

ARMADALE REDEVELOPMENT AUTHORITY



2010 - 2011 ANNUAL REPORT

FOR THE YEAR ENDING 30 JUNE 2011



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For the year ended 30 June 2011

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(Photo on Front Cover – Finish Tower, Champion Lakes Regatta Centre)

Statement of Compliance
For the year ended 30 June 2011

STATEMENT OF COMPLIANCE

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

In accordance with Section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament the Annual Report of the Armadale Redevelopment Authority for the year ended 30 June 2011.

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

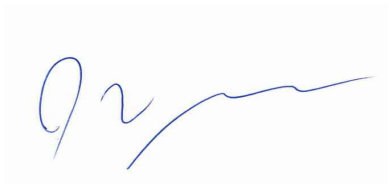
Yours sincerely



John Ruprecht
Deputy Chairperson



Matthew Handcock
Board Member



John Ellis
Chief Executive Officer

14 September 2011

OVERVIEW OF AGENCY

Executive Summary

We are pleased to present the Armadale Redevelopment Authority's 2010 - 2011 Annual Report. In the last twelve months the Armadale Redevelopment Authority (ARA) has continued to experience a significant transition in its business direction and operations. This transitory phase of moving from 'project planning' to 'project implementation' is expected to continue into the next twelve months and the ARA will continue to modify and expand its functions in response to a range of challenging environmental factors.

Following earlier years dominated by project planning, the last few years have seen the physical emergence of significant projects including Champion Lakes and the Forrestdale Business Park. The ARA's innovative Developer Contribution Scheme model has been further refined for use to stimulate development in a number of precincts.

Performance Highlights of 2010-2011

Corporate Initiatives

- Jointly commissioned with the City of Armadale a study to seek greater investment in the Armadale town centre.
- Coordinated a series of seminars on external validation of planning applications, seeking support from cross-government and private sector leaders to implement a progressive implementation model of external validation across ARA precincts.
- Prepared an EERC submission seeking handover of the Champion Lakes Regatta Centre to VenuesWest as part of the project normalisation.
- Average processing time for development applications has been markedly reduced.

Forrestdale Business Park East

- Pre funding for the extension and dualling of Ranford Road has been coordinated with the City of Armadale.
- Three major development applications have undergone extensive pre-consultation and consideration by the Board.
- A major review of the Forrestdale Structure Plan and supporting provisions of the Armadale Redevelopment Scheme 2004 has been undertaken to determine impacts of introducing retail land use into the business park.
- The Design Guidelines and Signage Guidelines have undergone review and been updated.
- Developer Contribution Scheme infrastructure works continue, as do statutory reviews of the Developer Contribution Scheme provisions.

Forrestdale Business Park West

- An amendment to the Armadale Redevelopment Scheme 2004 was initiated by the Board to establish an operable Developer Contribution Scheme for this precinct.
- The required Structure Plan for the precinct has been released for pre-consultation with relevant landowners.
- Project communication with landowners and key stakeholders has progressed in accordance with the Project Plan (four project newsletters and two briefing sessions).
- Extensive liaison with the Department of Environment and Conservation has been undertaken on behalf of landowners to identify the full extent of developable land.

Champion Lakes

- The venue has catered to over 1,350 booked activities through the last 12 months.
- Construction has commenced for an additional 1350m² of boat storage / function area.

Overview of Armadale Redevelopment Authority

For the year ended 30 June 2011

- In liaison with the Department of Health, extensive additional testing of the water body has been undertaken to better understand external microbiological influences.
- Important data has been gathered to enable higher volumes of lake water to be discharged into the Wungong Brook in future years – to better manage salinity and water levels.
- A photo finish camera and electronic timing system has been installed in the Finish Tower.
- Champion Lakes Boating Club in conjunction with the Champion Lakes Regatta Centre Sports Development Officer has significantly increased their efforts towards junior programs and membership. These efforts have seen marked growth in this area of the membership and will provide the Club with sustained growth and capacity.
- In close consultation with VenuesWest, negotiations regarding normalisation of the site are close to completion.

Aboriginal Interpretive Centre

- Construction of the centre is effectively completed. Installation of the canopy is the only remaining item for completion.
- Walkways and interpretive wall artworks completed and installed. Canopy artwork completed, but awaiting construction of the canopy prior to installation.
- Management arrangement agreed with the City of Armadale.

City West Precinct

- Green Avenue and Tudor Avenue upgrades completed.
- Minor revisions to the approved Structure Plan (to better facilitate development) completed.
- Developer Contribution Scheme approved by Minister for Planning.

Wungong Urban

- Four Structure Plans approved.
- Developer Contribution Scheme approved by Minister.
- Subdivision approvals received for first lots within the Developer Contribution Scheme area.
- Non drinking water supply business case submitted to Minister for Planning and Minister for Water.
- Zone Development Policy (Residential Zones) document completed, in collaboration with key stakeholders via a working group. Statutory consultation to be undertaken.
- Peer Review recommendations continue to be implemented.

Champion Lakes Residential Precinct

- 28 development approvals granted for new homes in the LandCorp subdivision.

Champion Drive - Seville Grove

- 27 development approvals granted for new homes in the LandCorp subdivision.

Social and Economic Development

- Refurbishment of the old Armadale Post Office building, for use by community groups including the Armadale Region Business Association, Drug Arm and local youth groups.
- Opening of the Champion Lakes Aboriginal Interpretive Centre for community use.
- Initiated planning for pedestrian friendly upgrades to the Jull Street Mall in the Armadale city centre.
- Sponsored a variety of community events, including:
 - The Habitat for Humanity home dedication in Champion Drive;
 - The Dales Prayer Breakfast;
 - The Always on Stage Jull Street Mall Youth Music Festival; and
 - The Armadale Region Business Awards.

Overview of Armadale Redevelopment Authority

For the year ended 30 June 2011

Operational Structure

Enabling Legislation

The Armadale Redevelopment Authority was established under the *Armadale Redevelopment Act 2001* and commenced operations on 23 March 2002.

Responsible Minister

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

Mission

As provided by the Act, the functions of the ARA are as follows:

- **Planning and Development Control:**
 - (a) to plan, undertake, promote and coordinate the development and 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.

- **Economic and Social Development:**
 - (a) to identify opportunities for investment in Armadale and to encourage that investment;
 - (b) to identify opportunities for the provision of facilities and programmes to support and enhance community life in Armadale, and to encourage the provision of those facilities and programmes;
 - (c) to facilitate and encourage the provision of diversified employment opportunities in Armadale;
 - (d) to identify infrastructure services necessary to promote economic and social development in Armadale, and to encourage the provision of those services;
 - (e) to facilitate coordination between relevant statutory bodies and State government agencies for the purpose of promoting economic and social development in Armadale;
 - (f) to provide information and advice for the purpose of promoting economic and social development in Armadale; and
 - (g) generally to take steps to encourage, promote, facilitate and monitor economic and social development in Armadale.

Values

The ARA's goal is to help realise the potential of Armadale as a diverse vibrant community – “the natural place to grow” and, to this end:

- Operates with integrity and equity.
- Balances social, economic and environmental issues to achieve sustainable outcomes.
- Approaches issues laterally and creatively.
- Adapts a persistent but responsive approach to issues.
- Engages and maintains communication with all stakeholders.

Board of the Authority

The Board is the ARA's governing body and has the responsibility for ensuring the ARA performs its functions in accordance with the provisions of the *Armadale Redevelopment Act 2001* and other laws governing the conduct of corporate entities.

Overview of Armadale Redevelopment Authority

For the year ended 30 June 2011

The Board has a number of specific statutory responsibilities set out in the Act focussed around introducing and maintaining redevelopment schemes over all areas under its planning jurisdiction.

The provisions of the *Financial Management Act 2006* also govern the ARA's approach to financial administration, audit and management of its finances. The Board complied with all the statutory requirements set out in these Acts.

Operationally, the Board assisted the ARA's management team setting program and project strategies, analysing client needs, establishing minimum standards and best practice initiatives and oversight of delegation and decision-making processes.

The *Armadale Redevelopment Act 2001* specifies that the Board should comprise six members appointed by the Minister, of whom two must be Councillors nominated by the City of Armadale. Criteria for the appointment of members in accordance with sections 7 and 8 of the Armadale Redevelopment Act 2001 are:

- Four persons who in the opinion of the Minister have a relevant qualification;
- Two persons who are members of the Council of the City of Armadale nominated by that Council; and
- Two members to then be appointed by the Minister as Chairperson and Deputy Chairperson of the Authority.

Mr Charles Johnson (Chairperson), Mr John Ruprecht (Deputy Chairperson), Cr Linton Reynolds AM, Cr Henry Zelones JP, Mr Matthew Handcock and one vacancy comprised Board membership as at the 30th June 2011.

Changes to the Board during the 2010-2011 year included:

- Mr Matthew Handcock appointed 16 August 2010.



Mr Charles Johnson (Chairperson)

Mr Johnson has a comprehensive background in governance and town planning, with over 30 years experience working at local and State government levels. He is currently a planning consultant in private practice.



Mr John Ruprecht (Deputy Chairperson)

Mr Ruprecht has more than 25 years experience in water supply, water resource management and natural resource management. He is currently the Executive Director, Agricultural Resource Risk Management at the Department of Food and Agriculture.



Cr Linton Reynolds, AM JP

Cr Reynolds is Mayor of the City of Armadale and is Chairperson of the Western Australian Local Government Grants Commission. He has had a wide and varied career with the Commonwealth Public Service and local government. His knowledge of the locality and its community is of great benefit.

Overview of Armadale Redevelopment Authority

For the year ended 30 June 2011



Cr Henry Zelones JP

Cr Zelones is a member of the Armadale City Council, a member of the Heritage Council of WA and State Councillor for the WA Local Government Association. A long term Kelmscott resident he represents the River (Kelmscott) Ward on the City Council. He is also an active member of a number of community and business organisations.



Mr Matthew Handcock

Mr Handcock is a qualified legal practitioner with over 25 years experience. He was head of the Minter Ellison Insurance Division and Executive Committee Member from 1998 to 2000 before forming Mullins Handcock, where he was Managing Partner from 2001 to 2008. After a period of private consulting, he joined Local Government Insurance Services as Manager Professional Risks in early 2009. Mr Handcock's areas of interest and practice are local government, insurance, commercial advice and risk management.

Board Members' Attendance

The Board met 17 times in the financial year 2010 - 2011. Meeting attendance for the period 1 July 2010 to 30 June 2011 is listed below:

Board Member	Board (including Special Meetings) Qualified to Attend	Board (including Special Meetings) Actually Attended	Audit and Risk Meetings Qualified to Attend	Audit and Risk Management Committee Actually Attended
Charles Johnson	17	16	3	3
John Ruprecht	17	16	0	0
Matthew Handcock ¹	14	12	3	2
Linton Reynolds ²	17	16	3	3
Henry Zelones ²	17	17	3	3

1 *Matthew Handcock was appointed to the Board on 16 August 2010.*

2 *Members nominated by the City of Armadale.*

Board Committees

One sub-committee 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 that committee.

- **Audit and Risk Management Committee**

The Board's Audit and Risk Management Committee considers governance activities, internal and external audit investigations and reports, corporate compliance and risk management. The Audit and Risk Management Committee, in accordance with the approved three-year Strategic Internal Audit Plan, considered a number of reports relating to reviews undertaken to ensure appropriate controls and compliance.

Overview of Armadale Redevelopment Authority

For the year ended 30 June 2011

Remuneration

Board members are remunerated by the Minister on the recommendation of the Public Sector Commissioner.

The remuneration arrangements as at 30 June 2011 were as follows:

Director	Fees \$	Superannuation \$	Other Benefits \$	Total \$
Charles Johnson	24,592	2,214	0	26,806
John Ruprecht	0	0	0	0
Matthew Handcock	11,108	1,139	0	12,247
Linton Reynolds	12,650	1,000	0	13,650
Henry Zelones	12,650	1,139	0	13,789
Total	61,000	5,492	0	66,492

Conflict of Interest

New Board members declare any financial or pecuniary interest at their first meeting. The ARA has a standing protocol requiring a Board member to disclose an interest in any item on the agenda.

Disclosures are recorded in the minutes and a copy of the disclosure placed in the ARA's Conflict of Interest Register.

When a conflict declaration is made, the Board may either allow the member to make a statement to the Board then leave the meeting room, or request the member to leave the room.

A conflict of interest process also applies to the ARA staff and contractors who are required to make conflict disclosures to the Chief Executive Officer, who in turn determines the course of required management action.

Organisational Structure / ARA Employees

The ARA employees are primarily sourced through LandCorp via a Contract for Services, as the ARA has no employment powers. The Chief Executive Officer administers the day to day operations of the ARA and has prescribed delegated authority for particular management decisions.

Consultants with specific expertise are appointed to assist with individual projects.

The ARA has an Executive Group which meets fortnightly to consider management issues:

- John Ellis – Chief Executive Officer;
- Ben Rose – Director, Planning and Operations;
- Emille van Heyningen – Manager Planning;
- Dennis Friend – Manager Works and Contracts;
- Warwick Carter – Manager Wungong Urban; and
- Margaret Vincent - Administration Manager.

