



# PEEL DEVELOPMENT COMMISSION



## ANNUAL REPORT 2013 - 2014

***BUILDING A STRONG FUTURE FOR THE PEEL***

In line with State Government requirements, Peel Development Commission's annual report is published in an electronic format, with limited use of graphics and illustrations to help minimise download times. It can be downloaded at [www.peel.wa.gov.au](http://www.peel.wa.gov.au)

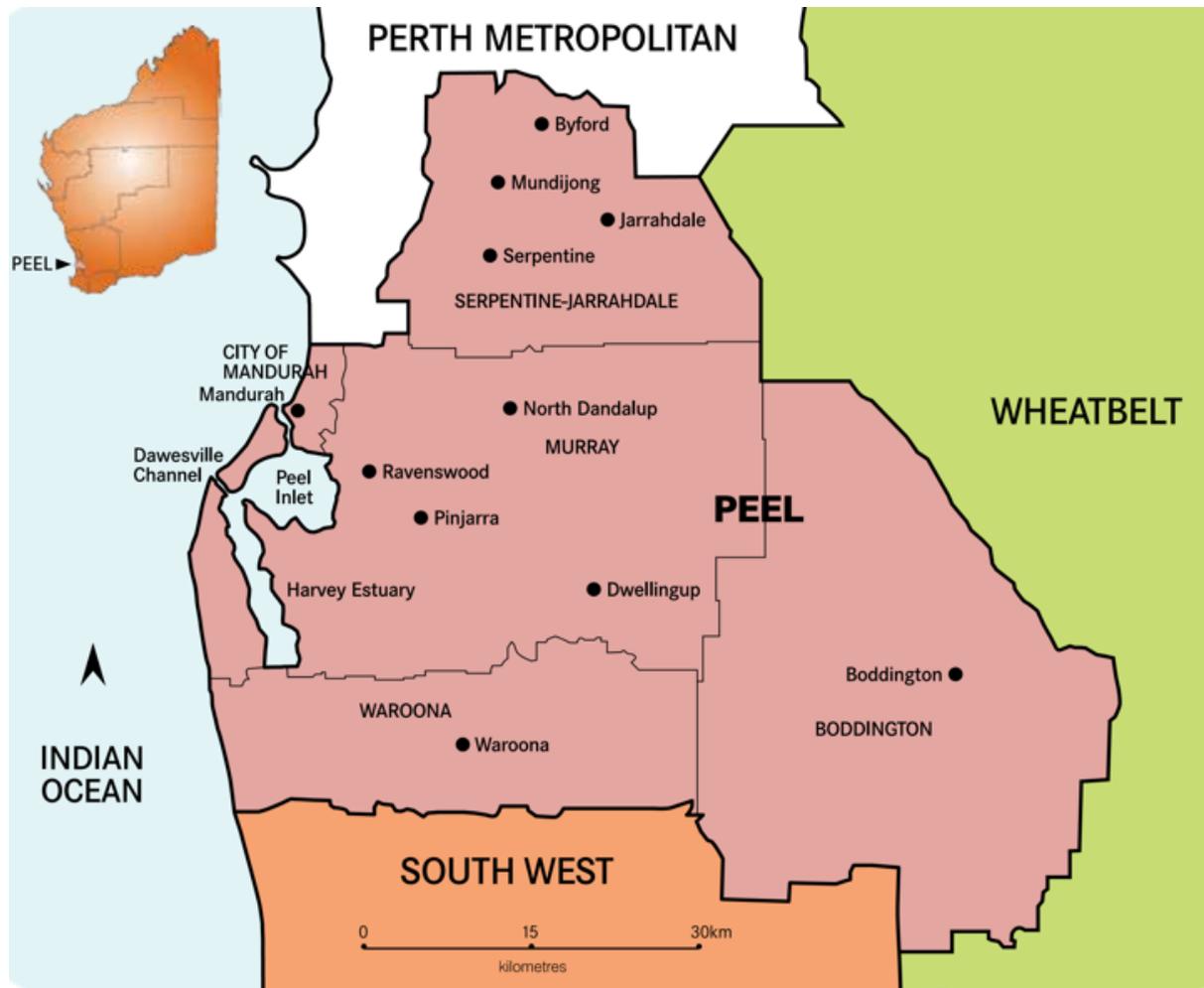
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## The Peel Region of Western Australia



*The Peel region is located south of Perth. It is bordered by the Indian Ocean in the west, with jarrah forests and farmlands of the Darling Range leading east to the bordering Wheatbelt region. The Region covers an area of 5,648 square kilometres, including 137 square kilometres of inland waterways and five local government areas; the City of Mandurah and the Shires of Boddington, Murray, Serpentine-Jarrahdale and Waroona.*

## Statement of Compliance

The Hon Terry Redman MLA  
Minister for Regional Development; Lands;  
Minister Assisting the Minister for State Development

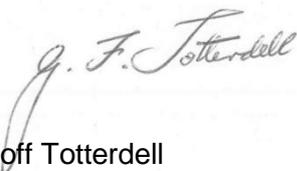
In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Peel Development Commission for the financial year ended 30 June 2014.

The Peel Development Commission was established under the *Regional Development Commissions Act 1993*. In the performance of its functions, the Peel Development Commission complies with all relevant written laws including but not limited to:

- *Regional Development Commissions Act 1993;*
- *Public Sector Management Act 1994;*
- *Financial Management Act 2006.*

In the financial administration of the Peel Development Commission, we have complied with the requirements of the *Financial Management Act 2006* and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of monies and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

At the date of signing, we are not aware of any circumstances which would render the particulars in this statement misleading or inaccurate.



