

# ARMADALE REDEVELOPMENT AUTHORITY



## *FINAL REPORT*

*1 JULY TO 30 DECEMBER 2011*



## **TABLE OF CONTENTS**

*1 July to 30 December 2011*

---

TABLE OF CONTENTS	2
STATEMENT OF COMPLIANCE	4
OVERVIEW OF AGENCY	5
<b>Executive Summary</b>	<b>5</b>
<b>Performance Highlights</b>	<b>5</b>
<b>Operational Structure</b>	<b>7</b>
<b>Enabling Legislation</b>	<b>7</b>
<b>Responsible Minister</b>	<b>7</b>
<b>Mission</b>	<b>7</b>
<b>Values</b>	<b>7</b>
<b>Board of the Authority</b>	<b>8</b>
<b>Board Members' Attendance</b>	<b>9</b>
<b>Board Committees</b>	<b>9</b>
<b>Remuneration</b>	<b>10</b>
<b>Conflict of Interest</b>	<b>10</b>
<b>Organisational Structure / ARA Employees</b>	<b>10</b>
<b>Organisational Chart</b>	<b>11</b>
<b>Compliance with other Legislation</b>	<b>11</b>
<b>Performance Management Framework</b>	<b>12</b>
<b>Outcome Based Management Framework</b>	<b>12</b>
<b>Agency Level Government Desired Outcome</b>	<b>12</b>
<b>Changes to Outcome Based Management Framework</b>	<b>12</b>
<b>Shared Responsibilities with Other Agencies</b>	<b>12</b>
<b>AGENCY PERFORMANCE</b>	<b>13</b>
<b>Report on Operations</b>	<b>13</b>
<b>Redevelopment Areas</b>	<b>13</b>
<b>City Centre</b>	<b>13</b>
<b>Forrestdale Business Park East</b>	<b>13</b>
<b>Forrestdale Business Park West</b>	<b>14</b>
<b>Champion Lakes</b>	<b>14</b>
<b>Champion Drive</b>	<b>15</b>
<b>Kelmscott</b>	<b>16</b>
<b>Wungong Urban</b>	<b>16</b>
<b>South Armadale</b>	<b>17</b>
<b>Albany Highway Precinct (CALM site)</b>	<b>17</b>
<b>Social Enhancement Projects</b>	<b>17</b>
<b>SIGNIFICANT ISSUES AND TRENDS</b>	<b>18</b>
<b>Current and Emerging Issues and Trends</b>	<b>18</b>
<b>Economic and social trends</b>	<b>18</b>
<b>Changes in Written Law</b>	<b>18</b>
<b>Likely Development and Forecast Results of Operations</b>	<b>18</b>

<b>DISCLOSURES AND LEGAL COMPLIANCE</b>	<b>19</b>
<b>Certification of Financial Statements for the 6 months period ended 30 December 2011</b>	<b>21</b>
<b>Ministerial Directives</b>	<b>61</b>
<b>Other Financial Disclosures</b>	<b>61</b>
Pricing Policies of Services Provided	61
Capital Works Incomplete	61
Capital Works Completed	61
Employment and Industrial Relations	61
Staff Development	61
Workers Compensation	62
<b>Governance Disclosures</b>	<b>62</b>
Contracts with Senior Staff	62
Directors' Insurance	62
<b>Other Legal Requirements</b>	<b>62</b>
Marketing and Advertising	62
Disability Services	63
Compliance with the Public Sector Management Act 31(1)	65
Compliance with Public Sector Standards and Code of Ethics	65
Recordkeeping	65
Annual Estimates for period 1 July to 30 December 2011	66
<b>Government Policy Requirements</b>	<b>66</b>
ARA Commitment to OSH and Injury Management	66
Occupational Safety and Health Consultation	67
ARA's Statement of Compliance to Injury Management	67
Occupational Safety and Health Management Systems	67
Freedom of Information	67
Substantive Equality	68
Publications	68

*(Photo on Front Cover – Aboriginal Interpretive Centre, Champion Lakes)*

## **Statement of Compliance**

1 July to 30 December 2011

---

# **STATEMENT OF COMPLIANCE**

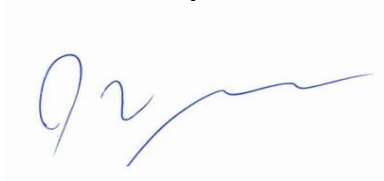
**Hon John Day, BSc BSc MLA**

**Minister for Planning; Culture and the Arts; Science and Innovation**

In accordance with Section 68(3)(b) of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament the Final Report of the Armadale Redevelopment Authority for the period 1 July to 30 December 2011.

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

Yours sincerely

A handwritten signature in blue ink, appearing to read 'John Ellis', is written over a light grey rectangular background.

**John Ellis**  
**Reporting Officer**

16 March 2012

# Overview of Armadale Redevelopment Authority

1 July to 30 December 2011

---

## OVERVIEW OF AGENCY

### Executive Summary

We are pleased to present the Armadale Redevelopment Authority's Final Report on operations for the six month period to 30 December 2011.

On 22 June 2011, the Minister for Planning, Hon John Day MLA, introduced the Metropolitan Redevelopment Authority Bill 2011 into State Parliament to create a new Metropolitan Redevelopment Authority. Sections 1 and 2 of the *Metropolitan Redevelopment Authority Act 2011* (Act) came into operation upon Royal Assent on 12 October 2011, followed by Sections 3, 29, 30, 36 and 132 on 7 November 2011, with the rest of the Act becoming fully operational on 31 December 2011.

On this date, all Armadale Redevelopment Authority staff, assets, liabilities and operational projects, together with those of the abolished East Perth, Midland and Subiaco Redevelopment Authorities, transitioned to the Metropolitan Redevelopment Authority (MRA).

Section 68(3)(b) of the *Financial Management Act 2006* requires that if an agency is abolished prior to the end of the financial year for the agency, the agency's reporting officer is to "prepare and submit to the Minister a report in respect of the agency for the period starting from the end of the last financial year of the agency to have ended before the abolition and ending with the abolition." In the case of the Armadale Redevelopment Authority the reporting period for its final report is 1 July 2011 to 30 December 2011.

For much of this reporting period, the focus of the Armadale Redevelopment Authority has been to prepare for and support the transition of the organisation to the Metropolitan Redevelopment Authority. In particular, much effort has been devoted to providing input into the Regulations and policies and procedures.

Transition preparation also saw the successful normalisation of four redevelopment precincts to the City of Armadale. These were areas where the Armadale Redevelopment Authority was not able to value add in terms of development and planning control.