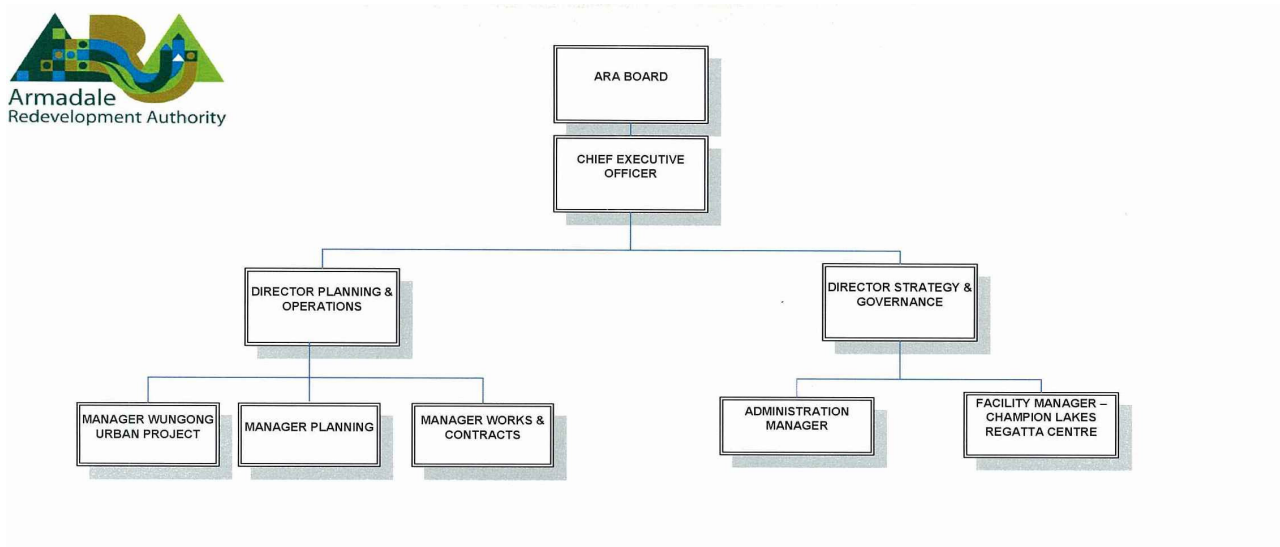
In addition to the fortnightly executive meetings, the Chief Executive Officer meets individually with the Directors and Managers on alternate fortnights.

Overview of Armadale Redevelopment Authority

For the year ended 30 June 2011

Staff meetings with all employees are held on a monthly basis to share information and disseminate Board outcomes to ensure our people are kept abreast of relevant information and have the opportunity to contribute to the decision making process.

Organisational Chart



Compliance with other Legislation

The financial administration of the ARA has complied with the requirements of the *Financial Management Act 2006* and associated Treasurer's Instructions. In 2010 - 2011 the ARA complied with all appropriate legislation, including the following:

- Aboriginal Heritage Act 1972;
- Armadale Redevelopment Act 2001;
- Auditor General Act 2006;
- Contaminated Sites Act 2003;
- Corruption and Crime Commission Act 2003;
- Disability Services Act 1993;
- Equal Opportunity Act 1984;
- Financial Management Act 2006;
- Freedom of Information Act 1992;
- Government Railways Act 1904;
- Industrial Relations Act 1979;
- Minimum Conditions of Employment Act 1993;
- Occupational Safety and Health Act 1984;
- Public Sector Management Act 1994;
- Salaries and Allowances Act 1975;
- State Records Act 2000;
- State Supply Commission Act 1991.

Overview of Armadale Redevelopment Authority

For the year ended 30 June 2011

Performance Management Framework

Outcome Based Management Framework

The ARA's goals are linked to the WA Government's goals:

- **State Building – Major Projects**
The Armadale Redevelopment Authority is creating employment opportunities in a region previously lacking domestic employment. The development of the 330 hectare Forrestdale Business Park, when completed, will provide up to 12,000 jobs.
- **Financial and Economic Responsibility**
The Armadale Redevelopment Authority is trialling an approach to outsource the validation of development approvals for property development.
- **Social and Environmental Responsibility.**
To ensure that economic activity is managed in a socially and environmentally responsible manner for the long term benefit of the State, the ARA is:
 - Pioneering water recycling systems for in-house and irrigation;
 - Avoiding “cut to fill” residential development practices;
 - Protecting water quality and quantity flows into the Wungong River;
 - Creating fauna corridors; and
 - Protecting the ecological balance in Greenfield developments.

Agency Level Government Desired Outcome

The ARA acts with integrity, thinks creatively, is persistent and communicates with all stakeholders and operates under the following guiding objectives to realise its vision for Armadale.

To support and facilitate:

- The growth of community spirit and well being;
- The creation of an investment climate to underpin new employment opportunities;
- The recognition and management of environmental issues; and
- Where-ever possible, the implementation of innovative solutions to environmental challenges.

Changes to Outcome Based Management Framework

The Armadale Redevelopment Act (2001) defines the outcomes for the ARA to achieve are, namely:

1. Preparation, implementation and review of a Redevelopment Scheme to control development through planning, undertaking, promoting and coordinating development in the Redevelopment Area;
2. Facilitation and promotion of opportunities for new investment and the creation of diversified employment opportunities;
3. Identification of and support for opportunities providing facilities and programs enhancing community life in Armadale; and
4. Identification of infrastructure services and the coordination of such services and other activities between and by relevant government agencies to promote economic and social development in Armadale.

Shared Responsibilities with Other Agencies

Contract For Services - The ARA has a Contract For Services (CFS) with LandCorp to access resources in corporate services, finance and accounting, information technology, Human Resources and project management. The CFS is endorsed by both the ARA and LandCorp Boards and is reviewed annually. The CFS enables the ARA to benefit from the existing operational services within LandCorp.

AGENCY PERFORMANCE

Report on Operations

Redevelopment Areas

The Armadale redevelopment area comprises eight separate sites, each with strategic attributes that contribute to Armadale's future social and economic growth.

City Centre

City Centre is an area formed by Armadale Road to the north, South Western Highway to the east, Fourth Road and Church Avenue to the south and the railway line to the west. It also includes some land on the western side of the railway near the new station bounded by Forrest Road, Fifth Road and Green Avenue.

Redevelopment of this precinct aims to make the city centre more vibrant and efficient by:

- Encouraging innovative urban design and attractive buildings;
- Enhancing parks and gardens;
- Providing better access and traffic flow;
- Increasing overall performance and service to the community;
- Improving amenity, safety and security;
- Creating inner-city residential neighbourhoods with pedestrian friendly street networks;
- Improving public transport access; and
- Providing an enhanced range of retail and commercial services commensurate with its function as a Strategic Regional Centre.

The City Centre is comprised of three planning areas: Central Business District (CBD), Railway Precinct and City West.

It has been determined the ARA cannot add further significant value to the CBD which will be normalised and transferred to the City of Armadale by 31 December 2011.

The Railway Precinct will be retained as it contains high density residential and office / commercial sites which are yet to be developed.

The 10.5 hectare City West precinct is an outstanding TOD area over which a DCS is in operation.

Forrestdale Business Park

Forrestdale Business Park (FBP) is an area of about 330 hectares straddling the Tonkin Highway and bounded by Ranford Road to the north and Armadale Road to the south.

With excellent access to these major arterial roads the ARA has championed the Park's development as a contemporary, efficient and highly functional industrial business park, characterised by high quality industrial buildings and a coordinated design of landscaping to public areas to ensure high presentation standards.

The site is challenged by fragmented land ownership, high water table, proximity to Southern River, a conservation category wetland and clay soils. Development, therefore, requires a well managed DCS with the ARA managing provision of the upfront critical common infrastructure. For the east side of the Park, this infrastructure (comprising common access roads, drainage, sewer, water supply and upgrading of adjoining arterial roads) has a budget cost of approximately \$55m. Some \$35.5m of

Performance of the Armadale Redevelopment Authority

For the year ended 30 June 2011

these works have been undertaken to date. This has enabled a number of land owners to undertake subdivisional works during the year, progressing the release of 75 hectares of serviced land into the market place.

The major outstanding works for FBP (East) entail the dualling and extension of Ranford Road.

FBP (West) is actively being structure planned. It is anticipated the Structure Plan will be advertised and adopted by December 2011. A separate DCS is being established for this portion of the business park,

The business park will be a major new focus of economic and employment activity for the region, with the potential to generate up to 12,000 new jobs.

Champion Lakes

Champion Lakes is a 135 hectare site about four kilometres north-west of the Armadale city centre. The redevelopment area is long and narrow, bordered by the extension of Tonkin Highway to the north-west, Lake View Terrace to the north-east, Lake Road to the south-east and the extension of Champion Drive to the south-west.

The Champion Lakes Project comprises four precincts:

- **Commercial Precinct**

Subdivision plans for the commercial precinct have been prepared along with detailed engineering design in readiness for works. The precinct is poised for commencement of subdivisional works when market conditions improve so as to achieve an optimal commercial outcome.

A marketing strategy for the precinct is being developed and it is likely the White Water Park opportunity will be put to the market during the year.

Net proceeds for the precinct will be directed to covering ongoing operations of the Regatta Centre.

- **Residential Precinct**

The first stage of the LandCorp residential development was released in May 2008, including the development of display homes by four Perth builders. The majority of the first stage lots have been sold and houses are continuing to be constructed, with a number of houses now occupied.

Stages 2 and 3 of the residential area have been released, with encouraging sales.

- **Regatta Centre Precinct**

Champion Lakes Regatta Centre continues to be well utilised with over 1350 sessions booked at the venue for competition, training or educational activities. This is an increase of 45% on the previous year. The facility is now home to several major events including School Boys and Girls Head of the River Rowing Regattas. State championships in rowing, kayaking, dragon boating, radio controlled sailing and outrigger canoeing are now held annually with most state sporting associations booking up to five years ahead. Community events for cycling, triathlon and open water swimming have provided thousands with the chance to test their fitness against their peers.

Schools from the local area and as far away as Joondalup have utilised the facility for a wide range of water based activities. 700 participants took part in a secondary schools triathlon catering to

Performance of the Armadale Redevelopment Authority

For the year ended 30 June 2011

students from the entire metro area. Local schools are making greater use of the opportunities presented by the venue and have instigated out of school hours rowing and kayaking programs.

The regatta centre hosted the Australian Masters Rowing Championships in June 2010. This was the first national championship in rowing to be held in WA since 1995.

The National Rowing Championships will be held in March 2012 while the National Open Water Swimming Championships will be held in February 2012. The Regatta Centre is increasingly being seen as an alternative to Penrith for events of international status.

Champion Lakes Boating Club has greatly increased its membership and capacity with each discipline recording competition success and securing coaches for club development. Ongoing infrastructure development on site has had a significant impact to operations over the past year with several constructions or projects completed or nearing completion.

Bank stabilisation works have ensured that erosion along the event path and around the bridge abutments has significantly reduced creating a safer environment for the public.

Additional sports infrastructure, such as the Rowing Start Pontoon and Kayak Bow Holder Start System have allowed events to be run to the highest standard. The Start and Finish Towers provide efficiency and comfort for event officials and brings the facility to an international standard.

Completion of a public toilet at the Henley Drive beach area has improved the facilities for beachgoers. The public beach with large grassed areas and sandy beach is a focal point for up to 200 people each day during summer to enjoy the lake. Recreational cyclists and walkers have taken to the 5km circuit of Champion Lakes. Daily, several hundred people use the pathways to enjoy the environment for fitness and relaxation. A 50 bay parking area to provide regulated parking will be completed in 2011.

Fortnightly water quality monitoring has identified several occasions when the safe levels for primary contact and one occasion for secondary contact have been exceeded. The lake was closed for the relevant activities until the bacteria readings decreased below the trigger levels. Investigation is currently underway to identify the source of the bacteria and to find a solution to managing these exceedences. Use of a more appropriate health standard is likely to reduce the incidence of exceedences.

- **Aboriginal Interpretive Centre Precinct**

The requirement for the Champion Lakes Aboriginal Interpretive Centre (AIC) was identified in 2002, following consultation with indigenous community members, as part of an ethnographic survey of Wright Lake in Armadale. A major recommendation from the consultation related to the setting aside of land within the Champion Lakes project area, next to the area which was formerly Wright Lake, for an aboriginal interpretive centre.

Construction of the AIC was a condition of consent for the development of Champion Lakes Regatta Centre under Section 18 of the Aboriginal Heritage Act 1972.

The AIC is an exciting and significant development for the Nyoongar community in the Armadale and wider metropolitan area.

As a community art project, three public art commissions were awarded to Nyoongar artists for the canopy, interpretive wall and the walkway. The involvement of local indigenous people in the construction phase and in creating the artworks associated with the AIC has created an enduring sense of ownership and pride in the community.

Performance of the Armadale Redevelopment Authority

For the year ended 30 June 2011

The centre is substantially completed except for the canopy. Completion is anticipated early in the 2011 – 2012 financial year. The ARA is liaising with the City of Armadale regarding the City taking on the management of the centre.

Champion Drive

Champion Drive is a new residential neighbourhood characterised by a range of opportunities and housing styles supported by the ARA sustainability guidelines. The ARA, in conjunction with LandCorp, is encouraging builders to promote energy efficiency in design, orientation and use of alternative materials and building techniques.