Geoff Totterdell  
Chairman

27 August 2014



Mellisa Teede  
Chief Executive officer

27 August 2014

## Overview

### Chairman's Report



During the past 12 months the Commission has worked closely with more than 200 stakeholders in developing a draft Regional Investment Blueprint to form a shared view of the future vision for the Peel region.

From this work, a roadmap has been developed to address the challenges that Peel, as one of the fastest growing regions of the State, will continue to face. It is conservatively projected that by 2031, the region's population will increase to 188,400.

We have an exciting future and the new initiatives outlined in the Peel Regional Investment Blueprint will direct the formulation of the Commission's new strategic and business plans which respond to the projected growth and identified development priorities of the region.

Promotion of the region is a major focus of what we do at the Commission.

We have formed strong relationships with our stakeholders, including private investors looking to invest in our region, the five local authorities, and government agencies and peak bodies. These established alliances will ensure we take a holistic approach to the region's economic, social and environmental development.

The Peel region is well placed to attract new investment with its close proximity to the metropolitan area, export markets and transport corridors.

Discussions have continued with potential investors in both the agriculture and commerce sectors to relocate and/or establish new enterprises to Peel.

We have continued to support the protection of the region's catchment and waterways through the newly established Peel Harvey Estuary Management Committee. This is in recognition of the need for the careful management and protection of the Peel's strong and diverse natural resource base, while recognising the significant new opportunities in areas such as research, water resource development, renewable energy, education and tourism.

The Commission has continued to advocate the Peel Region Recycled Water Scheme with senior government decision makers. Progress of this major project would provide benefits to the wider region both environmentally and economically.

Working closely with the City of Mandurah the Commission has been examining the revitalisation of the Mandurah central business district to better meet the needs of the region's current and projected populations.

The aim of the Peel Development Commission is to grow the region through facilitating a greater diversity of industries and commerce. Along with this, our objective is always to facilitate an increase in education and training opportunities that lead to jobs in those industries, so to strategically position Peel as a "progressive, liveable and productive region".

We have an exciting future and the new initiatives outlined in the Blueprint will direct the formulation of the commission's new strategies and business plans which respond to the projected growth and identified development priorities for the region.

I am pleased to present my third annual report as Chairman of the Peel Development Commission.

A handwritten signature in cursive script that reads "G. F. Totterdell". The signature is written in dark ink and is positioned above the printed name.

Geoff Totterdell  
Chairman

## Executive Summary

The Peel Development Commission has delivered its strategic objectives during the reporting period while acknowledging the changing economic, social and environmental landscape of the region. A major focus of the Commission has been to ensure that all strategic objectives were achieved to finalise the 2009-2014 Strategic Plan.

We have continued to work collaboratively with our stakeholders supporting initiatives across the region and providing the important link to Government and resources.

In Boddington the completion of the Shire Administration and Council Chambers upgrade provided much needed refurbished accommodation to meet the demands and increasing service delivery resulting from the re-opening of Newmont's Boddington gold mine.

The Mandurah Surf Life Saving Club's new club house was also completed providing a community facility contributing to the improved safety for all beach goers through an effective, efficient and well-resourced surf lifesaving service.

The Commission has worked with the Shire of Serpentine-Jarrahdale and Murdoch University supporting the establishment of Whitby Falls Farm, an initiative which may result in the relocation of the veterinary science school.

We also commissioned a report on the economic and social benefits the equine industry provides to the region. This informed the Shire of Murray's formulation of a proposal to initiate the development of a regional equestrian centre at Coolup.

The Commission was instrumental in attracting funding of \$400,000 for the establishment of the Peel Harvey Catchment Management Committee which will manage Peel's waterways. The Commission is a member of the Committee that is chaired by the Department of Premier and Cabinet.

Funding support was also provided towards the business case to establish the Ocean Road Recycled Water Scheme south of the Dawesville Cut. This scheme will initially support an urgently needed active open space and other needs of local schools and the community. The Commission previously approved a grant of \$305,000 in 2008/09 for this initiative.

A major focus of the Commission has been the completion of second stage of the Peel Regional Investment Blueprint which acknowledges the demands that will be placed on the region over the next 20 years. The estimated population has been conservatively projected to reach 188,400 people by 2031.

Peel Development Commission has embraced this challenge, working closely with more than 200 stakeholders to form a shared view of Peel's future as a "Progressive, Liveable and Productive Region". The Blueprint has a strong economic focus underpinned by the view that economic development is the cornerstone of a healthy, balanced and sustainable society.

The Peel Regional Investment Blueprint identifies the establishment of the Peel Business Park at Nambelup as a key initiative for diversifying and broadening the Peel's economic base and providing a wide range of job opportunities for its growing population. The Commission has taken a lead role in seeking to bring this project to fruition.

Progress is being made by facilitating the commercialisation of new and innovative agricultural production and related agribusiness systems. There are a growing number of investors who have expressed interest in developing agribusiness opportunities in the Peel region.

Along with the City of Mandurah, the Commission has been involved in feasibility and planning regarding the co-location of government agencies into a new purpose built facility in Mandurah.

The Commission will continue to work closely with its regional stakeholders in 2014-2015 to bring about real sustainable change for the Peel region.