### Performance Highlights

#### Corporate Initiatives

- Jointly commissioned with the City of Armadale, City of Gosnells and Shire of Serpentine-Jarrahdale a project to market the growth potential of the South East Sector.
- Prepared an Economic and Expenditure Reform Committee submission with input from Venues West for the transfer of the Champion Lakes Regatta Centre from 6 January 2012 to Venues West.
- Participated in the Metropolitan Redevelopment Authority Steering Committee and associated working groups to facilitate transition into the Metropolitan Redevelopment Authority.
- Finalised normalisation back to the City of Armadale of four planning areas including much of the Armadale CBD.

#### Forrestdale Business Park East

- Construction of dual carriageway and extension of Ranford Road commenced.
- Substantial building progress on Western Australia's second Masters Hardware store and granted Development Approval for an adjacent Bunnings warehouse.
- All Developer Contribution Scheme works either completed or underway at a value of \$55 million.

## **Overview of Armadale Redevelopment Authority**

1 July to 30 December 2011

---

### *Forrestdale Business Park West*

- Draft Structure Plan completed and advertised for public comment.

### *Champion Lakes*

- Start and Finish Towers completed and received certification of occupancy.
- Rowing WA boat sheds completed thus increasing boat storage by 500%.
- Feasibility study into re-injection of lake water into the Yarragadee aquifer commenced.
- A 50 bay parking area adjacent to the public beach was completed.
- Communication cabling along the Lake installed to Finish Tower.

### *Aboriginal Interpretive Centre*

- Canopy installed over walkway thus completing the Centre.

### *City West Precinct*

- Revision of Structure Plan commenced.
- Following an approach from a private developer, the Board agreed to progress documentation of a development joint venture and jointly pay an option fee for a significant land parcel.

### *Wungong Urban*

- Ministerial approval of the Zone Development Policy (Residential Zones).
- Commencement of the first Developer Contribution Scheme Works (Neerigen Brook South Upgrade in partnership with Stockland).
- Developer Contribution Scheme initial review commenced.
- Joint Venture development opportunity with the Western Australian Planning Commission identified and initial feasibility commenced.

### *Champion Lakes Residential Precinct*

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

### *Champion Drive - Seville Grove*

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

### *Social and Economic Development*

- Jointly with the City of Armadale provided a bicycle rack in the Jull Street Mall.
- Sponsored a variety of community events, including:
  - The Foodcents Workshop Program at the Challis Parenting and Learning Centre;
  - The 2012 Australian Rowing Championships at Champion Lakes Regatta Centre; and
  - The 2011 Armadale Independent Film Festival.

# Overview of Armadale Redevelopment Authority

1 July to 30 December 2011

---

## Operational Structure

### Enabling Legislation

The Armadale Redevelopment Authority was established under the *Armadale Redevelopment Act 2001* and commenced operations on 23 March 2002. The Act was repealed on 31 December 2011.

### 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.



# Overview of Armadale Redevelopment Authority

1 July to 30 December 2011

---

## 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.

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), Mr Linton Reynolds AM, Cr Henry Zelones JP, Mr Matthew Handcock and one vacancy comprised Board membership as at the 30 December 2011.

Changes to the Board during the period 1 July to 30 December 2011 year included:

- After his resignation as Mayor and Councillor of the City of Armadale, Mr Linton Reynolds was appointed as a general Board member on 3 October 2011.



**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.



# Overview of Armadale Redevelopment Authority

1 July to 30 December 2011

---



## **Cr Linton Reynolds, AM JP**

Cr Reynolds was formerly 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.



## **Cr Henry Zelones JP**

Cr Zelones is the Mayor of the City of Armadale, 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 9 times in the period 1 July 2010 to 30 December 2011 as listed below:

<b>Board Member</b>	<b>Board (including Special Meetings) Qualified to Attend</b>	<b>Board (including Special Meetings) Actually Attended</b>	<b>Audit and Risk Meetings Qualified to Attend</b>	<b>Audit and Risk Management Committee Actually Attended</b>
Charles Johnson	9	7	2	1
John Ruprecht	9	9	0	0
Matthew Handcock	9	9	2	2
Linton Reynolds <sup>1</sup>	9	7	2	2
Henry Zelones <sup>1</sup>	9	9	2	2

<sup>1</sup> 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.

## Overview of Armadale Redevelopment Authority

1 July to 30 December 2011

---

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.

### Remuneration

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

The remuneration arrangements for the period 1 July to 30 December 2011 were as follows:

Director	Fees \$	Superannuation \$	Other Benefits \$	Total \$
Charles Johnson	12,625	1136	0	13,761
John Ruprecht	0	0	0	0
Matthew Handcock	6,325	569	0	6,894
Linton Reynolds	6,325	569	0	6,894
Henry Zelones	6,325	569	0	6,894
<b>Total</b>	<b>31,600</b>	<b>2,843</b>	<b>0</b>	<b>34,443</b>

### 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.

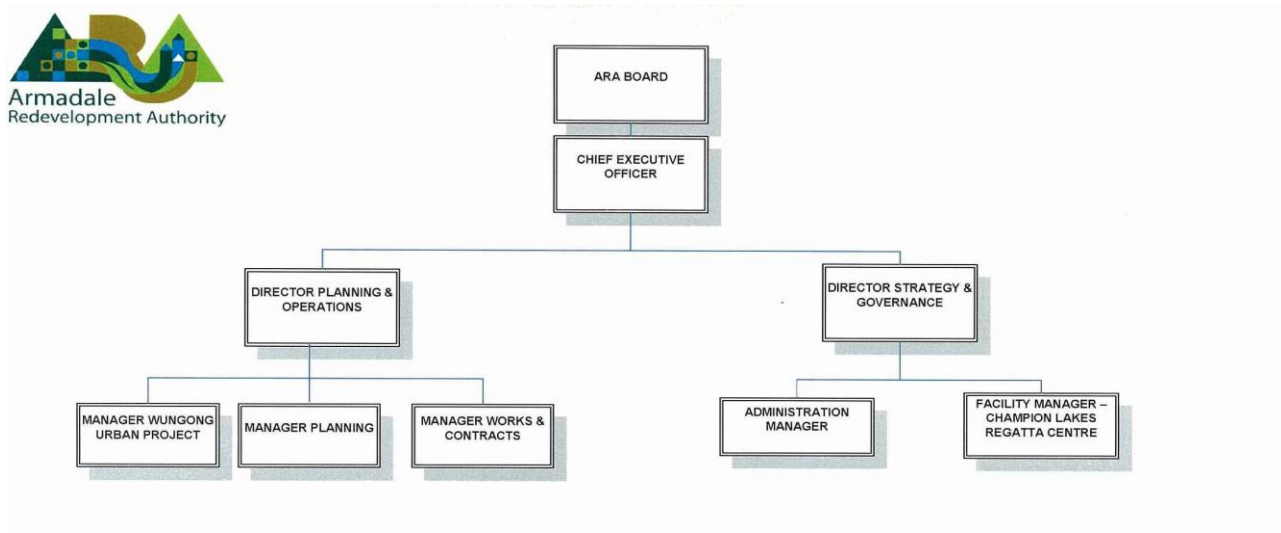
# Overview of Armadale Redevelopment Authority

1 July to 30 December 2011

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

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 the period 1 July to 30 December 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

1 July to 30 December 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;
  - Encouraging greater density of housing development through planning incentives;
  - 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**

During the reporting period, the Armadale Redevelopment Area comprised nine separate redevelopment precincts, 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 Armadale train 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.