A display village, named Revolution Road, showcased homes using innovative building materials and construction techniques and commenced construction in early 2008. From August 2008 to March 2009 seven builders, architects and materials suppliers showcased 10 homes allowing homebuyers and renovators to directly compare for themselves innovative alternative materials, design and building methods with a new generation of brick and tile home.

The first stage (comprising 98 lots) of the project by LandCorp is fully sold.

The second stage of residential development, a Department of Housing Joint Venture, is near completion with lots being released late 2011.

The ARA operates a \$12m DCS over this precinct to ensure physical infrastructure is provided in a timely fashion and the cost is equitably shared between land developers.

Kelmscott

The western portion of the Kelmscott town centre was included in the Armadale Redevelopment Area in January 2005. The 13.7 hectare site comprises lots in both public and private ownership and is bounded by Albany Highway, Davis Road, Railway Avenue and the rail line north to Westfield Road.

A concept plan, scheme amendment, cultural and heritage strategy and design guidelines were all finalised in 2006, providing a redevelopment framework. Redevelopment aims to better connect east and west Kelmscott via a grade separated rail crossing at Davis Road, extension of Gilwell Avenue and upgraded public and private facilities.

Improvements to public facilities including the Kelmscott station upgrade were completed in September 2008. Stage 1 Landscaping works and new street lighting on Albany Highway have been completed. To progress further, the project is reliant upon a key private development which is currently on hold.

Wungong Urban

The Wungong Urban Master Plan is an innovative response to achieving viable urban development in a highly water sensitive area.

The visionary project will ultimately provide an enviable living environment for up to 40,000 people, making it Western Australia's largest Master Planned area. The plan envisages a diverse and vibrant 1580 hectare residential area that showcases best practice in sustainable urban development incorporating natural resource management, water sensitive urban design and energy-efficient housing.

An important proposed initiative is the provision of a non-drinking water supply for irrigation and certain in-house uses. This pioneering work should enable the use of drinking water to be reduced to

Performance of the Armadale Redevelopment Authority

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15% of the total water requirements. The scheme is designed to provide nearly 5GL of non-drinking water per year, providing a significant saving on Perth's limited drinking water supply. The relevant Ministers will decide in early 2011/12 whether to support the joint ARA / Water Corporation business case and bring it before Cabinet for funding.

Around 1,300 lots now have subdivisional approval and work is underway on a number of fronts to bring a good number of these lots to market during the year.

The DCS of \$249m has received Ministerial approval and is now operable. The first cost review will occur mid year.

South Armadale

The South Armadale site has the potential for a modern, efficient business and employment node characterised by innovative urban design, landscaping and water sensitive design principles. Development hinged on the future operational planning of Austral Bricks, the major landowner, who has decided not to proceed with re-development of its holding. Accordingly, planning control for this area will be transferred back to the CoA as part of an on going process of 'normalisation' of the ARA's initial redevelopment areas by December 2011.

Albany Highway Precinct (CALM site)

The Albany Highway precinct is about two hectares in area and is two kilometres north of the Armadale City Centre.

Before being vacated, the precinct was the south-west headquarters of the former Department of Conservation and Land Management (CALM). The precinct is located adjacent to the south of the Armadale Health Centre and Armadale-Kelmscott District Memorial Hospital.

The CALM precinct is a key site for the expansion of the hospital and accordingly the site has been included in the master planning of future hospital extensions and has been acquired by the Department of Health for its expansion. Planning control for this area will be transferred back to the CoA as part of the normalisation process by December 2011.

Social Enhancement Projects

The ARA is the only redevelopment authority with a statutory requirement to enhance the social and economic development of the areas over which it has jurisdiction. The ARA frequently partners with other organisations to achieve social and economic outcomes. The major projects for 2010-11 included:

- **ARA Annual Business and Residents Survey**

Since 2002 the ARA has completed an Annual Business and Residents Survey designed to measure:

- Community / Stakeholder optimism and satisfaction;
- Ascertain business and community awareness of the ARA;
- Determine business and community awareness of the projects in the Armadale region that are carried out by the ARA.

The results of the survey are used to inform the strategic and business planning process and the annual key performance indicators.

It should be emphasised that the economic achievements of the ARA, including new employment opportunities and housing diversity, contribute directly to social enhancement.

SIGNIFICANT ISSUES AND TRENDS

Current and Emerging Issues and Trends

- Public perceptions of education and security need to be addressed.
- Developers and builders often see Armadale as affordable product rather than recognising the need for more diverse housing stock.

Economic and social trends

- The global financial crisis has impacted on business growth in Armadale. This is reflected in the reduction of industrial land prices and slow sales in the Forrestdale Business Park.
- Slow residential land sales are increasing the call for “affordable” land. There is a need, however, in Armadale to ensure there is a range of land prices to ensure diversity of housing stock.

Changes in Written Law

The ARA is not aware of any changes to written law that had a significant impact on its operations in 2010-11.

Likely Development and Forecast Results of Operations

The ARA works within the community to deliver integrated land infrastructure and services for sustainable growth. The ability to achieve set performance targets depends largely on the continued financial support of the State as the ARA operates over predominately privately owned land. During the year significant developments at the Forrestdale Business Park have received approval and there was much development planning activity in the Wungong Urban project area. More importantly, the Developer Contribution Schemes for these areas have been reviewed. These Schemes underpin successful subdivision.

DISCLOSURES AND LEGAL COMPLIANCE



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

ARMADALE REDEVELOPMENT AUTHORITY

Report on the Financial Statements

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

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

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Armadale Redevelopment Authority at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Armadale Redevelopment Authority

Report on Controls

I have audited the controls exercised by the Armadale Redevelopment Authority. The Board is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

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

Opinion

In my opinion, the controls exercised by the Armadale Redevelopment Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Armadale Redevelopment Authority. The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions.

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

Opinion

In my opinion, the key performance indicators of the Armadale Redevelopment Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2011.

Independence

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



COLIN MURPHY
AUDITOR GENERAL
16 September 2011

Disclosures and Legal Compliance

For the year ended 30 June 2011

Armadale Redevelopment Authority Certification of Financial Statements for the year ended 30 June 2011

The accompanying financial statements of the Armadale 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 2011 and the financial position as at 30 June 2011.

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



John Ruprecht
DEPUTY CHAIRPERSON

14 September 2011



Matthew Handcock
BOARD MEMBER

14 September 2011



Frank Marra
CHIEF FINANCIAL OFFICER

6 September 2011

Disclosures and Legal Compliance
For the year ended 30 June 2011

Armadale Redevelopment Authority
Statement of Comprehensive Income
For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	1,619	1,685
Supplies and services	7	1,328	1,095
Depreciation and amortisation expense	8	132	139
Finance costs	9	38	28
Accommodation expenses	10	249	248
Cost of land sold	13	165	-
Loss on disposal of non-current assets	14	2	-
Developer contribution expenses	11	1,633	23,246
Other expenses	12	4,280	1,053
Total cost of services		<u>9,446</u>	<u>27,494</u>
INCOME			
Revenue			
Interest revenue	15	602	577
Developer contribution fees	16	1,633	23,246
Other revenue	17	3,860	1,768
Total revenue		<u>6,095</u>	<u>25,591</u>
Total income other than income from State Government		<u>6,095</u>	<u>25,591</u>
NET COST OF SERVICES		<u>(3,351)</u>	<u>(1,903)</u>
Income from State Government			
Service appropriation	18	1,810	1,790
Total income from State Government		<u>1,810</u>	<u>1,790</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		<u>(1,541)</u>	<u>(113)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(1,541)</u>	<u>(113)</u>

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

Disclosures and Legal Compliance

For the year ended 30 June 2011

Armadale Redevelopment Authority Statement of Financial Position As at 30 June 2011

	Note	2011 \$'000	2010 \$'000 Restated*	2009 \$'000 Restated*
ASSETS				
Current Assets				
Cash and cash equivalents	30	521	137	636
Inventories	19	17,477	16,183	15,871
Receivables	20	11,197	16,425	15,136
Other current assets	21	34	34	35
Total Current Assets		<u>29,229</u>	<u>32,779</u>	<u>31,678</u>
Non-Current Assets				
Inventories	19	3,012	3,433	3,540
Property, plant and equipment	22	3,587	3,313	2,329
Infrastructure	23	590	606	622
Total Non-Current Assets		<u>7,189</u>	<u>7,352</u>	<u>6,491</u>
TOTAL ASSETS		<u>36,418</u>	<u>40,131</u>	<u>38,169</u>
LIABILITIES				
Current Liabilities				
Payables	25	2,479	1,407	461
Borrowings	27	700	-	-
Provisions	26	598	3,400	4,326
Other current liabilities	28	1,929	1,748	3,559
Total Current Liabilities		<u>5,706</u>	<u>6,555</u>	<u>8,346</u>
Non-Current Liabilities				
Payables	25	10,006	13,630	12,224
Borrowings	27	-	700	700
Provisions	26	154	403	603
Total Non-Current Liabilities		<u>10,160</u>	<u>14,733</u>	<u>13,527</u>
TOTAL LIABILITIES		<u>15,866</u>	<u>21,288</u>	<u>21,873</u>
NET ASSETS		<u>20,552</u>	<u>18,843</u>	<u>16,296</u>
EQUITY				
Contributed equity	29	34,910	31,660	29,000
Accumulated surplus/(deficit)	29	(14,358)	(12,817)	(12,704)
TOTAL EQUITY		<u>20,552</u>	<u>18,843</u>	<u>16,296</u>

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

* See Note 5 - Disclosure of changes in accounting policy and estimates

Disclosures and Legal Compliance

For the year ended 30 June 2011

Armadale Redevelopment Authority Statement of Changes in Equity For the year ended 30 June 2011

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated surplus/ (deficit) \$'000	Total equity \$'000
Balance at 1 July 2009		29,000	-	(11,921)	17,079
Changes in accounting policy or correction of prior period errors		-	-	(783)	(783)
Restated balance at 1 July 2009		<u>29,000</u>	<u>-</u>	<u>(12,704)</u>	<u>16,296</u>
Total comprehensive income for the year		-	-	(113)	(113)
Transactions with owners in their capacity as owners:					
Capital appropriations		2,660	-	-	2,660
Total		<u>2,660</u>	<u>-</u>	<u>(113)</u>	<u>2,547</u>
Balance at 30 June 2010	29	<u>31,660</u>	<u>-</u>	<u>(12,817)</u>	<u>18,843</u>
Balance at 1 July 2010		31,660	-	(12,817)	18,843
Total comprehensive income for the year		-	-	(1,541)	(1,541)
Transactions with owners in their capacity as owners:					
Capital appropriations		3,250	-	-	3,250
Total		<u>3,250</u>	<u>-</u>	<u>(1,541)</u>	<u>1,709</u>
Balance at 30 June 2011	29	<u>34,910</u>	<u>-</u>	<u>(14,358)</u>	<u>20,552</u>

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

Disclosures and Legal Compliance
For the year ended 30 June 2011

Armadale Redevelopment Authority
Statement of Cash Flows
For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		1,810	1,790
Capital contributions		3,250	2,660
Net cash provided by State Government		<u>5,060</u>	<u>4,450</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,619)	(1,632)
Supplies and services		(11,373)	(12,672)
Interest paid		(38)	(28)
GST payments on purchases		(796)	(1,097)
GST payments to taxation authority		(117)	-
Receipts			
Developer contributions		1,633	9,307
Interest received		602	577
GST receipts on sales		33	337
GST receipts from taxation authority		816	942
Other receipts		2,403	544
Net cash used in operating activities	30	<u>(8,456)</u>	<u>(3,722)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(312)	(1,227)
Receipts			
Net proceeds from short term deposit liquidations		4,092	-
Net cash used in investing activities		<u>3,780</u>	<u>(1,227)</u>
Net increase/(decrease) in cash and cash equivalents		384	(499)
Cash and cash equivalents at the beginning of period		137	636
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	30	<u>521</u>	<u>137</u>

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

Disclosures and Legal Compliance

For the year ended 30 June 2011

Armadale Redevelopment Authority

Notes to the Financial Statements

For the year ended 30 June 2011

Note 1 - Australian Accounting Standards

General

The Authority's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. No Australian Accounting Standards that have been issued or amended but are not operative have been early adopted by the Authority for the annual reporting period ended 30 June 2011.

Note 2 - Summary of Significant Accounting Policies

Accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

a) General Statement

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

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

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

b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land, buildings and infrastructure which have been measured at fair value.

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

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

Disclosures and Legal Compliance

For the year ended 30 June 2011

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

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

c) Reporting Entity

The reporting entity comprises the Armadale Redevelopment Authority.

d) Contributed Equity

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

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised for the major business activities as follows:

Developer Contribution Scheme Contributions

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

Sale of goods

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

Provision of services

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

Interest

Revenue is recognised as the interest accrues.

Disclosures and Legal Compliance

For the year ended 30 June 2011

Service Appropriations

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

Grants, donations, gifts and other non-reciprocal contributions

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

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and where applicable, gains from the revaluations of non-current assets.

f) Borrowing costs

Borrowing costs are expensed when incurred.

g) Property, plant, equipment and infrastructure

Capitalisation/expensing of assets

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

Initial recognition and measurement

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

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of buildings; and the historical cost model for all other property, plant, equipment and infrastructure. Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market based evidence is available, the fair value of buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are re-valued 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 re-valued amount.