A handwritten signature in cursive script, appearing to read 'M Teede', is positioned above the typed name.

Mellisa Teede  
Chief Executive Officer

## Operational Structure

### Enabling Legislation

Peel Development Commission is a statutory authority established in 1993 by the Western Australian State Government under the *Regional Development Commissions Act 1993*. The Commission is one of nine regional development commissions across the State, each governed by the same legislation.

### Responsible Minister

Peel Development Commission reports to the Hon Terry Redman MLA, Minister for Regional Development; Lands; Minister Assisting the Minister for State Development. The Minister has the power to direct the Commission, either generally or with respect to a particular matter, on the exercise and performance of its powers, functions and duties under the *Regional Development Commissions Act 1993*. The Commission must give effect to such directions. The Commission provides the regional link between government policy and planning and regional aspirations and needs.

### Objects and Powers

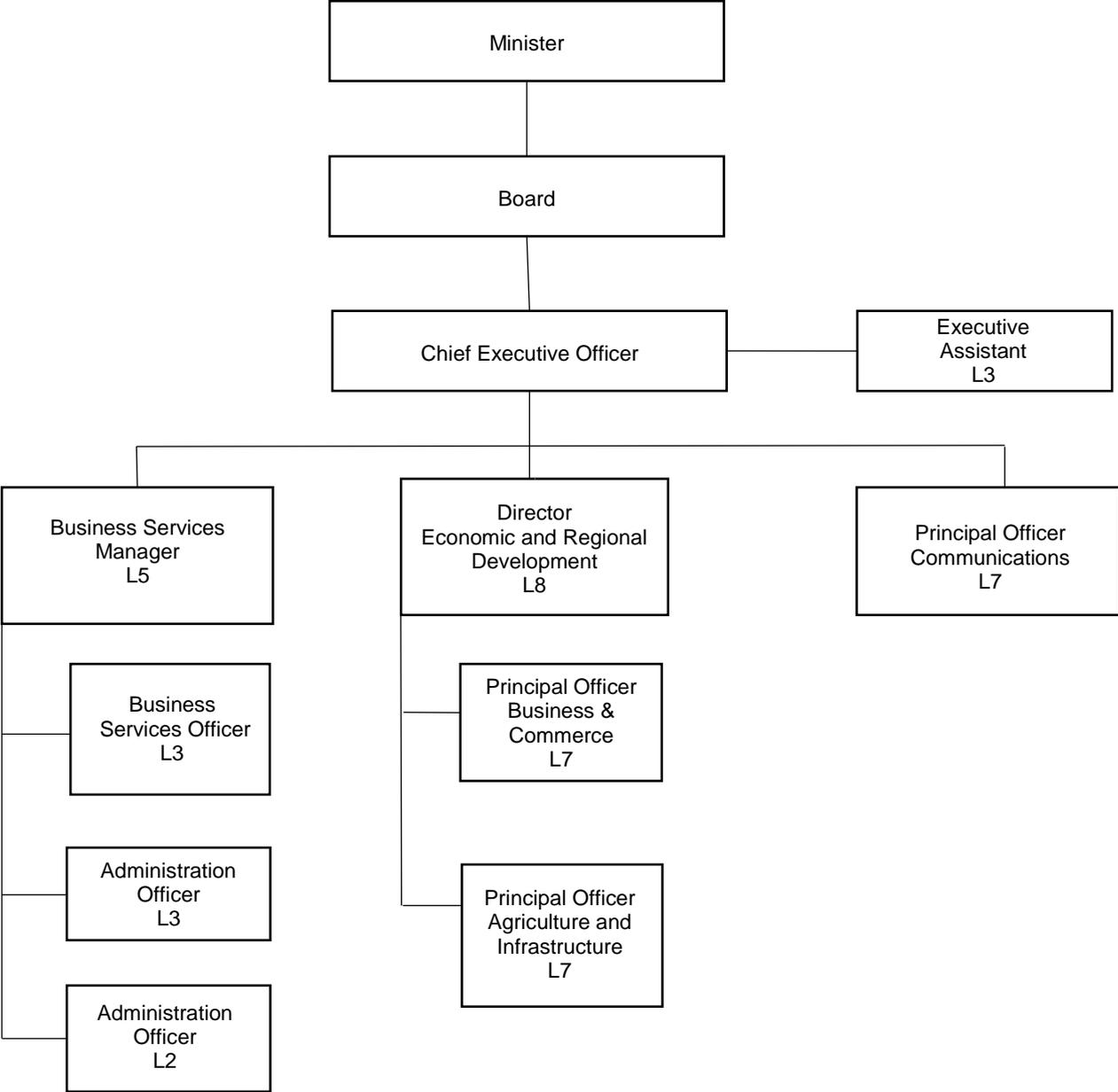
Under the *Regional Development Commissions Act 1993*, the objects of the Commission are to:

- maximise job creation and improve career opportunities in the region;
- develop and broaden the economic base of the region;
- identify infrastructure services to promote economic and social development within the region;
- provide information and advice to promote business development within the region;
- seek to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area; and
- generally take steps to encourage, promote, facilitate and monitor the economic development of the region.

For the purposes of achieving those objects, the Commission:

- promotes the Peel region;
- facilitates coordination between relevant statutory bodies and State government agencies;
- co-operates with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community within the region;
- identifies opportunities for investment in the region and encourages that investment;
- identifies infrastructure needs of the region, and encourages the provision of that infrastructure; and
- co-operates with departments of the Public Service of the State and the Commonwealth and other agencies, instrumentalities and statutory bodies of the State and the Commonwealth, and local government authorities, in order to promote equitable delivery of services throughout the region.