The CBD was normalised and control transferred to the City of Armadale in December 2011.

The Railway Precinct has been 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 and strategic transit oriented development area over which a Structure Plan and Development Contribution Scheme are in operation.

#### **Forrestdale Business Park East**

Forrestdale Business Park East is an area of 188 hectares, bounded by Armadale Road, Tonkin Highway and Ranford Road. 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, a 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. This infrastructure (comprising common access roads, drainage, sewer, water supply and upgrading of adjoining arterial roads) has a budget cost of approximately \$55m. Some \$40m of these works have

## **Performance of the Armadale Redevelopment Authority**

*1 July to 30 December 2011*

---

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 the business park entail the dualling and extension of Ranford Road. Pre-funding arrangements for these works are presently being negotiated, with the recoup to be coordinated via the DCS.

### **Forrestdale Business Park West**

The Forrestdale Business Park West project area adjoins the eastern business park – separated by Tonkin Highway. At approximately 170 hectares, the project area is bound by Armadale Road, Tonkin Highway, Ranford Road, Anstey Road and Keane Road. A Structure Plan for the precinct was advertised December 2011 – February 2012 and formal adoption is anticipated in mid 2012. A separate DCS is being established for this business park and will follow the approved Structure Plan by approximately six months.

### **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 has been developed and an Expression of Interest (EOI) for the White Water Park was advertised in November 2011 with a closing date of 22 December 2011.

- **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 for competition, training or educational activities. 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 and land based activities. Local schools are making greater use of the opportunities presented by the venue and have instigated out of school hours rowing and kayaking programs.



## **Performance of the Armadale Redevelopment Authority**

*1 July to 30 December 2011*

---

The National Open Water Swimming Championships will be held in February 2012, whilst the National Rowing Championships will be held in March 2012. The Regatta Centre is increasingly being seen as an alternative to Penrith (NSW) 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 six months with several construction projects completed.

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 was completed in late 2011.

Fortnightly water quality monitoring has identified several occasions when the safe levels for primary contact have been exceeded. In these circumstances, 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.

The canopy was erected in November 2011 and the Centre has now been completed. The ARA is liaising with the City of Armadale with regard to the City taking on the management of the Centre.

### **Champion Drive**

Champion Drive is a residential neighbourhood characterised by a range of opportunities and housing styles supported by the ARA sustainability guidelines. The ARA, in conjunction with



## **Performance of the Armadale Redevelopment Authority**

*1 July to 30 December 2011*

---

LandCorp, encouraged 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 in late 2011 and early 2012.

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, ultimately 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 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 during 2012 whether to support the joint ARA / Water Corporation business case and bring it before Cabinet for funding.

In this period 247 lots have received subdivisional approval and work is underway on a number of fronts to bring a good number of these lots to market during 2012.

## **Performance of the Armadale Redevelopment Authority**

*1 July to 30 December 2011*

---

The Developer Contribution Scheme of \$249m has received Ministerial approval and is now operable. The first cost review has commenced and is scheduled for completion in April 2012.

### **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 decided not to proceed with re-development of its holding. Accordingly, planning control for this area was transferred back to the CoA as part of an on going process of 'normalisation' of the ARA's initial redevelopment areas in 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 was transferred back to the CoA as part of the normalisation process in 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.

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 Impacting the Armadale Redevelopment Authority**

1 July to 30 December 2011

---

## **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 the period 1 July to 30 December 2011.

### **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 December 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the six months then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

##### *Reporting Officer's Responsibility for the Financial Statements*

The Armadale Redevelopment Authority ceased to exist on 30 December 2011. The Treasurer appointed a Reporting Officer under section 68 of the Financial Management Act 2006 who was responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions that are free from material misstatement, whether due to fraud or error.

##### *Auditor's Responsibility*

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

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

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

##### **Opinion**

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

## Disclosures and Legal Compliance

1 July to 30 December 2011

---

### Armadale Redevelopment Authority

#### Report on Controls

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

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

#### Opinion

In my opinion, the controls exercised by the 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.

#### 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 March 2012

## **Disclosures and Legal Compliance**

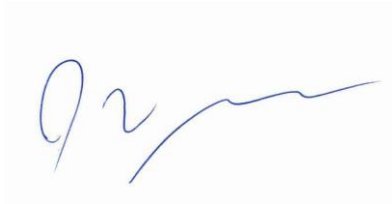
*1 July to 30 December 2011*

---

### **Armadale Redevelopment Authority Certification of Financial Statements for the 6 months period ended 30 December 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 six months ended 30 December 2011 and the financial position as at 30 December 2011.

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

A handwritten signature in blue ink, appearing to read 'John Ellis', is written over a light blue rectangular background.

**John Ellis**  
**REPORTING OFFICER**

14 March 2012

## Disclosures and Legal Compliance

1 July to 30 December 2011

Armadale Redevelopment Authority Statement of Comprehensive Income For the six months ended 30 December 2011	Note	Six Months Ended 30/12/2011 \$'000	Twelve Months Ended 30/06/2011 \$'000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	1,401	1,619
Supplies and services	7	673	1,328
Depreciation and amortisation expense	8	59	132
Finance costs	9	19	38
Accommodation expenses	10	167	249
Cost of land sold	13	-	165
Loss on disposal of non-current assets	14	-	2
Developer contribution expenses	11	248	1,633
Other expenses	12	870	4,280
<b>Total cost of services</b>		<u>3,437</u>	<u>9,446</u>
<b>INCOME</b>			
<b>Revenue</b>			
Interest revenue	15	250	602
Developer contribution fees	16	248	1,633
Other revenue	17	964	3,860
<b>Total revenue</b>		<u>1,462</u>	<u>6,095</u>
<b>Total income other than income from State Government</b>		<u>1,462</u>	<u>6,095</u>
<b>NET COST OF SERVICES</b>		<u>(1,975)</u>	<u>(3,351)</u>
<b>Income from State Government</b>			
Service appropriation	18	915	1,810
<b>Total income from State Government</b>		<u>915</u>	<u>1,810</u>
<b>(DEFICIT) FOR THE PERIOD</b>		<u>(1,060)</u>	<u>(1,541)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus	29	1,922	-
<b>Total other comprehensive income</b>		<u>1,922</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE (DEFICIT) FOR THE PERIOD</b>		<u>862</u>	<u>(1,541)</u>

