong></td>
<td><strong>358</strong></td>
<td><strong>42,990</strong></td>
</tr>
</tbody>
</table>

Financial liabilities:

| Payables                      | –                             | –               | 945             | 945      |
| Income in advance             | –                             | –               | 55              | 55       |
| Employee benefits             | –                             | –               | 992             | 992      |
| Other Liabilities             | –                             | –               | 133             | 133      |
| Total financial liabilities   | –                             | –               | **2,126**       | **2,126**|

| **30,801**                    | **11,830**                    | **2,126**       | **40,864**      |          |
26. Financial Instruments (continued)

(d) Fair Values
All financial assets and liabilities recognised in the balance sheet, 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.

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 balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

<table>
<thead>
<tr>
<th></th>
<th>Carrying Amount</th>
<th>-1% change</th>
<th>+1% change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>30-Jun-08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>39,295</td>
<td>(393)</td>
<td>(393)</td>
</tr>
<tr>
<td>Receivables</td>
<td>4,903</td>
<td>(49)</td>
<td>(49)</td>
</tr>
<tr>
<td></td>
<td>406</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Financial liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>1,748</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Income in advance</td>
<td>59</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>1,219</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>301</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total Increase/(Decrease)</td>
<td></td>
<td>(442)</td>
<td>(442)</td>
</tr>
</tbody>
</table>
26. Financial Instruments (continued)

<table>
<thead>
<tr>
<th>Carrying Amount</th>
<th>-1% change</th>
<th>+1% change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Profit</td>
</tr>
<tr>
<td>30-Jun-07</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Financial assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>30,801</td>
<td>(308)</td>
</tr>
<tr>
<td>11,830</td>
<td>(118)</td>
<td>(118)</td>
</tr>
<tr>
<td>Receivables</td>
<td>344</td>
<td>–</td>
</tr>
<tr>
<td>Other assets</td>
<td>13</td>
<td>–</td>
</tr>
<tr>
<td>Financial liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>945</td>
<td>–</td>
</tr>
<tr>
<td>Income in advance</td>
<td>55</td>
<td>–</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>992</td>
<td>–</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>133</td>
<td>–</td>
</tr>
<tr>
<td>Total Increase/(Decrease)</td>
<td>(426)</td>
<td>(426)</td>
</tr>
</tbody>
</table>

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

Remuneration of Members of the Accountable Authority

The number of members of the Accountable Authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

<table>
<thead>
<tr>
<th>Band</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1 – $ 10,000</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>$ 10,001 – $ 20,000</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>$ 20,001 – $ 30,000</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
27. Remuneration of members of the Accountable Authority and senior officers (continued)

<table>
<thead>
<tr>
<th></th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total remuneration of the members of the Board of the Authority is:</td>
<td>98</td>
<td>76</td>
</tr>
</tbody>
</table>

The superannuation included here represents the superannuation expense incurred by the Authority in respect of members of the Accountable Authority.

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

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 120,001 – $ 130,000</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>$ 130,001 – $ 140,000</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>$ 140,001 – $ 150,000</td>
<td>–</td>
<td>–</td>
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<tr>
<td>$ 150,001 – $ 160,000</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>$ 160,001 – $ 170,000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>$ 170,001 – $ 180,000</td>
<td>–</td>
<td>–</td>
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<tr>
<td>$ 180,001 – $ 190,000</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>$ 190,001 – $ 200,000</td>
<td>–</td>
<td>–</td>
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<tr>
<td>$ 200,001 – $ 210,000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>$ 210,001 – $ 220,000</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>$ 220,001 – $ 230,000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>$ 230,001 – $ 240,000</td>
<td>1</td>
<td>–</td>
</tr>
</tbody>
</table>
27. Remuneration of members of the Accountable Authority and senior officers (continued)

<table>
<thead>
<tr>
<th></th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>The total remuneration of senior officers is:</td>
<td>607</td>
<td>681</td>
</tr>
</tbody>
</table>

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

28. Remuneration of Auditors

Remuneration payable to the Auditor General for the financial year is as follows:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditing the accounts, financial statements and performance indicators</td>
<td>25</td>
<td>24</td>
</tr>
</tbody>
</table>

29. Events occurring after the balance sheet date

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

To the Parliament of Western Australia

EAST PERTH REDEVELOPMENT AUTHORITY
FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

I have audited the accounts, financial statements, controls and key performance indicators of the East Perth Redevelopment Authority. The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

The Board’s Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer’s Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer “http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf”.

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term “reasonable assurance” recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Audit Opinion

In my opinion,

(i) the financial statements are based on proper accounts and present fairly the financial position of the East Perth Redevelopment Authority at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer’s Instructions;

(ii) the controls exercised by the Authority 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; and

(iii) the key performance indicators of the Authority are relevant and appropriate to help users assess the Authority’s performance and fairly represent the indicated performance for the year ended 30 June 2008.

COLIN MURPHY
AUDITOR GENERAL
19 September 2008
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This is the 16th Annual Report of the East Perth Redevelopment Authority.

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