**Organisational Structure**



## **Our Vision**

For Peel to be recognised as a uniquely beautiful and sustainable place to live, work and visit.

## **Our Mission**

To develop and enhance opportunities for Peel people, the economy and environment by providing strong leadership and engaging in effective and innovative partnerships to achieve the vision.

## **The Board**

Peel Development Commission is managed by a Board of regional representatives comprising local government, community and ministerial appointments. The Chief Executive Officer is an ex-officio member of the Board. Supporting the Board is a Board sub-committee - the Finance, Audit and Risk Management Committee (FARM) - whose primary objective is to assist the Board in discharging its oversight responsibilities by providing an objective non-executive review of the effectiveness of the Peel Development Commission's financial reporting process, risk management framework, system of internal control, the external and internal audit functions and process for compliance with laws and regulations.

# Board Profiles

| BOARD MEMBER   |   |
|--|---|
| <p><b>MR GEOFF TOTTERDELL (Chair)</b><br/>Ministerial</p> <p>Mr Totterdell retired from a 20 year partnership with an international accounting firm in December 2006 where he was primarily involved in the administration of insolvent companies and in business consultancy. Mr Totterdell has had significant government appointments including Chairman of Swan River Trust from 1994 to 2003, Dairy WA Ltd from 2003 to 2006 and Rottnest Island Authority from 2007 to 2010. He and his wife have enjoyed living in the Peel region since acquiring their home in South Yunderup some 8 years ago. Mr Totterdell is an active yachtsman and a life member of the Royal Freshwater Bay Yacht Club in Perth.</p> |    |
| <p><b>MR PAUL FITZPATRICK (Deputy Chair)</b><br/>Community</p> <p>Mr Fitzpatrick is a descendant of the early settlers of the Peel region. He is a graduate of the UWA Advanced School of Management Program and the Australian Institute of Company Directors. He co-founded the international award winning 'smart house' technology, the Smart Company of Australia in 1993. In 2001 Mr Fitzpatrick was elected to the Waroona Shire Council, serving 2 of his 7 years as Shire President. During this period he developed 'lifestyle olive farms'. He is currently a member of the Peel Planning Commission and is President of the Mandurah Country Club.</p>   |  |

|  |   |
|--|---|
| <p><b>MR MARK JEFFERY</b><br/>Ministerial</p> <p>Mr Jeffery has qualifications in Organisational Psychology and a background in Management Consulting. His experience includes projects with a wide range of sectors and some 150 organisations. In 2009 Mr Jeffery commenced his own consultancy, which specialises in strategic planning, leadership development and coaching and performance management. He is a resident of the Shire of Murray and holds a number of board memberships including Peel Youth Services. He is a member of the Australia Institute of Company Directors.</p> |    |
| <p><b>CR JOHN ALLERT</b><br/>Local Government</p> <p>Cr Allert has a Bachelor of English and a Master of Commerce, and has also undertaken doctoral studies in Indigenous Economic Development. He is a Fellow and past President of the Public Relations Institute of Australia and has been a resident of Boddington for 14 years, and was elected to Council in 2009. He is currently the Shire President. He is involved in the community, holding membership on several committees including Chairman of the Hotham Way Tourist Route Committee.</p>                                      |   |
| <p><b>CR RHYS WILLIAMS</b><br/>Local Government</p> <p>Mr Williams, while a Peel Development Commission Board Member, was an active member of the Peel community and served on many community based committees. In 2009 he was elected as a Councillor to the City of Mandurah and became the youngest person ever to be elected to local government.</p>  |  |

|   |   |
|---|---|
| <p><b>MRS ELIZABETH HOEK</b><br/>Community</p>  |   |
| <p>Mrs Hoek is a long term resident of Boddington and is the Manager of the Boddington Community Resource Centre. She has been a Councillor with the Shire of Boddington since 1998 and is heavily involved in the community of Boddington through various local and regional committees. She is a Board member of Peel Community Development Group and Regional Development Australia Peel.</p>  |    |
|   |   |
| <p><b>MR ANTONY EDWARDS</b><br/>Community</p>   |   |
| <p>Mr Edwards is a resident of Mandurah, holds a Diploma in Accounting and is a UWA Management Program Graduate. His past fellowships include the Australian Institute of Company Directors and the Australian Society of Certified Practising Accountants. Prior to his retirement Mr Edwards was Chief Financial Officer and Company Secretary of United Farmers Cooperative Company Ltd, a position he held for 5 years, and previously 14 years as Finance Director of Joyce Corporation Ltd.</p>   |   |
|   |   |
| <p><b>MS JOANNE ABBISS</b><br/>Ministerial</p>  |   |
| <p>Ms Abbiss has been a resident of the Peel region for over 30 years and currently resides in Keysbrook. She is the Chief Executive Officer of the City of Kwinana and previously held the position of Chief Executive Officer of the Serpentine Jarrahdale Shire for 7 years. Ms Abbiss holds a Bachelor of Science and is currently studying a Bachelor of Laws at Notre Dame University. She runs her own policy and strategy development business, is a training consultant for the Western Australian Local Government Association and a tutor with the Curtin Law School. Ms Abbiss has a long history of community involvement which includes being a board member of the local landcare centre and the inaugural chairperson of the Keysbrook Hills Community Group Inc.</p> |  |