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



## Disclosures and Legal Compliance

1 July to 30 December 2011

<b>Armadale Redevelopment Authority Statement of Financial Position As at 30 December 2011</b>	<b>Note</b>	<b>As At 30/12/2011 \$'000</b>	<b>As At 30/06/2011 \$'000</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	30	7,883	521
Inventories	19	18,581	17,477
Receivables	20	381	11,197
Other current assets	21	60	34
<b>Total Current Assets</b>		<u>26,905</u>	<u>29,229</u>
<b>Non-Current Assets</b>			
Inventories	19	3,100	3,012
Property, plant and equipment	22	4,149	3,587
Infrastructure	23	1,728	590
<b>Total Non-Current Assets</b>		<u>8,977</u>	<u>7,189</u>
<b>TOTAL ASSETS</b>		<u>35,882</u>	<u>36,418</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	25	1,126	2,479
Borrowings	27	1,500	700
Provisions	26	162	598
Other current liabilities	28	1,576	1,929
<b>Total Current Liabilities</b>		<u>4,364</u>	<u>5,706</u>
<b>Non-Current Liabilities</b>			
Payables	25	10,006	10,006
Provisions	26	98	154
<b>Total Non-Current Liabilities</b>		<u>10,104</u>	<u>10,160</u>
<b>TOTAL LIABILITIES</b>		<u>14,468</u>	<u>15,866</u>
<b>NET ASSETS</b>		<u>21,414</u>	<u>20,552</u>
<b>EQUITY</b>			
Contributed equity	29	34,910	34,910
Asset Revaluation Reserve	29	1,922	-
Accumulated (deficit)	29	(15,418)	(14,358)
<b>TOTAL EQUITY</b>		<u>21,414</u>	<u>20,552</u>

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

## Disclosures and Legal Compliance

1 July to 30 December 2011

Armadale Redevelopment Authority Statement of Changes in Equity For the six months ended 30 December 2011	Note	Contributed equity \$'000	Reserves \$'000	Accumulated (deficit) \$'000	Total equity \$'000
<b>Balance at 1 July 2010</b>		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		3,250	-	(1,541)	1,709
<b>Balance at 30 June 2011</b>	29	34,910	-	(14,358)	20,552
<b>Balance at 1 July 2011</b>		34,910	-	(14,358)	20,552
Total comprehensive income for the period		-	-	(1,060)	(1,060)
Asset Revaluation Reserve		-	1,922	-	1,922
Total		-	1,922	(1,060)	862
<b>Balance at 30 December 2011</b>	29	34,910	1,922	(15,418)	21,414

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

## Disclosures and Legal Compliance

1 July to 30 December 2011

<b>Armadale Redevelopment Authority Statement of Cash Flows For the six months ended 30 December 2011</b>	<b>Note</b>	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		915	1,810
Capital contributions		-	3,250
<b>Net cash provided by State Government</b>		<u>915</u>	<u>5,060</u>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(1,401)	(1,619)
Supplies, services and DCS costs		(3,114)	(11,373)
Interest paid		(19)	(38)
Payments for land acquisitions		(963)	-
GST payments on purchases		(311)	(796)
GST payments to taxation authority		-	(117)
<b>Receipts</b>			
Developer contributions		248	1,633
Interest received		250	602
GST receipts on sales		-	33
GST receipts from taxation authority		-	816
Other receipts		-	2,403
<b>Net cash (used in) operating activities</b>	30	<u>(5,310)</u>	<u>(8,456)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		-	(312)
<b>Receipts</b>			
Proceeds from short term deposit liquidations		10,957	4,092
<b>Net cash provided by investing activities</b>		<u>10,957</u>	<u>3,780</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from borrowings		800	-
<b>Net cash provided by financing activities</b>		<u>800</u>	<u>-</u>
Net increase in cash and cash equivalents		7,362	384
Cash and cash equivalents at the beginning of period		521	137
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	30	<u>7,883</u>	<u>521</u>

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

## **Disclosures and Legal Compliance**

1 July to 30 December 2011

---

### **Armadale Redevelopment Authority**

#### **Notes to the Financial Statements**

---

**For the six months ended 30 December 2011**

#### **Note 1 - Australian Accounting Standards**

##### **General**

The Authority's financial statements for the six months ended 30 December 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 six months ended 30 December 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.

## **Disclosures and Legal Compliance**

1 July to 30 December 2011

---

### **b) Basis of Preparation**

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

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

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

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.

Accounting for the ARA has been on a going concern basis, given the amalgamation (refer Note 2c) below) into the Metropolitan Redevelopment Authority. This is appropriate even though the Armadale Redevelopment Authority no longer exists.

### **c) Reporting Entity**

The reporting entity comprises the Armadale Redevelopment Authority. The Subiaco Redevelopment Authority, East Perth Redevelopment Authority, Midland Redevelopment Authority and Armadale Redevelopment Authority have amalgamated to form the new Metropolitan Redevelopment Authority (MRA). The financial operation of the MRA commenced on the 31<sup>st</sup> December 2011.

### **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.

## **Disclosures and Legal Compliance**

1 July to 30 December 2011

---

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.

#### 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.

## **Disclosures and Legal Compliance**

1 July to 30 December 2011

---

### 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 land and 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.

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



## Disclosures and Legal Compliance

1 July to 30 December 2011

---

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 100 years

## **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

## **Disclosures and Legal Compliance**

1 July to 30 December 2011

---

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

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

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.

## **Disclosures and Legal Compliance**

*1 July to 30 December 2011*

---

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 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 period, as the pay date for the last pay period for that financial period does not coincide with the end of the financial period. Accrued salaries are settled within a fortnight of the financial period. 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.

## **Disclosures and Legal Compliance**

1 July to 30 December 2011

---

### **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.

#### 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.

An actuarial assessment of annual leave was undertaken by PricewaterhouseCoopers Securities Ltd at 30 December 2011.

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.

## Disclosures and Legal Compliance

1 July to 30 December 2011

---

An actuarial assessment of long service leave was undertaken by PricewaterhouseCoopers Securities Ltd at 30 December 2011.

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 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.

## **Disclosures and Legal Compliance**

1 July to 30 December 2011

---

### **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. Comparisons may not always be relevant, due to the six monthly figures ending 30/12/2011 being compared to annual figures ending 30/06/2011.

### **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.

### **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.

## **Disclosures and Legal Compliance**

1 July to 30 December 2011

---

### **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

## Disclosures and Legal Compliance

1 July to 30 December 2011

---

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.

### **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 six monthly reporting period starting from 1<sup>st</sup> July 2011.

#### **Future impact of Australian Accounting Standards not yet operative**

The future impact of Australian Accounting Standards not yet operative has not been considered as the Authority has ceased to exist as at 30/12/2011.