Disclosures and Legal Compliance

For the year ended 30 June 2011

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

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

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

De-recognition

Upon disposal or de-recognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset Revaluation Surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 22 'Property, plant and equipment'.

Depreciation

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

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

Buildings	40 years
Plant & equipment	10 years
Office equipment & Furniture	10 years
Computer equipment	3 years
Leasehold improvements	5 years
Infrastructure	22 to 40 years

Land is not depreciated.

h) Impairment of Assets

Property, plant and equipment and infrastructure are tested for any indication of impairment at the end of the reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Authority is a not-for-profit entity, unless an asset has

Disclosures and Legal Compliance

For the year ended 30 June 2011

been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation / amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairments at the end of each reporting period. At the end of the reporting period, no assets were identified as surplus to the Authority's needs.

i) Leases

The Authority holds operating leases for office premises, motor vehicles and some equipment. Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased property.

j) Financial instruments

In addition to cash, the Authority has two categories of financial instrument:

- Loans and receivables (includes cash equivalents); and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables

Financial Liabilities

- Payables
- Other liabilities
- Western Australian Treasury Corporation borrowings

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

k) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of three months or less that are

Disclosures and Legal Compliance

For the year ended 30 June 2011

readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

l) Accrued Salaries

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

m) Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories include land acquired for development and infrastructure and other costs incurred in bringing inventories to a saleable condition, including costs associated with design and development and other costs directly traceable to the development activities of the Authority.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value.

n) Receivables

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

o) Payables

Payables are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services at fair value, as they are generally settled within 30 days.

p) Borrowings

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

q) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Provisions - employee benefits

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

Disclosures and Legal Compliance

For the year ended 30 June 2011

Annual leave

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

Annual leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Long service leave

A liability for long service leave is recognised after an employee has completed seven years of service based on remuneration rates current as at the end of the reporting period.

An actuarial assessment of long service leave was undertaken by PricewaterhouseCoopers Securities Ltd at 30 June 2011 determined that the liability measured using the short-hand measurement technique above was not materially different from the liability determined using the present value of expected future payments. This calculation is consistent with the Authority's experience of employee retention and leave taken.

The current component of the provision for long service leave is classified as a current liability as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Superannuation

The Authority has no liabilities under the Government Employees Superannuation Board (GESB) Pension or Gold State Super Schemes (GSS).

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Authority makes concurrent contributions to GESB on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS.

Provisions - other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which

Disclosures and Legal Compliance

For the year ended 30 June 2011

they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Authority's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

Future Development Obligations

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

r) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GESBS.

s) Resources received free of charge or for nominal cost

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

t) Comparative Figures

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

u) Goods and Services Tax

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

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

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

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

v) Employee Costs

Although the Authority has no employment powers, it is staffed by officers seconded to it under a Service Level Agreement (the Agreement) with the Western Australian Land Authority. The Western Australian Land Authority is responsible for payments to staff. The Authority reimburses these costs to the Western Australian Land Authority on a monthly basis.

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For the year ended 30 June 2011

w) Superannuation

All staff are eligible to become members of the Superannuation fund of their choice, complying with the Commonwealth Government's Explanatory Memorandum for the Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2003.

Note 3 - Judgements made by management in applying accounting policies

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

Operating lease commitments

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

Public infrastructure and planning expenses

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

Capitalisation of development expenditure

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

Note 4 - Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

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

Future Development Obligations

The Authority assesses its obligations for future development costs at the end of the reporting period. Where there are indications of future development obligations, provisions for such obligations are raised. Calculations performed in assessing future development obligations incorporate a number of key project estimates and forecasts.

Developer Contribution Scheme Revenues

Developer contribution scheme revenues are calculated using a model that factors in key assumptions and estimations regarding future cost estimates, expectations of price increases, escalation factors, developer land areas as well as costs incurred to date. These assumptions are based on the best available information at the time. The calculation of these contributions is made in accordance with the Armadale Redevelopment Scheme 2004 and the Wungong Urban Water Redevelopment Scheme 2007.

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Note 5 - Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

There has been no initial application of an Australian Accounting Standard for the annual reporting period being starting from 1st July 2010.

Future impact of Australian Accounting Standards not yet operative

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

		Operative for reporting periods beginning on/after
<i>AASB 2009-11</i>	<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].</i>	1 Jan 2013
	The amendment to AASB 7 <i>Financial Instruments: Disclosures</i> requires modification to the disclosure of categories of financial assets. The Authority does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.	
<i>AASB 2009-12</i>	<i>Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]</i>	1 Jan 2011
	This Standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised Standard.	
<i>AASB 1053</i>	<i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	
	The Standard does not have any financial impact on the Authority. However it may affect disclosures in the financial statements of the Authority if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.	

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AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013
	<p>This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.</p> <p>The Standard is not expected to have any financial impact on the Authority. However this Standard may reduce some note disclosures in the financial statements of the Authority. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p>	
AASB 2010-5	<i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010)</i>	1 Jan 2011
	<p>This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Statements. There is no financial impact resulting from the application of this revised Standard.</p>	
AASB 2010-6	<i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]</i>	1 July 2011
	<p>This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.</p> <p>The Standard is not expected to have any financial impact on the Authority. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p>	
AASB 9	<i>Financial Instruments</i>	1 Jan 2013
	<p>This Standard supersedes <i>AASB 139 Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued on 6 Dec 2010 and the Department is currently determining the impact of the Standard. DTF has not yet determined the application or the potential impact of the Standard for agencies.</p>	

Changes in accounting estimates

The Authority administers Developer Contribution Schemes (DCS) on behalf of developers in the Armadale precinct. DCS is a mechanism for sharing the costs of infrastructure works required by all landowners within a project area. The Authority funds the cost of infrastructure work, which will subsequently be reimbursed by all landowners depending on their size of land in the area. The

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scheme is cost neutral to the Authority and the amounts incurred by the Authority are receivable as landowners are required to reimburse the Authority for their portion of costs before the approval is granted to subdivide the land.

The Authority reviewed all projects and assessed the recoverability of those costs recorded in DCS and non-DCS projects and concluded the following accounting adjustments to be a change in estimates in accordance with AASB 108 Accounting Policies, Change in Accounting Estimates and Errors.

- The Authority capitalised staff salaries and employment on-costs incurred in running the DCS operations to inventory and has subsequently been charged to the DCS. Based on the assessment performed by management during the year, the Authority concluded that relevant overhead costs need to be reimbursed through DCS and considered that a commercial charge out rate of a property developer to be an appropriate method to recover its salary expense, on-costs and overhead costs. \$977,000 was recorded in inventory in 2011 to recover operating overhead costs incurred in prior years which had not been previously capitalised.
- Following on the review of all projects, the Authority identified that certain previously expensed project costs in relation to three projects should be recoverable and reimbursed through DCS, which included \$689,000 for Forrestdale Business Park East; \$139,000 for Champion Drive and \$65,000 for Wungong Urban. These costs have been written back as income and a corresponding increase in the Inventory balance for the Authority has been recorded for the year ended 30 June 2011.
- The costs incurred for civil works relating to Green Avenue had been previously capitalised as inventory (WIP), as it was the Authority's intention to recover those costs through DCS. While finalising the submission to the Minister of Planning to approve the DCS, it was concluded that the costs for Green Avenue should not be recovered through the DCS as the road benefits the community of Armadale as a whole rather than exclusively benefiting landowners in the DCS area. The total cost incurred to date of \$2,629,000 was written off to the Statement of Comprehensive Income in 2011 and a corresponding reduction in the Inventory balance recorded for the Authority for the year ended 30 June 2011.
- The costs incurred for Wungong non-potable water supply costs had been previously capitalised as inventory, as it was the Authority's intention to recover those costs through DCS. Following discussion with developers in the area, it was concluded that the costs of \$1,220,000 should not be recovered through DCS. The \$1,220,000 was written off to the Statement of Comprehensive Income in 2011 and a corresponding reduction in the Inventory balance was recorded for the Authority for the year ended 30 June 2011.

Prior year adjustment

The comparative "cost of land sold" in the Statement of Comprehensive Income for the Authority excluded the \$783,000 expense representing the Authority's portion of the funds contributed to the infrastructure works for the DCS in relation to the 2008 financial year. This has been corrected by increasing the 2008 expense by \$783,000 against the opening balance of retained earnings and a corresponding reduction in the Inventory balance for the Authority for the year ended 30 June 2010. The Authority in effect accounted for this transaction on a net basis rather than on a gross basis. The Authority formalised an accounting policy on DCS transactions in 2009, thus ensuring appropriate accounting treatment for subsequent transactions.

Disclosures and Legal Compliance

For the year ended 30 June 2011

Note 6 - Employee benefits expense	2011	2010
	\$'000	\$'000
Wages and salaries (a)	1,365	1,316
Superannuation - defined contribution plans (b)	158	182
Long service leave (c)	(7)	55
Annual leave	103	132
	<u>1,619</u>	<u>1,685</u>

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

(b) Defined contribution plans include WSS and GSS (contributions paid).

(c) Includes a superannuation contribution component

Employment on-costs such as workers' compensation insurance are included at note 12 'Other Expenses'.
The employment on- costs liability is included at note 26 'Provisions'

Note 7 - Supplies and services	2011	2010
	\$'000	\$'000
Communications	21	24
Consultants and contractors	650	528
Consumables	30	37
Estate marketing and maintenance	(66)	2
Insurance	57	68
Strategic marketing	100	98
Travel	96	84
Other	440	254
	<u>1,328</u>	<u>1,095</u>

Note 8 - Depreciation and amortisation expense	2011	2010
	\$'000	\$'000
Depreciation		
Buildings	53	54
Infrastructure	16	16
Furniture and office equipment	7	7
Computer equipment	4	9
Plant and Equipment	5	4
Leasehold improvements	47	49
	<u>132</u>	<u>139</u>

Note 9 - Finance costs	2011	2010
	\$'000	\$'000
Interest expense (a)	<u>38</u>	<u>28</u>

(a) Interest expense comprises interest on borrowings from the Western Australian Treasury Corporation.

Disclosures and Legal Compliance

For the year ended 30 June 2011

Note 10 - Accommodation expenses	2011	2010
	\$'000	\$'000
Lease rentals	115	131
Cleaning	45	44
Electricity	13	19
Rates and taxes	16	16
Other	60	38
	<u>249</u>	<u>248</u>

Note 11 - Developer contribution expense	2011	2010
	\$'000	\$'000
Developer contribution expenses	<u>1,633</u>	<u>23,246</u>

Note 12 - Other expenses	2011	2010
	\$'000	\$'000
Employment on-costs (a)	101	128
Property Management Expenses	586	373
Public Infrastructure	3,499	402
Recruitment costs	69	12
Audit fees (b)	25	18
Revaluation Decrements	-	120
	<u>4,280</u>	<u>1,053</u>

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 26 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) Audit fees, see also note 33 'Remuneration of auditor'.

Note 13 - Cost of land sales	2,011	2010
	\$'000	\$'000
Sales- Land	-	-
Cost of land sales:		
Late Development Costs	<u>165</u>	<u>-</u>
Total cost of sales	<u>165</u>	<u>-</u>
Trading Loss	<u>(165)</u>	<u>-</u>

(a) Cost of sales relates to late development costs of an ARA lot from Forrestdale Business Park East.

Disclosures and Legal Compliance

For the year ended 30 June 2011

Note 14 - Loss on disposal of non-current assets	2011	2010
	\$'000	\$'000

Loss on disposal of non-current assets	<u>2</u>	<u>-</u>
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Note 15 - Interest Revenue	2011	2010
	\$'000	\$'000

Interest received	<u>602</u>	<u>577</u>
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(a) Interest revenue includes interest earned on short term deposits and operating account.

Note 16 - Developer contribution fees	2011	2010
	\$'000	\$'000

Developer contribution fees	<u>1,633</u>	<u>23,246</u>
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Note 17 - Other revenue	2011	2010
	\$'000	\$'000

Statutory Fees	126	-
Sale of information	1	94
Grants	100	-
Rental Income	73	48
Revaluation Increments	120	-
Project Management Fees	1,662	-
Sundry income	1,778	1,626
	<u>3,860</u>	<u>1,768</u>

Note 18 - Income from State Government	2011	2010
	\$'000	\$'000

Appropriation revenue received during the year:		
Service appropriations	<u>1,810</u>	<u>1,790</u>

Disclosures and Legal Compliance

For the year ended 30 June 2011

Note 19 - Inventories	2011	2010	2009
	\$'000	\$'000	\$'000
Current		Restated*	Restated*
Inventories held for sale:			
- Developed land	1,069	-	-
- Work in progress	-	772	5,497
	<u>1,069</u>	<u>772</u>	<u>5,497</u>
Non-current			
Inventories held for sale:			
- Undeveloped land	3,012	2,117	3,433
	<u>3,012</u>	<u>2,117</u>	<u>3,433</u>
Current			
Inventories held for use in Developer Contribution Schemes			
- Work in progress	16,408	15,411	10,374
	<u>16,408</u>	<u>15,411</u>	<u>10,374</u>
Non-current			
Inventories held for use in Developer Contribution Schemes			
- Undeveloped land	-	1,316	107
	<u>-</u>	<u>1,316</u>	<u>107</u>
Current Inventory	17,477	16,183	15,871
Non-current inventory	3,012	3,433	3,540

Inventories held are measured at the lower of cost and net realisable value.