|  |  |
|--|--|
| <b>CR WALTER BARRETT</b><br>Local Government   |  |
| <p>Cr Barrett is a long term resident of Pinjarra and a retired police officer. In 1994 he was elected as a Councillor with the Shire of Murray. He served as Deputy Shire President for 2 years before being elected as Shire President in late 2011. Cr Barrett serves on numerous boards and committees including Regional Development Australia, Department of Planning Development Assessment Panel, Rivers Regional Council and is a State Councillor on WALGA. He is active in the community, having served 23 years in the Army Reserve and holds a life membership in the Lions Club.</p> |   |
|  |  |
| <b>MS MELLISA TEEDE</b><br>Chief Executive Officer   |  |
| <p>Ms Teede is Chief Executive Officer of the Peel Development Commission and is a member of the Board in an ex officio capacity. Ms Teede recently held the position of Managing Director of the Goldfields Institute of Technology and has worked extensively with peak industry and regional bodies including the State Training Board, Regional Development Commissions, Chambers of Commerce and Industry and Chambers of Minerals and Energy. Ms Teede has a strong background in the education and training sectors as well as having solid connections in the resources sector.</p>        |  |

During the reporting period, the Commission's Board met on six occasions, ensuring that board meetings were held across the region. The following table shows Board Member attendance rates and term expiry.

| <b>Board Member</b>             | <b>Attendance</b> | <b>Term Expiry</b>    |
|---------------------------------|-------------------|-----------------------|
| Geoff Totterdell - Chairperson  | 6                 | 30/06/2014            |
| Paul Fitzpatrick - Deputy Chair | 5                 | 30/06/2015            |
| Mark Jeffery                    | 3                 | 30/06/2014            |
| Tony Edwards                    | 5                 | 30/06/2015            |
| John Allert                     | 4                 | 30/06/2015            |
| Elizabeth Hoek                  | 5                 | 30/06/2014            |
| Joanne Abbiss                   | 5                 | 30/06/2015            |
| Walter Barrett                  | 6                 | 30/06/2014            |
| Rhys Williams                   | 1                 | Retired November 2013 |
| Mellisa Teede                   | 6                 | Ex officio            |

## Other Key Legislation Impacting on Activities

Peel Development Commission complies with the following key legislation:

- *Disability Services Act 1993*
- *Electoral Act 1907*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1983*
- *Occupational Safety and Health Act 1984*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Royalties for Regions Act 2009*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Supply Commission Act 1991*
- *Workers Compensation and Rehabilitation Act 1981*
- *Regional Development Commission Act 1993*

## Performance Management Framework

### Outcome Based Management Framework

Peel Development Commission has undergone many strategic changes during the past 12 months with a major focus being a complete agency restructure. The completion of the draft Regional Investment Blueprint and the finalisation of its *2009-2014 Strategic Plan* were significant achievements which augur well for the future direction of the region. The Blueprint will form the basis for the development of the new strategic plan. The plan will outline the objectives and strategies required to take the Commission and the Peel region into the future.

### Our Outcomes

- Outcome 1** *Government decision making takes account of Peel issues.*  
Peel region's needs will be effectively represented in Government decision making.
- Outcome 2** *The Peel has an evolving, adaptive and diverse economy with increased job opportunities for all members of the community.*  
Peel's economy is strong, prosperous and diverse now and into the future.
- Outcome 3** *Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel.*  
The Peel's future population will be provided for by applying a coordinated approach to planning and the delivery of infrastructure.

**Outcome 4** *Peel communities are educated, productive, healthy, safe and supported.*  
All communities in the Peel will have healthy, safe, enjoyable and supportive environments to live and work, with access to high quality education and local services. The community will be strengthened through providing the conditions that allow all to participate in the life of the region.

**Outcome 5** *The Peel environment is better understood and managed.*  
Peel's natural environment will be responsibly managed to protect its diversity for current and future generations.

### Changes to Outcome Based Management Framework

The Peel Development Commission's outcome based management framework did not change during 2013-2014.

### Alignment with Government Goals

The Peel Development Commission's guiding framework is the *Regional Development Commissions Act 1993* and the Government's strategic framework. The Commission's outcomes align with the five regional development goals in the State Government's strategic framework:

- *State Building – Major Projects* - Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development;
- *Financial and Economic Responsibility* - Responsibly managing the State's finances through the efficient and effective delivery of services and encouraging economic activity to enhance the region's attractiveness for investment;
- *Outcomes Based Service Delivery* - Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians;
- *Stronger Focus on the Regions* - Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas; and
- *Social and Environmental Responsibility* - Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the Region and the State.

### Shared Responsibilities with Other Agencies

The Resource Agreement between the Peel Development Commission, Minister for Regional Development, the Chief Executive Officer and the Chairman and the Treasurer (2013-14) does not specify any major across-agency or whole-of-government responsibilities.

However, the Peel region has five local government areas across the region and the Commission works closely with those local authorities to support strategic partnerships and infrastructure projects that will enhance liveability in the region. The Commission also works closely with other government agencies both State and Commonwealth and the region's peak bodies.