### **Note 6 - Employee benefits expense**

	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
Wages and salaries (a)	1,333	1,365
Superannuation - defined contribution plans (b)	118	158
Long service leave (c)	(6)	(7)
Annual leave	(44)	103
	<u>1,401</u>	<u>1,619</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'



## Disclosures and Legal Compliance

1 July to 30 December 2011

---

### Note 7 - Supplies and services

	Six Months Ended 30/12/2011 \$'000	Twelve Months Ended 30/06/2011 \$'000
Communications	10	21
Consultants and contractors	355	650
Consumables	24	30
Estate marketing and maintenance	-	(66)
Insurance	33	57
Strategic marketing	92	100
Travel	32	96
Other	127	440
	<u>673</u>	<u>1,328</u>

### Note 8 - Depreciation and amortisation expense

	Six Months Ended 30/12/2011 \$'000	Twelve Months Ended 30/06/2011 \$'000
<b>Depreciation</b>		
Buildings	24	53
Infrastructure	9	16
Furniture and office equipment	3	7
Computer equipment	-	4
Plant and Equipment	3	5
Leasehold improvements	20	47
	<u>59</u>	<u>132</u>

## Disclosures and Legal Compliance

1 July to 30 December 2011

---

<b>Note 9 - Finance costs</b>	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
Interest expense (a)	19	38

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

<b>Note 10 - Accommodation expenses</b>	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
Lease rentals	76	115
Cleaning	23	45
Electricity	7	13
Rates and taxes	16	16
Other	45	60
	<u>167</u>	<u>249</u>

<b>Note 11 - Developer contribution expense</b>	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
Developer contribution expenses	<u>248</u>	<u>1,633</u>

## Disclosures and Legal Compliance

1 July to 30 December 2011

<b>Note 12 - Other expenses</b>	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
Employment on-costs (a)	85	101
Property Management Expenses	377	586
Public Infrastructure	-	3,499
Recruitment costs	3	69
Audit fees (b)	25	25
Impairment of Inventory	380	-
	<u>870</u>	<u>4,280</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'.

<b>Note 13 - Cost of land sales</b>	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
Late Development Costs	-	165
Total cost of sales	<u>-</u>	<u>165</u>

<b>Note 14 - Loss on disposal of non-current assets</b>	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
Loss on disposal of non-current assets	-	2

<b>Note 15 - Interest Revenue</b>	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
Interest received	<u>250</u>	<u>602</u>

(a) Interest revenue includes interest earned on cash deposits and from operating accounts.

## Disclosures and Legal Compliance

1 July to 30 December 2011

<b>Note 16 - Developer contribution fees</b>	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
Developer contribution fees	248	1,633
<b>Note 17 - Other revenue</b>	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
Statutory Fees	97	126
Sale of information	-	1
Grants	-	100
Rental Income	23	73
Revaluation increments	-	120
Project Management Fees	447	1,662
Sundry income	397	1,778
	964	3,860
<b>Note 18 - Income from State Government</b>	<b>Six Months Ended 30/12/2011 \$'000</b>	<b>Twelve Months Ended 30/06/2011 \$'000</b>
Appropriation revenue received during the year:		
Service appropriations	915	1,810
<b>Note 19 - Inventories</b>	<b>As At 30/12/2011 \$'000</b>	<b>As At 30/06/2011 \$'000</b>
<b>Current</b>		
Inventories held for sale - Developed land	1,069	1,069
Inventories held for sale - Work in progress	379	-
Inventories held for use in Developer Contribution Schemes	17,133	16,408
<b>Current Inventory</b>	18,581	17,477
<b>Non-current</b>		
Inventories held for sale - Undeveloped land	3,100	3,012
<b>Non-current inventory</b>	3,100	3,012

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

## Disclosures and Legal Compliance

1 July to 30 December 2011

---

### Note 20 - Receivables

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
<b>Current</b>		
Trade debtors	276	13
Accrued revenue	27	43
GST receivable	78	184
Short term deposits (a)	-	10,957
	<u>381</u>	<u>11,197</u>

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

### Note 21 - Other current assets

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
<b>Current</b>		
Prepayments	<u>60</u>	<u>34</u>

## Disclosures and Legal Compliance

1 July to 30 December 2011

<b>Note 22 - Property, plant and equipment</b>	<b>As At 30/12/2011 \$'000</b>	<b>As At 30/06/2011 \$'000</b>
<b>Land</b>		
At fair value (a)	815	-
Accumulated depreciation	-	-
	815	-
<b>Buildings</b>		
At fair value (a)	3,106	2,113
Accumulated depreciation	-	(129)
	3,106	1,984
<b>Furniture and office equipment</b>		
At cost	84	84
Accumulated depreciation	(26)	(24)
	58	60
<b>Computer equipment</b>		
At cost	32	32
Accumulated depreciation	(32)	(32)
	-	-
<b>Plant and equipment</b>		
At cost	104	60
Accumulated depreciation	(14)	(11)
	90	49
<b>Leasehold improvements</b>		
At cost	323	323
Accumulated depreciation	(243)	(224)
	80	99
<b>Capital works in progress</b>		
At cost	-	1,395
	-	1,395
<b>Total Property, plant and equipment</b>	4,149	3,587

(a) Land and Buildings were revalued as at 30 December 2011 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed after the year ended 30 December 2011 and recognised at 30 December 2011. In undertaking the revaluation, fair value was determined by reference to the depreciated replacement cost for buildings. Refer note 2(g) 'Property, plant and equipment'. Land is valued at market value, or in the case where there is no market, valuation is based on current use.

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

## Disclosures and Legal Compliance

1 July to 30 December 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.

Land	Buildings	Capital works in progress	Furniture and office equipment	Computer equipment	Plant, Equipment & Motor Vehicles	Leasehold improvements	Total
------	-----------	---------------------------	--------------------------------	--------------------	-----------------------------------	------------------------	-------

#### As At

#### 30/12/2011

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of period	-	1,984	1,395	60	-	49	99	3,587
Additions	-	-	-	-	-	-	-	-
Transfers	-	40	(1,395)	-	-	44	-	(1,311)
Revaluation increments	815	1,106	-	-	-	-	-	1,921
Revaluation decrements	-	-	-	-	-	-	-	-
Depreciation	-	(24)	-	(2)	-	(3)	(19)	(48)
Carrying amount at end of period	815	3,106	-	58	-	90	80	4,149

Land	Buildings	Capital works in progress	Furniture and office equipment	Computer equipment	Plant, Equipment & Motor Vehicles	Leasehold improvements	Total
------	-----------	---------------------------	--------------------------------	--------------------	-----------------------------------	------------------------	-------

#### As At

#### 30/06/2011

	\$'000	\$'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
Disposals	-	-	-	(12)	-	-	(29)	(41)
Revaluation increments	-	119	-	-	-	-	-	119
Depreciation	-	(53)	-	(7)	(4)	(5)	(47)	(116)
Carrying amount at end of year	-	1,984	1,395	60	-	49	99	3,587

### Note 23 - Infrastructure

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
Infrastructure		
At cost	1,785	638
Accumulated depreciation	(57)	(48)
	<u>1,728</u>	<u>590</u>
Reconciliation		
Carrying amount at start of period	590	606
Additions	1,147	-
Depreciation expense	(9)	(16)
Carrying amount at end of period	<u>1,728</u>	<u>590</u>



## Disclosures and Legal Compliance

1 July to 30 December 2011

### Note 24 - Impairment of assets

Some property, plant and equipment was impaired, though other property, plant and equipment was revalued. The net effect is a surplus, which has been recorded in the asset revaluation reserve. Some land assets were impaired, which are part of inventory.