* See Note 5 - Disclosure of changes in accounting policy and estimates

Note 20 - Receivables	2011	2010
	\$'000	\$'000
Current		
Trade debtors	13	1,155
Accrued revenue	43	35
GST receivable	184	186
Short term deposits (a)	10,957	15,049
	<u>11,197</u>	<u>16,425</u>

(a) This figure consists of short term deposits, generally 30 days in length, that are matured or reinvested to meet cash requirements as necessary.

	2011	2010
	\$'000	\$'000
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of year	-	152
Amounts written off / recovered during the year	-	(152)
Balance at the end of the year	<u>-</u>	<u>-</u>

Disclosures and Legal Compliance

For the year ended 30 June 2011

Note 21 - Other current assets	2011	2010
	\$'000	\$'000
Current		
Prepayments	34	34
	<u>34</u>	<u>34</u>
Note 22 - Property, plant and equipment	2011	2010
	\$'000	\$'000
Buildings		
At fair value (a)	2,113	1,918
Accumulated depreciation	(129)	-
	<u>1,984</u>	<u>1,918</u>
Furniture and office equipment		
At cost	84	84
Accumulated depreciation	(24)	(15)
	<u>60</u>	<u>69</u>
Computer equipment		
At cost	32	54
Accumulated depreciation	(32)	(50)
	<u>-</u>	<u>4</u>
Plant and equipment		
At cost	60	42
Accumulated depreciation	(11)	(7)
	<u>49</u>	<u>35</u>
Leasehold improvements		
At cost	323	280
Accumulated depreciation	(224)	(176)
	<u>99</u>	<u>104</u>
Capital works in progress		
At cost	1,395	1,183
	<u>1,395</u>	<u>1,183</u>
Total Property, plant and equipment	<u>3,587</u>	<u>3,313</u>

(a) Buildings were revalued as at 1 January 2011 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2011 and recognised at 30 June 2011. In undertaking the revaluation, fair value was determined by reference to the depreciated replacement cost for buildings. Refer note 2(g) 'Property, plant, equipment and infrastructure'.

(b) As at 30 June 2011, there were no accumulated impairment losses on Property, plant, equipment and infrastructure.

Disclosures and Legal Compliance

For the year ended 30 June 2011

Reconciliations

Reconciliations of the carrying amounts of Property, plant and equipment at the beginning and end of the current financial year are set out below.

Buildings	Capital works in progress	Furniture and office equipment	Computer equipment	Plant and equipment	Leasehold improvements	Total
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2011	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	1,918	1,183	69	4	35	104	3,313
Additions	-	212	10	-	19	71	312
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(12)	-	-	(29)	(41)
Revaluation increments	119	-	-	-	-	-	119
Revaluation decrements	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-
Depreciation	(53)	-	(7)	(4)	(5)	(47)	(116)
Carrying amount at end of year	1,984	1,395	60	-	49	99	3,587

Buildings	Capital works in progress	Furniture and office equipment	Computer equipment	Plant and equipment	Leasehold improvements	Total
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2010	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	2,091	-	61	13	40	124	2,329
Additions	-	1,183	15	-	-	29	1,227
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Revaluation decrements	(120)	-	-	-	-	-	(120)
Impairment losses	-	-	-	-	-	-	-
Depreciation	(53)	-	(7)	(9)	(5)	(49)	(123)
Carrying amount at end of year	1,918	1,183	69	4	35	104	3,313

Disclosures and Legal Compliance

For the year ended 30 June 2011

Note 23 - Infrastructure	2011	2010
	\$'000	\$'000
Infrastructure		
At cost	638	638
Accumulated depreciation	(48)	(32)
	<u>590</u>	<u>606</u>
Reconciliation		
Carrying amount at start of year	606	622
Depreciation expense	(16)	(16)
Carrying amount at end of year	<u>590</u>	<u>606</u>

Note 24 - Impairment of assets

There were no indications of impairment of property, plant and equipment at 30 June 2011.

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2011 have been classified as assets held for sale or written off.

Note 25 - Payables	2011	2010
	\$'000	\$'000
Current		
Trade payables	<u>2,479</u>	<u>1,407</u>
Non-current		
Trade payables	<u>10,006</u>	<u>13,630</u>

Disclosures and Legal Compliance

For the year ended 30 June 2011

Note 26 - Provisions	2011	2010
	\$'000	\$'000
Current		
<u>Employee Benefits</u>		
Annual leave (a)	166	139
Long service leave (b)	61	109
	<u>227</u>	<u>248</u>
<u>Other provisions</u>		
Employment on-costs (c)	18	22
Future development obligations	345	3,122
Other	8	8
	<u>371</u>	<u>3,152</u>
Total current	<u>598</u>	<u>3,400</u>
Non-Current		
<u>Employee Benefits</u>		
Long service leave (b)	80	75
<u>Other provisions</u>		
Employment on-costs (c)	12	10
Future development obligations	62	318
	<u>74</u>	<u>328</u>
Total non-current	<u>154</u>	<u>403</u>

(a) Annual 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:

	2011	2010
	\$'000	\$'000
Within 12 months of reporting date	166	139
	<u>166</u>	<u>139</u>

Disclosures and Legal Compliance

For the year ended 30 June 2011

(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:

	2011 \$'000	2010 \$'000
Within 12 months of reporting date	61	109
More than 12 months after reporting date	80	75
	141	184

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost) is included at note 12 'Other expenses'.

Movements in Other Provisions

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

	2011 \$'000	2010 \$'000
<u>Future development obligation provision</u>		
Carrying amount at start of year	3,440	4,627
Additional provisions recognised	-	1,395
Payments/ other sacrifices of economic benefits	(3,033)	(2,582)
Carrying amount at end of year	407	3,440
<u>Employee on-cost provision</u>		
Carrying amount at start of year	32	17
Reduction in provisions	(2)	15
Carrying amount at end of year	30	32
<u>Other provision</u>		
Carrying amount at start of year	8	-
Additional provisions recognised	-	8
Carrying amount at end of year	8	8

Note 27 - Borrowings

	2011 \$'000	2010 \$'000
Current		
Western Australian Treasury Corporation loan	700	-
Non-Current		
Western Australian Treasury Corporation loan	-	700

Disclosures and Legal Compliance

For the year ended 30 June 2011

Note 28 - Other current liabilities	2011	2010
	\$'000	\$'000
Current		
Accrued expenses	1,809	1,635
Unearned revenue	7	-
Cash in lieu	113	113
	<u>1,929</u>	<u>1,748</u>

Note 29 - Equity

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

	2011	2010	2009
	\$'000	\$'000	\$'000
Contributed equity			
Balance at start of period	31,660	29,000	23,100
Capital contributions (a)	3,250	2,660	5,900
Balance at end of period	<u>34,910</u>	<u>31,660</u>	<u>29,000</u>

(a) Capital Contributions have been designated as contributions by owners and are credited directly to equity.

	2011	2010	2009
	\$'000	\$'000	\$'000
Accumulated surplus/(deficiency)		Restated*	Restated*
Balance at start of period	(12,817)	(12,704)	(12,951)
Restated opening balance	<u>(12,817)</u>	<u>(12,704)</u>	<u>(12,951)</u>
Result for the period	(1,541)	(113)	247
Balance at end of period	<u>(14,358)</u>	<u>(12,817)</u>	<u>(12,704)</u>

* See Note 5 - Disclosure of changes in accounting policy and estimates

Disclosures and Legal Compliance

For the year ended 30 June 2011

Note 30 - Notes to the Statement of Cash Flows	2011	2010
	\$'000	\$'000
(a) 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:		
Cash and cash equivalents	521	137
Cash and cash equivalents comprise cash on hand and short term deposits with original maturities of three months or less that are readily convertible to cash.		
(b) Reconciliation of net cost of services to net cash flows used in operating activities:		
	2011	2010
	\$'000	\$'000
Net cost of services	(3,351)	(1,903)
Non-cash items:		
Depreciation and amortisation expense	132	139
Inventory related expenses and adjustments	-	505
Change in accounting estimates	-	(1,087)
Fair value revaluation decrement (increment)	(120)	120
Adjustment for other non-cash items	(290)	-
Net (gain)/loss on sale of property, plant & equipment	2	-
Project Management Fees and Other Income	(3,440)	-
(Increase)/decrease in assets:		
Receivables	5,228	(1,289)
Inventories	(873)	(312)
Other current assets	(258)	(1)
Increase/(decrease) in liabilities:		
Current payables	1,072	946
Current provisions	(2,802)	(926)
Other current liabilities	181	(1,811)
Non-current payables	(3,624)	1,406
Non-current provisions	(249)	(200)
Change in GST in receivables/payables	(64)	691
Net cash used in operating activities	(8,456)	(3,722)

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For the year ended 30 June 2011

Note 31 - Commitments for expenditure

(a) Contractual expenditure commitments

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

	2011	2010
	\$'000	\$'000
Within 1 year	3,418	1,074
Later than 1 year and not later than 5 years	191	1,344
	<u>3,609</u>	<u>2,418</u>
The commitments include amounts for:		
Capital and Public infrastructure works	<u>3,609</u>	<u>2,418</u>

(b) Lease commitments

The Authority has its office premises, and its motor vehicle fleet under non-cancellable operating leases. Commitments in relation to leases contracted for at reporting date but not recognised as liabilities, are payable as follows:

	2011	2010
	\$'000	\$'000
Within 1 year	221	228
Later than 1 year and not later than 5 years	9	55
	<u>230</u>	<u>283</u>

The property lease is a non-cancellable lease with a one year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by CPI. No further options exist to renew the lease at the end of the term.

	2011	2010
	\$'000	\$'000
Representing:		
Cancellable operating leases	135	131
Non-cancellable operating leases	95	152
	<u>230</u>	<u>283</u>

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For the year ended 30 June 2011

Note 32 - Remuneration of members of the Accountable Authority and senior officers

Remuneration of members of the Accountable Authority

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

\$	2011	2010
Nil - 10,000	-	2
10,001 - 20,000	3	5
20,001 - 30,000	1	1

Total remuneration of the members of the Authority is:	66	95
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The total remuneration includes the superannuation expense incurred by the Authority in respect of members of the Accountable Authority. No members of the Accountable Authority are members of the Pension Scheme.

Remuneration of senior officers

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

\$	2011	2010
10,001 - 20,000	2	-
140,001 - 150,000	1	-
160,001 - 170,000	-	1
170,001 - 180,000	-	1
240,001 - 250,000	-	1
260,001 - 270,000	1	-

Total remuneration (\$'000) of senior officers is:	445	586
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The total remuneration includes the superannuation expense incurred by the Authority in respect of senior officers other than senior officers reported as members of the Accountable Authority. No senior officers are members of the pension scheme.

Note 33 - Remuneration of auditor

2011	2010
\$'000	\$'000

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

Auditing the accounts, financial statements and performance indicators

25	25
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For the year ended 30 June 2011

Note 34 - Supplementary financial information

Write-offs

There were no write-offs during the financial year, such as: bad debts, revenue and debts due to the State, or public and other property written off during the financial year.

Losses through theft, default and other causes

During the 2010-11 financial year, the Authority recorded a loss through the theft of a four-wheel motorbike and other minor items. The Authority has lodged a claim with Riskcover in relation to this theft.

There were no other losses of public property through theft, vandalism or other circumstances during the year.

Note 35 - Segment information

The Authority operates in one reportable service segment and one geographical segment.

Note 36 - Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Authority are cash and cash equivalents, borrowings, receivables, and payables. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Authority's customers defaulting on their contractual obligations resulting in financial loss to the Authority. The Authority measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 36(c) Financial Instrument Disclosures.

Credit risk associated with the Authority's financial assets is minimal because, outside of the government, the Authority trades only with recognised, credit-worthy 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.

Provision for impairment of financial assets is calculated based on past experience, and current changes in client ratings. For financial assets that are either past due or impaired, refer to Note 20 Receivables.

Liquidity risk

The Authority is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due. The Authority has appropriate procedures to manage cash flows including draw-downs of appropriations; management of bills of exchange and by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

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For the year ended 30 June 2011

Market risk

The Authority does not trade in foreign currency and is not materially exposed to other price risks. The Authority's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations with the Western Australian Land Authority. The Authority's other borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are at variable interest rates. Other than as detailed in the Interest rate sensitivity analysis table at Note 36(c), the Authority is not exposed to interest rate risk because cash and cash equivalents are non-interest bearing; interest bearing receivables are at fixed rates and terms and it has no borrowings other than the Western Australian Land Authority and WATC borrowings.

(b) Categories of Financial Instrument

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2011	2010
	\$'000	\$'000
Financial Assets		
Cash and cash equivalents	521	137
Short term deposits	11,013	16,239
Financial Liabilities		
Financial liabilities measured at amortised cost	15,114	17,485

(c) Financial Instrument Disclosures

Credit Risk, Liquidity Risk and Interest Rate Risk Exposures

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date. The Authority's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. 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.