# Agency Performance

## Report on Operations

### Actual Results versus Budget Targets

#### Financial Targets

|  | 2013-14<br>Target(1)<br>\$000 | 2013-14<br>Actual<br>\$000 | Variation(2)<br>\$000 |
|--|-------------------------------|----------------------------|-----------------------|
| Total expenses<br>(sourced from Statement of Comprehensive<br>Income)            | 3,157                         | 3,029                      | (128)                 |
| Total income<br>(sourced from Statement of Comprehensive<br>Income)              | 3,133                         | 2,161                      | (972)                 |
| Total equity<br>(sourced from Statement of Financial Position)                   | 1,584                         | 1,671                      | 87                    |
| Net increase / (decrease) in cash held<br>(sourced from Statement of Cash Flows) | (22)                          | (768)                      | (790)                 |
| Approved full time equivalent (FTE) staff level                                  | 10                            | 10                         | -                     |

- (1) As specified in the 2013-14 Budget Statements.
- (2) Further explanations are contained in Note 26 'Explanatory statement' to the financial statements.
- (a) The decrease in Total expenses is predominantly due to under expenditure in salaries due to the State Government freeze in advertising and recruitment.
- (b) The variation to Total income is due to a reduction in expected funding from Royalties for Regions program relating to Regional Grants Scheme.
- (c) The variation in cash held represents the grant payments made in this financial year relating to the Boddington Gold Mine expansion – Social Infrastructure package.

## Summary of Key Performance Indicators

| Outcome: Development and Promotion of the Peel Region                                   | 2013-14 Target(1)<br>\$000 | 2013-14 Actual<br>\$000 | Variation(2)<br>\$000 |
|---|----------------------------|-------------------------|-----------------------|
| <i>Effectiveness Indicator</i>  |                            |                         |                       |
| Client satisfaction with the contribution to the Region's economic base                 | 90%                        | 86%                     | (4%)                  |
| <i>Efficiency Indicators</i>  |                            |                         |                       |
| Service 1: Facilitate and coordinate regional development activities                    |                            |                         |                       |
| Average cost per unit of service hour   | \$82                       | \$94                    | \$12                  |
| Service 2: Provide advice and information on regional development activities or matters |                            |                         |                       |
| Average cost per unit of service hours  | \$52                       | \$59                    | \$7                   |

(1) As specified in the 2013-14 Budget Statements.

(2) Explanations for the variations between targeted and actual results are presented in Note 26 'Explanatory statement' to the financial statements.

(a) The cost per unit of service hour for Service 1 has increased due to an overall increase in operational costs as the Commission investigates and coordinates programs to develop future growth within the Region.

(b) The cost per unit of service hour for Service 2 has increased due to the increase in operational costs associated with providing support for the provision of advice and information.

## Other Financial Disclosures

### Pricing policies of services provided

The Peel Development Commission does not charge for its services, brochures and publications.

## Other Legal Requirements

### Advertising

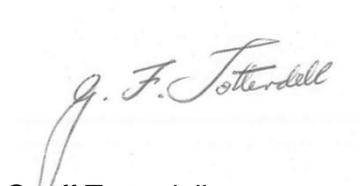
In compliance with section 175ZE of the *Electoral Act 1907* the Commission monitors expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations. The details of the Commission's expenditure in these areas are as follows:

| Type                            | Supplier                  | \$      |
|---------------------------------|---------------------------|---------|
| Media advertising organisations | Community Newspaper Group | \$298   |
|                                 | Rural Press Regional      | \$323   |
|                                 | The West Australian       | \$340   |
|                                 | Messages on Hold          | \$977   |
| Total                           |                           | \$1,938 |

## Detailed Key Performance Indicator Information

### Certification of Key Performance Indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Peel Development Commission's performance, and fairly represent the performance of the Commission for the financial year ended 30 June 2014.



Geoff Totterdell  
Chairman  
27 August 2014



Mellisa Teede  
Chief Executive Officer  
27 August 2014

## Detailed Information in Support of Key Performance Indicators

### Relationship to Government Goals

The desired outcome of the Commission is the development and promotion of the Peel region.

Performance measures are defined and monitored for the Commission's strategic goals through the Western Australian Government Budget Statements.

| Government Goal  | Desired Outcome                               | Services   |
|--|---|--|
| Stronger focus on the Regions:<br><br>Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas. | Development and promotion of the Peel region. | 1. Facilitation and Coordination<br><br>2. Advice and Information. |

### Overall Effectiveness Indicators

The effectiveness of the Commission in achieving its outcomes is determined by undertaking an annual client/stakeholder survey. In 2013-2014 the Commission engaged an external market research consultant to conduct the annual client survey to measure its performance against the Resource Agreement targets.

In this survey period, an online survey was conducted and formed the primary methodology utilising email and telephone follow ups to encourage sufficient responses to ensure statistical reliability. 125 survey recipients were contacted with a high response rate of 107 (85.6%) completed surveys obtained. Survey respondents comprised the Commission's clients of local governments, Commonwealth and State government agencies and private organisations.

The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of key clients within a possible sampling error of +/- 5.0%. These results are within the +/- 5% sampling error guidelines suggested by the Office of the Auditor General for State government conduct of agency surveys.

Key satisfaction scores were calculated for the overall functions of the Commission across the three key outcome areas. All scores were well above the mid-range of scores reflecting positively on the performance of the Commission.

This year, the score for satisfaction with the Commission's *contribution to the economic base* (85.9%) has decreased slightly compared to the score achieved in 2012-2013.

The satisfaction scores for both the Commission’s facilitation and coordination towards achieving the development and promotion of the Peel region (88.5%) and the Commission’s advice and information in support of the development and promotion of the Peel region (84.6%) have increased since 2013 (86.2% and 83.5% respectively).