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.

### Note 25 - Payables

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
<b>Current</b>		
Trade payables	1,126	2,479
<b>Non-current</b>		
Trade payables	10,006	10,006

### Note 26 - Provisions

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
<b>Current</b>		
<u>Employee Benefits</u>		
Annual leave (a)	51	166
Long service leave (b)	41	61
	<u>92</u>	<u>227</u>
<u>Other provisions</u>		
Employment on-costs (c)	12	18
Future development obligations	50	345
Other	8	8
	<u>70</u>	<u>371</u>
<b>Total current</b>	<u>162</u>	<u>598</u>
<b>Non-Current</b>		
<u>Employee Benefits</u>		
Long service leave (b)	85	80
<u>Other provisions</u>		
Employment on-costs (c)	13	12
Future development obligations	-	62
	<u>13</u>	<u>74</u>
<b>Total non-current</b>	<u>98</u>	<u>154</u>

(a) All annual leave liabilities are classified as current.

## Disclosures and Legal Compliance

1 July to 30 December 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:

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
Within 12 months of reporting date	41	61
More than 12 months after reporting date	85	80
	126	141

(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.

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
<u>Future development obligation provision</u>		
Carrying amount at start of period	407	3,440
Payments/ other sacrifices of economic benefits	(357)	(3,033)
Carrying amount at end of period	50	407
<u>Employee on-cost provision</u>		
Carrying amount at start of period	30	32
Reduction in provisions	(5)	(2)
Carrying amount at end of period	25	30
<u>Other provisions</u>		
Carrying amount at start of period	8	8
Carrying amount at end of period	8	8

### **Note 27 - Borrowings**

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
<b>Current</b>		
Western Australian Treasury Corporation Loan	1,500	700

## Disclosures and Legal Compliance

1 July to 30 December 2011

### Note 28 - Other current liabilities

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
<b>Current</b>		
Accrued expenses	1,564	1,809
Unearned revenue	12	7
Cash in lieu	-	113
	<u>1,576</u>	<u>1,929</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.

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
<b>Contributed equity</b>		
Balance at start of period	34,910	31,660
Capital contributions (a)	-	3,250
Balance at end of period	<u>34,910</u>	<u>34,910</u>

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

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
<b>Reserves</b>		
Asset revaluation surplus:		
Balance at start of period	-	-
Net revaluation increments/(decrements):		
Land and Buildings	1,922	-
Balance at end of period	<u>1,922</u>	<u>-</u>

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
<b>Accumulated (deficiency)</b>		
Balance at start of period	(14,358)	(12,817)
Result for the period	(1,060)	(1,541)
Balance at end of period	<u>(15,418)</u>	<u>(14,358)</u>

## Disclosures and Legal Compliance

1 July to 30 December 2011

### Note 30 - Notes to the Statement of Cash Flows

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
(a) Reconciliation of cash		
Cash at the end of the period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	7,883	521
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:		
	Six Months Ended 30/12/2011 \$'000	Twelve Months Ended 30/06/2011 \$'000
<b>Net cost of services</b>	(1,975)	(3,351)
<b>Non-cash items:</b>		
Depreciation and amortisation expense	59	132
Impairment of Inventory	380	(120)
Adjustment for other non-cash items	(136)	(290)
Net loss on sale of property, plant & equipment	-	2
Project management fees and other income	(881)	(3,440)
<b>(Increase)/decrease in assets:</b>		
Receivables	(141)	5,228
Inventories	(1,104)	(873)
Other current assets	(26)	(258)
Non-current inventories	(88)	-
<b>Increase/(decrease) in liabilities:</b>		
Current payables	(1,353)	1,072
Current borrowings	800	-
Current provisions	(436)	(2,802)
Other current liabilities	(353)	181
Non-current payables	-	(3,624)
Non-current provisions	(56)	(249)
<b>Change in GST in receivables/payables</b>	-	(64)
<b>Net cash used in operating activities</b>	<u>(5,310)</u>	<u>(8,456)</u>

## Disclosures and Legal Compliance

1 July to 30 December 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:

	<b>As At 30/12/2011 \$'000</b>	<b>As At 30/06/2011 \$'000</b>
Within 1 year	2,429	3,418
Later than 1 year and not later than 5 years	-	191
	<u>2,429</u>	<u>3,609</u>
The commitments include amounts for:		
Capital and Public infrastructure works	<u>2,429</u>	<u>3,609</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:

	<b>As At 30/12/2011 \$'000</b>	<b>As At 30/06/2011 \$'000</b>
Within 1 year	82	221
Later than 1 year and not later than 5 years	2	9
	<u>84</u>	<u>230</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.

	<b>As At 30/12/2011 \$'000</b>	<b>As At 30/06/2011 \$'000</b>
Representing:		
Cancellable operating leases	-	135
Non-cancellable operating leases	84	95
	<u>84</u>	<u>230</u>

## Disclosures and Legal Compliance

1 July to 30 December 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 period, fall within the following bands are:

\$	Six Months Ended 30/12/2011	Twelve Months Ended 30/06/2011
Nil - 10,000	3	-
10,001 - 20,000	1	3
20,001 - 30,000	-	1
Total remuneration of the members of the Authority is:	34	66

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

#### Remuneration of senior officers

The 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 period, fall within the following bands are:

\$	Six Months Ended 30/12/2011	Twelve Months Ended 30/06/2011
10,001 - 20,000	-	2
90,001 - 100,000	1	-
140,001 - 150,000	1	1
260,001 - 270,000	-	1
Total remuneration (\$'000) of senior officers is:	238	445

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.

## Disclosures and Legal Compliance

1 July to 30 December 2011

---

### Note 33 - Remuneration of auditor

Six Months  
Ended  
30/12/2011  
\$'000

Twelve Months  
Ended  
30/06/2011  
\$'000

Remuneration to the Auditor General for the period is as follows:

Auditing the accounts, financial statements and performance indicators

16

29

### 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 between 01/07/2011 and 30/12/2012.

#### Losses through theft, default and other causes

There were no losses of public property through theft, vandalism or other circumstances between 01/07/2011 and 30/12/2012.