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For the year ended 30 June 2011

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

	Interest Rate Exposure			Past due but not impaired					
	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Variable Interest Rate \$'000	Non-Interest Bearing \$'000	Up to 3 Months \$'000	3-12 months \$'000	1-5 Years \$'000	More than 5 Years \$'000	Impaired financial assets \$'000
Financial Assets									
2011									
Cash and cash equivalents	4.50%	521	521	-	-	-	-	-	-
Short term deposits	5.35%	11,013	10,957	56	-	-	-	-	-
		11,534	11,478	56	-	-	-	-	-
2010									
Cash and cash equivalents	3.70%	137	137	-	-	-	-	-	-
Short term deposits	4.69%	16,239	15,049	1,190	117	-	-	-	-
		16,376	15,186	1,190	117	-	-	-	-

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For the year ended 30 June 2011

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

Interest rate exposure and maturity analysis of financial liabilities ^(a)

	Weighted Average Effective Interest Rate %	Interest Rate Exposure				Contractual Maturity Dates							
		Carrying Amount \$'000	Variable Interest Rate \$'000	Non- Interest Bearing \$'000	Adjustment for discounting \$'000	Total nominal amount \$'000	Up to 3 Months \$'000	3-12 months \$'000	1-2 Years \$'000	2-3 Years \$'000	3-4 Years \$'000	4-5 Years \$'000	More than 5 Years \$'000
Financial Liabilities													
2011													
Financial Liabilities measure at amortised cost	3.67%	15,114	10,706	4,408	(1,592)	16,706	4,547	1,116	518	10,524	-	-	-
2010													
Financial Liabilities measure at amortised cost	4.40%	17,485	14,330	3,155	(3,153)	20,638	3,313	473	631	631	631	14,961	-

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

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Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Authority's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

2011	Carrying amount \$'000	-100 basis points		+100 basis points	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
<u>Interest rate sensitivity analysis</u>					
Financial Assets					
Cash and cash equivalents	521	(5)	(5)	5	5
Short term deposits	10,957	(110)	(110)	110	110
Financial Liabilities					
Payables	10,006	100	100	(100)	(100)
Western Australian Treasury Corporation loan	700	7	7	(7)	(7)
Total Increase/(Decrease)		(8)	(8)	8	8

2010	Carrying amount \$'000	-100 basis points		+100 basis points	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
<u>Interest rate sensitivity analysis</u>					
Financial Assets					
Cash and cash equivalents	137	(1)	(1)	1	1
Short term deposits	15,049	(150)	(150)	150	150
Financial Liabilities					
Payables	13,630	136	136	(136)	(136)
Western Australian Treasury Corporation loan	700	7	7	(7)	(7)
Total Increase/(Decrease)		(9)	(9)	9	9

Fair Values

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

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For the year ended 30 June 2011

Note 37 - Contingent liabilities and contingent assets

The Authority has resumed land and accounted for the resumption on the basis of a profession valuation obtained. A claim has been made by a landowner for resumed land for which a portion has been agreed. The Authority has acknowledged a contingent liability as recommended by the State Solicitor's Office.

As at the end of reporting period, the Authority does not have any other contingent liabilities.

The Authority has no contingent assets.

Note 38 - Events occurring after the balance sheet date

The Authority is not aware of any events, favourable or unfavourable, that have occurred after the end of the reporting period.

Note 39 - Explanatory Statements

Significant variations between estimated and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% or \$5 million.

Significant variations between estimated and actual results for 2011.

	2011 Actual \$'000	2011 Estimates \$'000	Variance \$'000
<u>Expenses</u>			
Employee benefits expense	1,619	1,897	(278)
Supplies and services	1,328	1,149	179
Finance costs	38	594	(556)
Accommodation expenses	249	340	(91)
Cost of land sold	165	1,021	(856)
Developer contribution expenses	1,633	12,793	(11,160)
Other expenses	4,280	1,313	2,967
<u>Revenue</u>			
Land Sales	-	1,316	(1,316)
Interest revenue	602	3	599
Government grants	-	650	(650)
Developer contribution fees	1,633	12,793	(11,160)
Other revenue	3,860	249	3,611

Employee benefits expense

The variance is due to staff turnover and time delays in between filling vacant positions and a higher than expected rate of capitalisation of staff costs to Developer Contribution Scheme projects.

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For the year ended 30 June 2011

Supplies and services

The increase in supplies and services expense is due to a significant increase in contractors and consultants costs.

Finance Costs

Interest Expense was much lower than expected, due to surplus cash deposits being used to finance projects instead of new debt.

Accommodation expenses

Accommodation costs are lower than expected due to cost savings in security expenses and lower than anticipated increases in rent and associated costs.

Cost of land sold

Development and sale of industrial lots at Champion lakes was deferred due to economic and market conditions. Late development costs for the Authority's DCS contribution have been recorded.

Developer contribution expenses

Developer contribution targets were much lower than expected, due to slow growth in demand for residential lots in the south-eastern Perth metropolitan corridor.

Other expenses

The variance is due to higher than anticipated Public Infrastructure and Master Planning costs resulting from delays in projects, and a change in estimates for the recoverability of \$1,220,000 of Wungong Urban WIP.

Land Sales

Projected sales for Champion Lakes did not take place during 2010-2011 as development of commercial lots was deferred due to the market and economic conditions.

Interest revenue

The variance is due to higher cash balances being available for investment during the current year as a result of lower than expected levels of development expenditure.

Developer contribution fees

Developer contribution targets were much lower than expected, due to slow growth in demand for residential lots in the south-eastern Perth metropolitan corridor.

Other Revenue

The Authority charges its employees' time to the DCSs at commercial rates from 2010-11. Prior year salary capitalisations have also been charged to the DCSs, for the difference between commercial rates and actual salaries and on-costs (effectively charging for prior year overhead costs). This was not budgeted for previously, as it is a change in accounting estimates. A future development obligation also removed for the Railway Precinct project, which was recognised in other revenue.

Disclosures and Legal Compliance

For the year ended 30 June 2011

Significant variations for actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% or \$5 million.

Significant variations between actual results for 2010 and 2011.

	2011 Actual \$'000	2010 Actual \$'000	Variance \$'000
Expenses			
Supplies and services	1,328	1,095	233
Finance costs	38	28	10
Cost of land sold	165	-	165
Developer contribution expenses	1,633	23,246	(21,613)
Other expenses	4,280	1,053	3,227
Revenue			
Developer contribution fees	1,633	23,246	(21,613)
Other revenue	3,860	1,768	2,092

Supplies and services

The increase in supplies and services expense is due to a significant increase in contractors and consultants costs.

Finance costs

Finance costs are slightly higher in 2010-2011 compared to 2009-2010 due to interest rate increases over both financial years.

Cost of land sold

Development and sale of industrial lots at Champion lakes was deferred due to economic and market conditions. Late development costs for the Authority's DCS contribution have been recorded.

Developer contribution expenses

The large decrease in developer contribution expenses is due to 2009-10 having a major development application clearance taking place, while there was minimal developer activity during 2010-11.

Other expenses

This is much higher in 2010-11 due to higher public infrastructure and master planning costs.

Developer contribution fees

The large decrease in developer contribution income is due to 2009-10 having a major development application clearance taking place, while there was minimal developer activity during 2010-11.

Other revenue

The Authority charges its employees' time to the DCSs at commercial rates from 2010-11. Prior year salary capitalisations have also been charged to the DCSs, for the difference between commercial rates and actual salaries and on-costs (effectively charging for prior year overhead costs). This was not budgeted for previously, as it is a change in accounting estimates. A future development obligation also removed for the Railway Precinct project, which was recognised in other revenue.

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For the year ended 30 June 2011

Armadale Redevelopment Authority Certification of Performance Indicators for the year ended 30 June 2011

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Armadale Redevelopment Authority's performance, and fairly represent the performance of the Armadale Redevelopment Authority for the financial year ended 30 June 2011.



John Ruprecht
DEPUTY CHAIRPERSON



Matthew Handcock
BOARD MEMBER

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For the year ended 30 June 2011

2011 Key Performance Indicators

Armadale Redevelopment Authority

Performance Indicators for the Year ended 30 June 2011

Outcome Statement

Effectiveness and efficiency key performance indicators have been developed to reflect the core outcome of the Authority to facilitate the enhanced economic and social development of Armadale.

Effectiveness Indicators

The effectiveness indicators applied to measure the Armadale Redevelopment Authority's performance in achieving its outcomes are intended to reflect quantifiable measures based on survey results and hard data.

The Armadale Redevelopment Authority (ARA) conducts an annual survey of businesses and residents in the Armadale local government area based on the 2006 Australian Bureau of Statistics (ABS) census population data of 50,000 people.

The survey sample is derived from random sampling of both residences and businesses within the City of Armadale and is conducted through telephone interviews.

The 2011 survey was completed during the period 13 to 27 May 2011.

Residential: A total of 393 interviews were completed out of a total random sample of 1,574 residents from the Armadale area¹ – a response rate of 25%. A response of this size from the residential population of the Armadale area results in a maximum survey error of $\pm 4.94\%$ confidence level for the adult population of the ARA precinct.

Business: In addition, 330 interviews were completed out of a total random sample of 583 businesses from the Armadale area – a response rate of 57%. This is a high response rate. Business surveys struggle to achieve better than a 50% response rate even with such expensive measures as a pre-notification letter and hybrid research design. The 57% response rate was achieved in this instance without those additional measures. A response of this size from the business population of the Armadale area results in a maximum survey standard error of $\pm 5.4\%$ at the 95% confidence level.²

In addition to the annual survey, hard data is also drawn from building licence applications to the City of Armadale and internal monitoring of development applications at the ARA.

¹ The 'Armadale area' refers to the suburbs: Armadale, Bedforddale, Brookdale, Camillo, Champion Lakes, Forrestdale, Harrisdale, Haynes, Hilbert, Karragullen, Kelmscott, Mt Nasura, Mt Richon, Roleystone, Seville Grove, Westfield and Wungong. Respondents were informed of this at the start of the survey to ensure they considered the "Armadale area" in its entirety when answering the questions.

² Standard error refers to the range that we can be 95% confident that the score falls into i.e. if the measurement is 80%, a standard error of $\pm 5.00\%$ would illustrate that we can be 95% confident that the true score for the population is between 75% and 85%.

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For the year ended 30 June 2011

KEY EFFECTIVENESS INDICATOR 1: VALUE OF BUILDING APPROVALS (shows economic growth in terms of building investment).

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Target
Residential Value	\$29.7M	\$46.5M	\$99.8M	\$162.8M	\$213.4M	\$218.4M	\$277.4M	\$206.3M	-
Variation	20.3%	56.6%	115%	63%	31%	2%	27%	-25.6%	40%
Non-Residential Value	\$31.0M	\$26.7M	\$67.8M	\$85.9M	\$60.0M	\$65.9M	\$54.0M	\$67.1M	-
3 Year Moving Average	-	-	\$41.8M	\$60.1M	\$71.2M	\$70.60M	\$59.9M	\$62.3M	-
Variation (a)	-	-	-	-	18%	-1%	-15%	4%	15%

Source: City of Armadale.

(a) The variation is based on a 3 year moving average with a base year of 2008/09.

The 3 year moving average is a common form of dampening a moving series which is prone to spikes in investment patterns. Thus variations are based on an average of the past 3 years in a series and compared to the previous 3 year averages.

The target for annual increase in value of residential building approvals is set in consideration of population growth, changing profile of home buyers and allowance for growth (starting from a statistically low base), together with a current allowance for escalation in building costs to arrive at a projected target of 40%. In the residential segment, the decline in growth has occurred in terms of building material costs and value of housing in response to the general downturn in the market. The Federal Government's housing stimulus was targeted towards the lower cost end of the market.

In terms of non-residential growth, this sector has very uneven investment periods, which is why the three year moving average is applied. The variation figure is also somewhat distorted by its relationship to previous years, where major multi-million dollar projects were underway. In particular, two major retail projects with a combined value of \$150M market investment in the area were undertaken in 2006/07 and 2007/08. Stabilisation of the variation, at 4%, is chiefly the result of development proposal delays by applicants in the Forrestdale Business Park and Kelmscott precincts (with a combined value of development at ~\$30M unable to be accounted for in the above table), where major development proposals have stalled due to market conditions.

These indicators show the relative level of investment in residential and non-residential sectors (employment / building investment). The results from 2009/10 indicate that investment in residential was more resilient while non-residential was more impacted by credit and confidence issues. The reverse has been shown for the 2010/11 year; highlighting the difficulties with predictability of this market indicator.

While the data is drawn from an area greater than that under the direct planning jurisdiction of the ARA, it is postulated that the influence of the ARA affects activities within the Armadale local government area.

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For the year ended 30 June 2011

KEY EFFECTIVENESS INDICATOR 2: ASSESSMENT BY RESIDENTS AND BUSINESSES OF THE ARA'S CONTRIBUTION TO THE ECONOMIC AND SOCIAL DEVELOPMENT OF ARMADALE (shows external acknowledgement of the ARA achieving its core outcomes).

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Target
Residents Agree	60.8%	57%	66%	65%	57%	63%	55%	60%
Businesses Agree	41.9%	55%	58%	59%	42%	52%	37%	60%

Source: The 2011 Survey.

Residential: The 'net agreement' score (strongly agree and slightly agree combined) drops from 63% in 2010 to 55% in 2011 (not significant), whereas the proportion with 'mixed feelings' slightly increases from 24% to 29%. The proportion of respondents who strongly agree (26% in 2011) remains stable (27% in 2010). The proportion of respondents with a 'negative' perception (16%) remains relatively low and is still lower than in the period 2008/09 when it was closer to 20%.