Peel Development Commission’s achievement of the following key outcome:

- **Satisfaction with the Commission’s contribution to the Peel region’s economic base.**

| <b>Outcome: Development and Promotion of the Peel Region</b>            | <b>2009-10 Actual</b> | <b>2010-11 Actual</b> | <b>2011-12 Actual</b> | <b>2012-13 Actual</b> | <b>2013-14 Actual</b> | <b>2013-14 Target</b> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Client satisfaction with the contribution to the region’s economic base | 86%                   | 87%                   | 86%                   | 87%                   | 86%                   | 90%                   |

Source: Asset Research

## Efficiency Indicators

The key efficiency performance indicators measure the overall efficiency in achieving the desired outcomes. These outcomes are linked to Government goals.

The following efficiency indicators are based on the total operational cost for each of the two services, including an allocation of general costs and overheads.

### Service 1 – Facilitation and Coordination

*Service Description: Facilitate and coordinate regional development activities*

| <b>Efficiency Indicator</b>           | <b>2009-10</b> | <b>2010-11</b> | <b>2011-12</b> | <b>2012-13</b> | <b>2013-14 Actual</b> | <b>2013-14 Target</b> | <b>Variance</b> |
|---------------------------------------|----------------|----------------|----------------|----------------|-----------------------|-----------------------|-----------------|
| Average cost per unit of service hour | \$75           | \$72           | \$85           | \$82           | \$94                  | \$82                  | \$12            |

The variance from target to actual for 2013-14 of an increase of \$12 is due to an overall 8% increase in operational costs.

## Service 2 – Advice and Information

*Service Description: Provide advice and information on regional development activities*

| Efficiency Indicator                  | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14<br>Actual | 2013-14<br>Target | Variance |
|---------------------------------------|---------|---------|---------|---------|-------------------|-------------------|----------|
| Average cost per unit of service hour | \$46    | \$45    | \$54    | \$52    | \$59              | \$52              | \$7      |

The variance from target to actual for 2013-14 of an increase of \$7 is due to the increase in operational costs spent in supporting the provision of advice and information.

The increase from 2012-13 to 2013-14 is also due to the increase in operational costs associated with providing support for the provision of advice and information.

## Our Achievements - 2013-2014

Peel Development Commission has satisfied all strategic outcomes of its five year Strategic Plan 2009-2014 during the 2013-2014 reporting period. Below is a selection of achievements relating to the Commission's documented objectives.

### Strategic Direction 1 - Government decision making takes account of Peel issues

#### Client Response

| Goals   | 2012<br>Percentage<br>Satisfaction | 2013<br>Percentage<br>Satisfaction | 2014<br>Percentage<br>Satisfaction |
|---|------------------------------------|------------------------------------|------------------------------------|
| Peel region's needs have been effectively represented in government decision making | 69.0%                              | 70.8%                              | 73.5%                              |

Source: Asset Research Community Survey 2013-2014

Following are examples of achievements aligning to Strategic Direction 1:

**K9 Centre** - Funding of \$100,000 through the Royalties for Regions program was provided as a contribution towards the building of new kennels and administration centre at Nambeelup. K9 Rescue Group Inc was established in 1987 and rescues between 400 and 600 dogs annually. All dogs rescued by K9 are vaccinated, wormed, de-sexed and micro-chipped before new homes are found for the animals.

**Murdoch University Whitby Falls Farm** - Peel Development Commission continues to support Murdoch University to achieve funding for the establishment of a centre of specialisation in agriculture at Whitby Falls Farm in the Shire of Serpentine-Jarrahdale. This initiative will provide skills development, intellectual property, industry research and innovation in agriculture including food security, animal husbandry, equine, dairy and water. The plan also includes the transfer of Murdoch University's School of Animal Husbandry to Whitby Falls Farm.

**Peel Regional Investment Blueprint** - The Commission has worked closely with key stakeholders and peak bodies to establish an ambitious vision for the future with a plan for action that addresses the challenges the region faces as one of Western Australia's fastest growing population centres. The Peel Regional Investment Blueprint is a guiding document describing how the region will grow from now until 2050. Its purpose is to provide a long term strategic and aspirational view on the key economic growth areas that will ensure Peel prospers, taking into account key economic, social and environmental drivers based on what we know today and believe about the future.

It will form the basis of the Commission's new strategic plan with three main outcomes:

- Confident and diverse economy built on education and enterprise.
- Enriched community lifestyle with a vibrant regional city at its centre.
- Enhanced natural and built environment embracing innovation.

Comprehensive strategies and initiatives have been developed to achieve these outcomes recognising the region's economic, social and environmental position. These strategies align to the Commission's core goals each of which has corresponding outcomes and key performance indicators to monitor progress. A four year action plan has been developed to encourage momentum and focus efforts in the immediate to short term.

The Blueprint is a dynamic document which will evolve over time to include current economic and social drivers facing the region. It is anticipated that this will be further aided by the development of a State-wide policy for regional development.

**Revitalisation of the Mandurah CBD** - In order to complement industry and business growth projections, it has been identified that the Mandurah CBD could be the linchpin to further develop current and new business and commercial opportunities. The Commission is taking a lead role engaging with the City of Mandurah, the private sector and State government agencies to discover new and emerging opportunities for substantial new business investment within the Mandurah central business district (CBD). It would also examine a hub for Perth bound government employees and also significant private commercial office developments.