#### Gifts of public property

There were no gifts of public property received between 01/07/2011 and 30/12/2012.

### 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

## Disclosures and Legal Compliance

1 July to 30 December 2011

---

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.

### 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:

	As At 30/12/2011 \$'000	As At 30/06/2011 \$'000
<b>Financial Assets</b>		
Cash and cash equivalents	7,883	521
Short term deposits, Trade Debtors & Accrued Revenue	303	11,013
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	14,208	15,114

### **(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



## **Disclosures and Legal Compliance**

*1 July to 30 December 2011*

---

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.

## Disclosures and Legal Compliance

1 July to 30 December 2011

### Interest rate exposure and ageing analysis of financial assets <sup>(a)</sup>

Financial Assets	Weighted Average Effective Interest Rate %	Interest Rate Exposure			Past due but not impaired				
		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
<b>As At 30/12/2011</b>									
Cash	4.62%	7,883	7,883	-	-	-	-	-	-
Receivables (a)	0.00%	303	-	303	-	-	-	-	-
		<b>8,186</b>	<b>7,883</b>	<b>303</b>	-	-	-	-	-
<b>As At 30/06/2011</b>									
Cash and cash equivalents	4.50%	521	521	-	-	-	-	-	-
Receivables (a)	5.35%	11,013	10,957	56	-	-	-	-	-
		<b>11,534</b>	<b>11,478</b>	<b>56</b>	-	-	-	-	-

## Disclosures and Legal Compliance

1 July to 30 December 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 <sup>(a)</sup>

Financial Liabilities	Interest Rate Exposure				Contractual Maturity Dates					
	Weighted Average Effective Interest Rate %	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
<b>As At 30/12/2011</b>										
Financial Liabilities measure at amortised cost	3.73%	14,208	11,506	2,702	(1,041)	14,208	1,219	2,983	-	10,006
<b>As At 30/06/2011</b>										
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

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

## Disclosures and Legal Compliance

1 July to 30 December 2011

### 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 report period.

<b>As At</b>	Carrying amount	-100 basis points		+100 basis points	
<b>30/12/2011</b>	\$'000	Surplus	Equity	Surplus	Equity
		\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash and cash equivalents (variable rate)	7,883	(79)	(79)	79	79
<b>Financial Liabilities</b>					
Payables - Non-current	10,006	100	100	(100)	(100)
Borrowings	1,500	15	15	(15)	(15)
Total Increase/(Decrease)		36	36	(36)	(36)

<b>As At</b>	Carrying amount	-100 basis points		+100 basis points	
<b>30/06/2011</b>	\$'000	Surplus	Equity	Surplus	Equity
		\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash and cash equivalents	521	(5)	(5)	5	5
Short term deposits	10,957	(110)	(110)	110	110
<b>Financial Liabilities</b>					
Payables	10,006	100	100	(100)	(100)
Borrowings	700	7	7	(7)	(7)
Total Increase/(Decrease)		(8)	(8)	8	8

### Fair Values

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

### **Note 37 - Contingent liabilities and contingent assets**

The Authority has utilised land it does not own for the purposes of a Developer Contribution Scheme. The Authority is still in negotiation with the land owner over the sales price, however a sum has been paid to the land owner equal to the Authority's valuers market valuation.

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

The Authority has no contingent assets.

## Disclosures and Legal Compliance

1 July to 30 December 2011

### Note 38 - Events occurring after the balance sheet date

The Subiaco Redevelopment Authority, East Perth Redevelopment Authority, Midland Redevelopment Authority and Armadale Redevelopment Authority have amalgamated to form the new Metropolitan Redevelopment Authority. The financial operation of the MRA commenced on the 31<sup>st</sup> December 2011. The Champion Lakes Regatta Centre was transferred to Venues West on the 6<sup>th</sup> of January 2012. 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 expenses are shown below. Significant variations are considered to be greater than 10% or \$5 million.

#### Significant variations between estimated and actual results.

	Six Months Ended 30/12/2011 Actual \$'000	Six Months Ended 30/12/2011 Estimates \$'000	Variance \$'000
<u>Expenses</u>			
Employee benefits expense	1,401	916	485
Supplies and services	673	955	(282)
Depreciation and amortisation expense	59	70	(11)
Finance costs	19	32	(13)
Cost of land sold	-	752	(752)
Developer contribution expenses	248	13,005	(12,757)
Other expenses	870	1,675	(805)
<u>Revenue</u>			
Land Sales	-	1,113	(1,113)
Interest revenue	250	128	122
Developer contribution fees	248	13,005	(12,757)
Other revenue	964	646	318

#### Employee benefits expense

CEO termination payment was not previously budgeted for.

#### Supplies and services

Lower activity compared to budget, largely due to transition to MRA causing some projects to be delayed.

#### Depreciation and amortisation expense

This is slightly under budget due to later than expected conversion of assets under construction to property, plant and equipment. This delayed the initiation of depreciation on these assets.

## **Disclosures and Legal Compliance**

*1 July to 30 December 2011*

---

### Finance Costs

Interest Expense was much lower than expected, due to surplus cash deposits being used to finance projects instead of new debt, except for Champion Lakes, where an additional loan has been taken from the Western Australian Treasury Corporation.

### Cost of land sold

Development and sale of commercial lots at Champion Lakes was deferred due to economic and market conditions.

### Developer contribution expenses

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

### Other expenses

Capital WIP for Champion Lakes was capitalised into property, plant and equipment rather than being expensed to Public Infrastructure as budgeted.

### Land Sales

Projected sales for Champion Lakes did not take place as budgeted. 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 and industrial lots in the south-eastern Perth metropolitan corridor.

### Other Revenue

Higher than expected DCS charge outs occurred.

## Disclosures and Legal Compliance

1 July to 30 December 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 30/06/2011 and 30/12/2011.

	Six Months Ended 30/12/2011 Actual \$'000	Twelve Months Ended 30/06/2011 Actual \$'000	Variance \$'000
<b>Expenses</b>			
Employee benefits expense	1,401	1,619	(218)
Supplies and services	673	1,328	(655)
Depreciation and amortisation expense	59	132	(73)
Finance costs	19	38	(19)
Accommodation expenses	167	249	(82)
Cost of land sold	-	165	(165)
Developer contribution expenses	248	1,633	(1,385)
Other expenses	870	4,280	(3,410)
<b>Revenue</b>			
Interest revenue	250	602	(352)
Developer contribution fees	248	1,633	(1,385)
Other revenue	964	3,860	(2,896)

#### Employee benefits expense

CEO termination payment was unique to the period ending 30/12/2011.

#### Supplies and services

Due to half a year being compared with a whole year.