The comparison of the proportion of residential respondents who 'agree' or strongly agree' over the period 2005-2011 is shown above. Note that while the proportion in agreement with this proposition in 2011 (55%) appears to have fallen from the 2010 level (63%), the difference is not significant at the 95% confidence level.

Business: In 2011, just over one third of the business respondents (37%) agree that the ARA is effectively assisting with the social development of the area. The difference between 2010 (52%) and 2011 (37%) is significant at the 95% confidence level. This reduction is reflective of the wider decline in viability / confidence within the retail sector, which is beyond the scope of the ARA's control.

Also, the proportion of respondents who 'strongly agree' dropped from 13% in 2010 to 8% in the current survey. Although this is not a significant drop, the drop from 17% in 2009 to 8% 'strongly agree' in 2011 is however significant at a 95% level of confidence.

The proportion of business respondents with a 'negative' perception remain stable at around 25% over the past years; 'net disagreement' was 23% in 2008, 24% in 2009, 28% in 2010 and 29% in 2011. The proportion of business owners with 'mixed' feelings has increased significantly; it went up from 21% in 2010 to 33% in the current survey.

KEY EFFECTIVENESS INDICATOR 3: LEVEL OF BUSINESS ACTIVITY (shows impact of the ARA's efforts to achieve economic outcomes for 2010/11).

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Target
Improvement in Business Activity over year (% of Businesses)	55%	53%	52%	54%	41%	32%	32%	30%	51%

Source: The 2011 Survey.

When asked about their own business, 30% report that their business activity had become better and 31% indicated that their business conditions had worsened. The dominant attitude was that it had "stayed the same" (38%). Whilst the last four surveys show quite a similar pattern in results, when compared with the data of 2007 (and before) the situation has worsened; the proportion reporting

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For the year ended 30 June 2011

that business conditions have “worsened” has grown from 10% in 2007 to 31% in 2010 and the proportion reporting that business conditions have improved has fallen quite materially from 54% in 2007 to 30% in 2011. In general, the longitudinal data reflects a material deterioration in business activity over the last four years.

In predicting the business activity over the next twelve months, the 2011 results show a sense of optimism. The proportion of respondents who expect business activity to improve over the next twelve months is slightly higher than in 2010 and significantly higher than in the 2009 survey. The aggregate view seems to be that optimism is slowly growing (the market is recovering); the number of business proprietors/managers who expect business activity to improve is steadily growing whilst there are relatively few who expect conditions to worsen over the next twelve months.

KEY EFFECTIVENESS INDICATOR 4: DEVELOPMENT APPLICATIONS DETERMINED BY ARA (shows facilitation of economic investment).

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Target
Number of Development Applications Determined	20	58	83	140	78	107	118	-
Variation	-	190%	43%	69%	-44%	37%	10.3%	18%

Source: Armadale Redevelopment Authority.

This indicator is intended to measure growth in general development activity within the area under direct ARA planning and development jurisdiction. The Armadale Redevelopment Scheme was gazetted in May 2004 and accordingly 2004/05 is the first full year in which applications determined were calculated. The Wungong Urban Redevelopment Scheme was gazetted in 2008, marking the introduction of a major new redevelopment precinct into the ARA planning and development jurisdiction.

As the planning Scheme’s provisions are translated into on-the-ground activity, this indicator has increased significantly on the 2004/05 figure of 20 applications. The target of 18% is seen as a long term average that the ARA would like to work towards. The Wungong Scheme, gazetted in early 2008, is likely to have a marked impact on residential applications in 2011/2012, when development occurs on current subdivisions which have been approved in the area.

It is likely that once the newly planned ARA areas are underway in terms of subdivision and development, a more regular growth pattern will emerge.

The target is set on the basis of development activity doubling over the next 8 years as general growth occurs and more area is covered under the Redevelopment Scheme. However, previous growth has been minimal. Therefore, to more accurately reflect this fact, the target for the medium term is set at double the long term average annual growth rate of 9%.

As the target set is a long term target, the movement from a market peak in 2008 to the market trough in 2009 followed by a sustained rebound in 2010 and 2011 reflects the volatility of this market and the likelihood of the target being significantly under or overshot depending on the point in the cycle when data pertaining to this indicator is captured.

Economic conditions, particularly a tight credit market and smaller land releases as developers rationalise projects, have contributed to a reduction in the number of development approvals issued throughout WA and nationally.

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Renewed activity in the housing market due to first home buyers' incentives helped to stimulate the market. Significant subdivision has occurred during the year in the Forrestdale Business Park which will translate into more development application activity in the future.

The future release of land in these projects is expected to result in a significant increase in the number of DAs being determined by 2011/12. The ARA has approved several subdivisions in Forrestdale Business Park and Wungong Urban over the past year, indicating that the predicted increase in development approvals is on track.

Efficiency Indicators

The ARA's efficiency can best be measured against the services provided, namely:

- (A) Implementation of redevelopment schemes that meet statutory requirements;
- (B) Facilitation of development through release of lots; and
- (C) Facilitation of construction of non-residential facilities and infrastructure.

KEY EFFICIENCY INDICATOR 1: AVERAGE TIME TO PROCESS DEVELOPMENT APPLICATIONS (relates to Service (A)).

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Target
Number Development Applications Determined	11	20	58	83	140	78	107	118	-
Average Processing Period	74.5 Days	55 Days	35 Days	32 Days	20 Days	22 Days	27 Days	26 Days	60 Days
Proportion Exceeding 60 Days	45%	35%	12%	11%	5%	10%	11%	9.3%	-

Source: Armadale Redevelopment Authority.

The number of development applications determined is the actual number processed in the financial year, including those approved and refused. It excludes applications which were not determined, or were withdrawn.

The Processing Period is the period (in total days) following formal acceptance of development applications, less of any period when the applications were returned to the applicant for clarification or further information. This financial year, the average number of working days (Monday-Friday, excluding public holidays) required to determine a development application was 18 days.

The target set is the statutory requirement for determination as stated in the Redevelopment Schemes.

In 2007/08, procedures were introduced to improve the efficiency in processing development applications. Further refinements to processing procedures were again undertaken in 2010/11, resulting in a minor improvement in development application assessment efficiency from the preceding year.

This indicator shows a slight improvement in organisational efficiency in processing applications. Even with an increase in the volume of applications received (compared to the preceding year), the

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For the year ended 30 June 2011

processing period has been reduced. Review of the planning delegation schedule in September 2010 assisted with this improvement in efficiency.

While the number of development application determinations increased moderately from 2009/10, it is noteworthy that 90.7% of applications were determined within the target period. The average processing period also remains substantially below the target maximum. The figures indicate that the vast majority of development applications are processed quickly and efficiently. A number of highly complex applications have been received over the 2010/11 period which have involved extensive research and liaison with both applicants and public authorities, requiring longer determination periods.

KEY EFFICIENCY INDICATOR 2: COSTS PER DEVELOPMENT APPLICATION DETERMINED (relates to Service (A)).

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Target
Number of Development Applications Determined	20	58	83	140	78	107	118	-
Cost	\$2.1M	\$2.4M	\$3.1M	\$3.8M	\$3.0M	\$3.8M	\$3.9	-
Cost per application	\$106,100	\$41,086	\$37,829	\$27,250	\$38,064	\$35,934	\$33,212	\$30,000

Source: Armadale Redevelopment Authority.

Note: Costs are based on annual total costs of services less cost of land sold, developer contribution expenses and public infrastructure costs. The 2010/11 costs exclude written off costs for non-potable water supply research and design (\$1.22M), associated with the Wungong Urban project.

This indicator shows the change in efficiency in terms of cost per application. The target of \$30,000 is based on the evidence of recent years' results.

The 2010/11 cost per application is in line with recent years, although the volume of applications has increased.

The cost per application is further pushed above target by the Authority's ongoing investment in future projects. Delays to future land releases at Wungong Urban, Armadale City West and Kelmscott have been due to statutory reviews, requiring significant expenditure by the Authority. Returns on this expenditure will not be seen, however, until land is made available for subdivision and development. It is expected that the cost per application will significantly decrease during 2011/12 as the flow-on of applications received is realised. External validation of planning applications and modified requirements for planning applications (in terms of defined development) will also realise marked improvements in efficiency.

Disclosures and Legal Compliance

For the year ended 30 June 2011

KEY EFFICIENCY INDICATOR 3: COSTS PER LOT GIVEN SUBDIVISION APPROVAL (relates to Service (B)).

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Target
Number of Lots	316	102	336	421	336	134	221	-
Total Costs of Lots	\$2.1M	\$2.4M	\$3.1M	\$3.8M	\$3.0M	\$3.8M	\$3.9M	-
Costs per lot	\$6,715	\$23,363	\$9,345	\$9,062	\$8,836	\$28,694	\$17,733	\$7,000

Source: Armadale Redevelopment Authority.

Note: Costs are based on annual total costs of services less cost of land sold, developer contribution expenses and public infrastructure costs. The 2010/11 costs exclude written off costs for non-potable water supply research and design (\$1.22M), associated with the Wungong Urban project.

This shows operation costs in terms of new lot creations. The target of \$7,000 is based on the 2004/05 result which is viewed as a realistic target as volumes increase. This year's low-moderate production of new lots reflects project phasing with the ARA's redevelopment projects. Lot production in existing, established projects (e.g. Champion Drive) has slowed as these projects near completion. For the larger, more recent projects (e.g. Wungong Urban, Forrestdale Business Park West), approval of new lots cannot commence until major Structure Plans and environmental approvals are in place. It is expected that, particularly for Wungong Urban, new lot approvals will markedly increase in the 2011-2012 year. The moderate-high cost per lot has chiefly arisen from the relatively small number of lots given subdivision approval in this financial year.

KEY EFFICIENCY INDICATOR 4: COSTS RELATIVE TO VALUE OF NON RESIDENTIAL DEVELOPMENT APPROVED BY ARA (relates to Service (C)).

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Target
Value of non Residential Development Approved	\$51.1M	\$58.7M	\$21.4M	\$24.1M	\$30.4M	\$78.3M	\$29.7M	-
Costs	\$2.1M	\$2.4M	\$3.1M	\$3.8M	\$3.0M	\$3.8M	\$3.9M	-
Cost per \$Million Development Approved	\$41,490	\$40,596	\$146,721	\$158,299	\$97,664	\$49,106	\$131,313	\$100,000

Source: Armadale Redevelopment Authority.

Note: Costs are based on annual total costs of services less cost of land sold, developer contribution expenses and public infrastructure costs. The 2010/11 costs exclude written off costs for non-potable water supply research and design (\$1.22M), associated with the Wungong Urban project.

This indicator is designed to show planning staff efficiency in terms of value of non-residential development approved comprising commercial, industrial and government facilities and infrastructure against the agency cost of processing the approvals. A target of \$100,000 has been set to accommodate an expected greater volume of activity by achieving economies of scale, and is set at 10% of each \$1,000,000 worth of investment.

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For the year ended 30 June 2011

Given the inconsistent nature of non-residential development, this variable is prone to impacts of 'one off' investment. For example, in 2010/2011, three individual development proposals accounted for over 50% of the \$29.7M total value. The decrease in investment shown for 2010/2011 compared to the previous year indicates a degree of conservatism and caution in this market segment. The cost of development approved for 2010/2011 shows a marked increase from the 2009/2010 figure; this arises from a small number of highly complex development proposals, extended over much of the financial year.

Disclosures and Legal Compliance

For the year ended 30 June 2011

Ministerial Directives

The Minister for Planning; Culture and the Arts; Science and Innovation, the Hon John Day MLA, is responsible for the Armadale Redevelopment Act 2001. The ARA's enabling legislation requires that if the Minister gives a direction to Authority, it shall be in writing and tabled in Parliament.

- There were no Ministerial directions during the 2010 -2011 financial year.

The Armadale Redevelopment Act 2001 prescribes a number of matters requiring an approval of the responsible Minister.

Section 17 of the Act requires the ARA to obtain the Minister's approval for any contract or arrangement where the consideration exceeds \$1 Million. Ministerial approvals are tabled in the Western Australian Parliament in accordance with the Act.

- There were no approvals tabled in Parliament during the 2010 – 2011 year.

Other Financial Disclosures

Pricing Policies of Services Provided

Fees apply to the provision of planning services, namely the assessment and determination of applications for development, structure plans, detailed area plans, scheme amendments and subdivision clearances. Rates are set on a fee for service cost recovery basis and correspond with comparable Local Government charges for such services.

Capital Works Incomplete

Capital works projects are ongoing and are undertaken in accordance with the approved State budget asset investment program.

Capital Works Completed

The ARA achieved its financial objectives for the 2010-2011 financial year by ensuring value for money outcomes were achieved across all operational and capital projects.

Employment and Industrial Relations

Staff Profile

	2010-11
Full-time permanent	20
Full-time contract	0
Part-time measured on a FTE basis	0.27
On secondment	0
Total	20.27

Note: The ARA has no employment powers. All staff at the ARA are employed by LandCorp and are on fixed term contracts.

Staff Development

The ARA is committed to the development of its employees and strategies to build a highly skilled, professional and fair workforce able to adapt to changing business technology and the environment.

Disclosures and Legal Compliance

For the year ended 30 June 2011

During the 2011–2012 financial year, ARA employees attended 466 hours of in-house and external training.

Workers Compensation

No new workers compensation claims were made during the year. There are no current or ongoing workers compensation claims.

Governance Disclosures

Contracts with Senior Staff

At the date of reporting, other than normal contracts of employment of service, no senior staff officers or firms of which senior officers are a member or entities in which senior officers have substantial interest had any interests in existing or proposed contracts with the ARA and senior officers.

Directors' Insurance

Section 15 of the *Statutory Corporations (Liability of Directors) Act 1996* authorises the Minister to approve the ARA paying a Director's insurance policy premium. Where the insurance policy is approved by the Minister, the Board members are required to contribute one per cent to the annual policy premium to obtain coverage, with the balance of the premium to be paid by the ARA.

Other Legal Requirements

Marketing and Advertising

In compliance with section 175ZE of the Electoral Act 1907, the following expenditure was incurred during the year in advertising, market research, polling, direct mail and media advertising:

1. Total Expenditure for 2010/11 was **\$93,165**.
2. Expenditure was incurred in the following areas:

Advertising Agencies

Adcorp Australia Ltd	\$18,052
Department of the Premier and Cabinet	\$2,049

Market Research

Patterson Market Research	\$28,670
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Polling Organisations

Nil

Direct Mail Organisations

Nil

Marketing and Public Relations

Bonser Design	\$35,890
Ronald S Tan	\$1,250
Down Under Signs	\$7,254

Disclosures and Legal Compliance

For the year ended 30 June 2011

Disability Services

In accordance with Section 29(1) of the Disability Services Act 1993, the ARA has in place a Disability Access and Inclusion Plan that addresses the needs of people with disabilities in gaining access to and receiving service or information from the ARA.

The ARA's Disability Access and Inclusion Plan is available to the general public through the ARA website. The ARA's initiatives to address each of the six desired outcomes are:

1. People with disabilities have the same opportunities as other people to access the services of and any events organised by the ARA.

Strategy	Action
Ensure relevant ARA staff are aware of the disability legislation and any changes.	Relevant key staff to register for email updates from the Human Rights and Equal Opportunity Commission (HREOC).
Implement a planned approach to the identification and remediation of hazardous kerbs, road shoulders and/or paths and trails.	<ul style="list-style-type: none"> • Continue to implement upgrades of kerbing and paths already identified at Champion Lakes. • Identify and upgrade other inaccessible or hazardous footpaths and kerbs. • Ensure all new footpaths, kerbs and trails are constructed so as to provide a safe, continuously accessible path of travel. • Ensure footpaths are not made inaccessible or hazardous by signs, furniture, fencing etc.
Ensure relevant key staff are familiar with best practice in access and inclusion.	Provide information and training for staff on inclusion of people with disabilities.
Implement a planned approach to the development of accessible recreation and leisure areas including foreshore access.	Consider disabled access in any planned upgrades to the public beach at Champion Lakes.
Ensure that all ARA events are planned so they optimise accessibility for spectators with disabilities as far as is practicable.	Develop an Accessibility Events checklist.
Develop and implement a planned approach to improving access to buildings and facilities.	<ul style="list-style-type: none"> • Undertake facilities access audits and use this information in planning. • Include disability access in scoping briefs for civil works undertaken by the ARA ensuring compliance with all relevant standards. • Install accessible parking bays, set down areas and related signage where appropriate.
Establish a process for the ARA to implement of DAIP activities.	<ul style="list-style-type: none"> • Incorporate the objectives of the DAIP into the ARA's strategic business planning, budgeting processes and other relevant plans and strategies. • Appoint the Administration Manager to administer the Plan.

Disclosures and Legal Compliance

For the year ended 30 June 2011

2. People with disabilities have the same opportunities as other people to access the buildings and other facilities of the ARA.

Strategy	Action
Ensure all buildings and facilities including parking are physically accessible to people with disabilities where possible, including the ARA reception and client contact areas.	Liaise with the Project Managers to ensure all project designs for buildings and facilities are physically accessible to people with disabilities.
Ensure all future facilities built or leased by the ARA take into account the needs of people with disabilities.	<ul style="list-style-type: none"> • Include on property check list. • Briefs for new facilities will include a requirement for the provision of appropriate facilities for people with disabilities, according to relevant standards.

3. People with disabilities receive information from the ARA in a format that will enable them to access the information as readily as other people are able to access it.

Strategy	Action
Commit to making publications as accessible / understandable as possible (written in plain English and succinct).	Business Managers to discuss with staff and review relevant publications prior to release.

4. People with disabilities receive the same level and quality of service from the ARA staff as other people receive from the staff of that public authority.

Strategy	Action
Inform staff of their role in implementing and monitoring the plan to ensure its success.	Build DAIP initiatives in to the ARA Business Plan where appropriate.
Improve the awareness of new staff about disability and access issues.	Include DAIP in new staff Induction package.
Ensure that the Board and contractors of the ARA are aware of their requirements under the DAIP.	<ul style="list-style-type: none"> • Contractors and other users of ARA facilities to be made aware of the ARA's processes, practices and procedures around access. • The ARA Board to endorse the DAIP.
Improve access for people with disabilities to ARA consultative processes, including the capacity to accept verbal communications.	Ensure consultative processes provide the opportunity for people with disabilities to participate.

5. People with disabilities have the same opportunities as other people to make complaints to the ARA.

Strategy	Action
Ensure that current grievance mechanisms / complaint handling system are accessible for people with disabilities.	Reconcile with LandCorp process.
Improve staff knowledge so they can facilitate the receipt of complaints from people with a disability.	Incorporate the receipt of complaints from people with a disability in to the ARA Complaints Policy and Procedure.
Commit to ongoing monitoring of the DAIP to ensure implementation and satisfactory Outcomes.	Annual review of DAIP by the Administration Manager and endorsed by the Board.

Disclosures and Legal Compliance

For the year ended 30 June 2011

6. People with disabilities have the same employment opportunities with the ARA as other people.

Strategy	Action
Ensure people with disabilities are not disadvantaged in obtaining employment with the ARA.	Ensure EEO principles are adhered to in relation to employment opportunities for people with a disability.

Compliance with the Public Sector Management Act 31(1)

The ARA does not have employment powers and all staff are sourced through LandCorp. LandCorp has developed its own standards for Human Resource Management which covers the staff at the ARA and underpins all human resource-related activities. These standards have regard to the principles set out in the *Public Sector Management Act* 1994 and have been lodged with the Public Sector Commissioner.

The Code of Conduct, which has adopted the public sector's ethical principles, has been retained and applies to all people employed by the ARA including the Board, management and employees. New employees are made aware of the Code at the time of orientation.

The ARA ensures the principles in the code form part of, and are reflected in, everyday business activities in recognition of the value of ethical behaviour in the future of its business.

- There were no reported breaches of the Code of Ethics or Code of Conduct during the reporting period.

Compliance with Public Sector Standards and Code of Ethics

The ARA confirms that, in accordance with Section 31 of the Public Sector Management Act 1994, the Authority has complied with the Public Sector Standards and Code of Ethics and that procedures are in place to ensure such compliance.

- There were no breaches of Public Sector Standards in 2010-2011 year.

Recordkeeping

In accordance with the State Records Commission Standard 2, the ARA has complied with the State Records Act 2000.

The ARA conducts a recordkeeping training program for new staff as part of an induction program that addresses employees' roles and responsibilities in complying with the recordkeeping system. The ARA has a comprehensive Record Keeping plan (RKP) which was approved by the State Records Office (SRO) in 2006 and reviewed in 2011. In view of the likely merger of the ARA into the proposed Metropolitan Redevelopment Authority, the SRO has agreed to place on hold the required updates to the ARA RKP. If the merger does not proceed, a new RKP is required to be completed prior to 31 December 2012.

The ARA in conjunction with its contract for services with LandCorp, has the following policies and procedures in place in relation to its Recordkeeping plan:

- LandCorp Records Management Policy;
- LandCorp Records Procedures Manual;
- LandCorp Project Thesaurus;
- ARA Records Management Retention and Disposal Schedule;
- LandCorp Brochure "Records and Administration".

Disclosures and Legal Compliance

For the year ended 30 June 2011

Annual Estimates for 2010/11

2010/11 Estimates		\$'000
Cost of Services	1	16,373
Revenue From Ordinary Activities	2	<u>12,572</u>
Net Cost of Services		(3,801)
Revenue from State Government		<u>1,810</u>
Net Profit / (loss)		<u>(1,991)</u>

Note 1 – Cost of Services

Comprising:	\$'000
Cost of Sales	408
Estate Expenses	-
Developer Contribution expenses	8,661
Operating Expenses	7,304
Cost of Services	<u>16,373</u>

Note 2 – Revenue from ordinary Activities

Comprising:	\$'000
Sales (after GST)	896
Developer Contribution revenues	8,661
Other operating revenue	3,015
Revenue from Ordinary Activities	<u>12,572</u>

Government Policy Requirements

ARA Commitment to OSH and Injury Management

The ARA, through a Contract for Services with LandCorp, is committed to providing and promoting a safe workplace, plant and systems of work in accordance with the Occupational Safety and Health Act (1984). The ARA takes a proactive approach to occupational safety and health, establishing clear goals and strategies to implement and monitor associated systems, responsibilities and prevention programs.

In accordance with good practice and as far as practicable, the ARA will:

- Consult and cooperate with employees, and their representatives, regarding occupational safety and health.
- Ensure that the use, cleaning, maintenance, transportation and disposal of plant and substances are carried out in ways that minimise staff exposure to hazards.
- Provide information, training and supervision to new and existing staff members to enable them to work in ways that minimise their exposure to hazards.

Disclosures and Legal Compliance

For the year ended 30 June 2011

- d. In situations where it is not practicable to avoid hazards, staff will be provided with adequate protective clothing and equipment, and instructed in its use.
- e. Endeavour to review and improve its occupational safety and health performance by conducting regular reviews to ensure the effectiveness of the integration of safety and health into the ARA's business plans.

Occupational Safety and Health Consultation

The ARA has implemented a formal orientation process which encompasses Occupational Safety and Health matters. All employees are provided with an overview of the ARA's policy and procedures which outlines the ARA's commitment. The ARA encourages all employees to discuss all Occupational Safety and Health issues with the Human Resources Manager for consideration and remediation if required.

ARA's Statement of Compliance to Injury Management

The ARA is committed to providing injury management support to all workers who sustain a work related injury or illness with a focus on safe and early return to meaningful work and in accordance with the Worker's Compensation and Injury Management Act 1981.

Occupational Safety and Health Management Systems

The ARA through its contract for services with LandCorp ensures its occupational safety and health management system is monitored and audited on a cyclical basis which is currently every three years. The ARA engages the services of Ernst & Young to undertake the audit. The most recent audit was conducted in March 2010.

All employees are provided with basic OSH training as a component of their employment orientation as well as all Project Managers being provided with training to enable them to fulfil their roles at the ARA. The ARA Project Procedures Manual also has comprehensive Occupational Safety and Health processes for use by Project Managers who must comply with company policy and implement this for all site based and external projects.

2010/2011 Performance:

Number of fatalities	Nil
Lost time injury/diseases (LTI/D) incidence rate	Nil
Lost time injury severity rate	Nil
Percentage of injured workers returned to work within 28 weeks	N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities	50%

Note:

- All ARA injuries are reported to the Board quarterly.
- All contractor injuries are reported as they happen.
- .All serious injuries are reported to the Chief Executive Officer immediately.

Freedom of Information

The ARA is subject to the *Freedom of Information Act 1992*. The Information Management Manager (LandCorp) is the appointed Freedom of Information Coordinator and is the initial recipient of requests for information under the Act.

- There was one Freedom of Information request in 2010 – 2011 year.

Disclosures and Legal Compliance

For the year ended 30 June 2011

Substantive Equality

The ARA is not a Department represented on the Strategic Management Council and does not currently have obligations under the Substantive Equality Framework. However, the office is committed to the objectives of the policy to eliminate systemic racial discrimination in the delivery of public services and promote sensitivity to the different needs of client groups.

EEO initiatives contribute to the elimination of systemic racial discrimination in the delivery of services as well as promoting equal employment opportunity. The ARA, through its contract for services with LandCorp, has an EEO policy and EEO Management Plan and has undertaken EEO training for all employees to assist in complying with the Substantive Equality Framework.

Publications

The principal external publications of the Authority during the year were:

- Armadale Redevelopment Authority Annual Report 2009 - 2010;
- Armadale Redevelopment Authority: A Decade of Achievement.

In addition to the aforementioned, the ARA produces fact sheets on all of its projects which are updated and released quarterly.

All external publications can be downloaded from the Authority's website. www.ara.wa.gov.au and in hard copy by request to info@ara.wa.gov.au

The ARA also has a number of internal documents for staff and Board Members in relation to administrative and procedural management. The following internal documents were comprehensively reviewed in the 2010 – 2011 year:

- Business Plan;
- Business Continuity Plan;
- ARA Audit & Risk Management Charter; and
- ARA Board Procedures.

Disclosures and Legal Compliance

For the year ended 30 June 2011

CONTACT DETAILS

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OTHER FORMATS

This annual report is available in alternative formats on request. The Armadale Redevelopment Authority encourages people to access this annual report online through the ARA's website and to use recycled paper and print in black and white if they print a copy. The online annual report is presented in PDF format.