#### Depreciation and amortisation expense

Due to half a year being compared with a whole year.

#### Finance costs

Due to half a year being compared with a whole year.

#### Accommodation expenses

Due to half a year being compared with a whole year.

#### Cost of land sold

There were no cost of sales recognised during the period ending 30/12/2011, due to no sales of commercial precinct lots at Champion Lakes which were hindered by macroeconomic conditions.

#### Developer contribution expenses

The large decrease in developer contribution expenses is due to only one Developer Contribution Scheme contribution being receipted.

## **Disclosures and Legal Compliance**

*1 July to 30 December 2011*

---

### Other expenses

Capital WIP for Champion Lakes was capitalised into property, plant and equipment rather than being expensed to Public Infrastructure as budgeted. Lower activity compared to budget, largely due to transition to MRA causing some projects to be delayed.

### Interest Revenue

Due to half a year being compared with a whole year.

### Developer contribution fees

The large decrease in developer contribution expenses is due to only one Developer Contribution Scheme contribution being receipted.

### 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. The six months ending 30 December 2011 did not experience similar events to these.



## Disclosures and Legal Compliance

1 July to 30 December 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 the Authority, it shall be in writing and tabled in Parliament.

- There were no Ministerial directions during the period 1 July to 30 December 2011

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 was one approval tabled in Parliament in the period 1 July to 30 December 2011.

### 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 period 1 July to 30 December 2011 by ensuring value for money outcomes were achieved across all operational and capital projects.

### Employment and Industrial Relations

#### Staff Profile

	<b>30 December 2011</b>
Full-time permanent	20
Full-time contract	0
Part-time measured on a FTE basis	0.27
On secondment	0
<b>Total</b>	<b>20.27</b>

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

1 July to 30 December 2011

---

During the period 1 July to 30 December 2011 financial year, ARA employees attended 361 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 period 1 July to 30 December 2011 in advertising, market research, polling, direct mail and media advertising:

1. Total Expenditure for 6 months to 30 December 2011 was **\$89,602.45**.
2. Expenditure was incurred in the following areas:

<b>Advertising Agencies</b>	
Adcorp Australia Ltd	\$9,062.23
Department of the Premier and Cabinet	\$4,407.04
Scotty Tidy (Katweb)	\$602.00
<b>Market Research</b>	
Collier's International	\$47,531.18
<b>Polling Organisations</b>	Nil
<b>Direct Mail Organisations</b>	Nil
<b>Marketing and Public Relations</b>	
Rowing WA	\$15,000
Business Armadale	\$5,000
Property Council of Australia	\$3,000
Armadale Independent Film Festival	\$5,000

## Disclosures and Legal Compliance

1 July to 30 December 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"><li>• Continue to implement upgrades of kerbing and paths already identified at Champion Lakes.</li><li>• Identify and upgrade other inaccessible or hazardous footpaths and kerbs.</li><li>• Ensure all new footpaths, kerbs and trails are constructed so as to provide a safe, continuously accessible path of travel.</li><li>• Ensure footpaths are not made inaccessible or hazardous by signs, furniture, fencing etc.</li></ul>
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"><li>• Undertake facilities access audits and use this information in planning.</li><li>• Include disability access in scoping briefs for civil works undertaken by the ARA ensuring compliance with all relevant standards.</li><li>• Install accessible parking bays, set down areas and related signage where appropriate.</li></ul>
Establish a process for the ARA to implement of DAIP activities.	<ul style="list-style-type: none"><li>• Incorporate the objectives of the DAIP into the ARA's strategic business planning, budgeting processes and other relevant plans and strategies.</li><li>• Appoint the Administration Manager to administer the Plan.</li></ul>

## Disclosures and Legal Compliance

1 July to 30 December 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"> <li>• Include on property check list.</li> <li>• Briefs for new facilities will include a requirement for the provision of appropriate facilities for people with disabilities, according to relevant standards.</li> </ul>

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"> <li>• Contractors and other users of ARA facilities to be made aware of the ARA's processes, practices and procedures around access.</li> <li>• The ARA Board to endorse the DAIP.</li> </ul>
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

1 July to 30 December 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 ARA Board Procedures, which incorporates the Code of Conduct and which has adopted the public sector's ethical principles, has been developed and applies to all people employed by the ARA including the Board, management and employees. New employees are made aware of the Board Procedures at the time of orientation.

The ARA ensures the principles in the procedures 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 the period 1 July to 30 December 2011.

#### 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. As a result of the merger of the ARA into the Metropolitan Redevelopment Authority, any required updates will be included in the Record Keeping Plan for the MRA.

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

1 July to 30 December 2011

---

### Annual Estimates for period 1 July to 30 December 2011

2010/11 Estimates		\$'000
Cost of Services	1	3,437
Revenue From Ordinary Activities	2	<u>1,462</u>
Net Cost of Services		(1,975)
Revenue from State Government		<u>915</u>
<b>(Deficit) for the period</b>		<b><u>(1,060)</u></b>
Other Comprehensive (Deficit) Income		1,922
<b>Total comprehensive (Deficit) for the period</b>		<b><u>(862)</u></b>

#### Note 1 – Cost of Services

Comprising:		\$'000
Supplies and Services		673
Employee Benefits Expense		1,401
Developer Contribution expenses		248
Other Operating Expenses		1,115
Cost of Services		<u>3,437</u>

#### Note 2 – Revenue from ordinary Activities

Comprising:		\$'000
Interest Revenue		250
Developer Contribution revenues		248
Other operating revenue		964
Revenue from Ordinary Activities		<u>1,462</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.

## Disclosures and Legal Compliance

1 July to 30 December 2011

---

- b. Ensure that the use, cleaning, maintenance, transportation and disposal of plant and substances are carried out in ways that minimise staff exposure to hazards.
- c. Provide information, training and supervision to new and existing staff members to enable them to work in ways that minimise their exposure to hazards.
- 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.

#### 1 July to 30 December 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*.



## **Disclosures and Legal Compliance**

*1 July to 30 December 2011*

---

There was one Freedom of Information request in the period 1 July to 30 December 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 2010 - 2011;

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](http://www.ara.wa.gov.au) and in hard copy by request to [info@ara.wa.gov.au](mailto: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.

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



## **Disclosures and Legal Compliance**

*1 July to 30 December 2011*

---

### **CONTACT DETAILS**

Metropolitan Redevelopment Authority  
Postal Address: Locked Bag 8, Perth Business Centre 6849  
Unit 5, 210-220 Jull Street, Armadale WA 6112

Website: [www.mra.wa.gov.au](http://www.mra.wa.gov.au)  
Email: [info@mra.wa.gov.au](mailto:info@mra.wa.gov.au)  
Phone: (08) 6557 0859

### **OTHER FORMATS**

This annual report is available in alternative formats on request.