**Peel Regional State Government Agency Hub** - The Commission is working closely with the Department of Finance, the City of Mandurah, relevant State government agencies and the private sector in the preparation of a proposal for options to centrally locate government agencies and employees in the Mandurah CBD. The proposal would examine co-location of existing State Government agencies based in Mandurah into one central office in the CBD; transfer of a State Government agency from Perth to the Mandurah CBD; and examine a hub for Perth bound government employees to work out of the Mandurah central office.

## Strategic Direction 2 - Peel has an evolving, adaptive and diverse economy with increased job opportunities for all members of the community

### Client Response

| Goals  | 2012<br>Percentage<br>Satisfaction | 2013<br>Percentage<br>Satisfaction | 2014<br>Percentage<br>Satisfaction |
|--|------------------------------------|------------------------------------|------------------------------------|
| Peel's economy is strong, prosperous and diverse now and into the future | 65.1%                              | 66.7%                              | 63.4%                              |

Source: Asset Research Community Survey 2013-2014

Following are examples of achievements aligning to Strategic Direction 2:

**Agribusiness Innovation and Commercialisation** - It has been recognised that the Peel's economy needs to diversify to increase the economic base of the region and to allow for further job creation and employment opportunities.

The Commission has taken a leadership role to discuss the Peel's future in the expansion of food production and supply in the region given the projected population growth, food security issues and the region's proximity to domestic and export markets and transport corridors.

Senior officers have been working closely with stakeholders including a number of private investors who have expressed interest in developing agribusiness opportunities in the Peel region. Areas of interest include intensive food production in dairy, meat, fresh fruit and vegetables.

**Horticulture / Intensive Food Production** - This has been identified as an integral sector to increase the economic diversity of the region. The Commission is currently facilitating discussions with relevant government agencies to enable growers to locate and invest in the Peel region.

**Bio Industrial Activity** – As issues around waste management become more important in the Peel region, the Commission is investigating and working with key stakeholders in waste management practices and new technologies to allow establishment of new bio industrial enterprises in the region.

**Dairy and Beef Production** - The Commission is facilitating discussions between investors and potential markets to encourage those enterprises to locate in the Peel region utilising new best practice models.

**Research Innovation and Training** - The Commission has supported Murdoch University's Whitby Falls Farm and the possible relocation of its veterinary science school to the Peel region. The longer term intention is to develop the facility into a world class innovation training centre across the wider aspects of agriculture.

**Food Security** - We are also engaged with Curtin University Institute for Food Security. Discussions are centred around the possible implementation of a new planning tool for the Palusplain, as a strategic metropolitan peri-urban corridor. The Department of Planning is also active in these discussions.

**Ocean Road Recycled Water Scheme** - The Commission supported the funding towards the feasibility and business case to establish the Ocean Road Recycled Water Scheme south of the Dawesville Cut. The scheme will initially support an urgently needed active open space and other needs of local schools and the community. The Commission previously approved a grant of \$305,000 in 2008/09 for the City of Mandurah and supported the City’s application for additional capital investment to complete the facility.

**Strategic Direction 3 - Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel**

**Client Response**

| <b>Goals</b>   | <b>2012<br/>Percentage<br/>Satisfaction</b> | <b>2013<br/>Percentage<br/>Satisfaction</b> | <b>2014<br/>Percentage<br/>Satisfaction</b> |
|--|---|---|---|
| Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel | <b>69.7%</b>                                | <b>73.1%</b>                                | <b>70.3%</b>                                |

Source: Asset Research Community Survey 2013-2014

Following are examples of achievements aligning to Strategic Direction 3:

**Peel Business Park Nambelup** - The establishment of the Business Park as a key initiative for diversifying and broadening the Peel’s economic base and providing a wide range of job opportunities for its growing population. The Business Park is also a strategic priority of the Peel Regional Leaders Forum Strategic Priorities Plan 2012-2017.

The Commission has also worked with Landcorp, Shire of Murray and Department of Planning to develop a new business case that focuses on the release of funds to facilitate infrastructure development for the Business Park. In parallel, stakeholder consultations have continued with local and Perth based businesses to gauge interest in the development and to identify a cornerstone tenant. A series of business breakfasts have been held with potential key stakeholders to inform discussion on the early stages of the Business Park development.

The establishment of the Peel Business Park Nambelup aligns with a number of strategic and policy frameworks, including Directions 2031 (WAPC 2012) Economic and Employment Land Strategy; and the Royalties for Regions Action Agenda.

**Ageing In The Bush** - In June 2014, consultations were undertaken with representatives from a wide range of Peel aged care services to inform the State Government sponsored project, “Ageing in the Bush”. The objective of this initiative was to identify aged care models for regional Western Australia that enable residents to age in their own community. The project is aimed at providing quality information to the State Government that will:

- inform infrastructure, services and governance models;
- build on existing assets;
- clarify roles and responsibilities;
- guide sound investment; and
- recognise specific Aboriginal needs

As a result of the consultations, a working party is to be initiated to identify opportunities for establishing a coordinated and collaborative approach to aged care service delivery and infrastructure development in the Peel region.

**Strategic Direction 4 - Peel communities are educated, productive, healthy, safe and supported**

**Client Response**

| Goals  | 2012<br>Percentage<br>Satisfaction | 2013<br>Percentage<br>Satisfaction | 2014<br>Percentage<br>Satisfaction |
|--|------------------------------------|------------------------------------|------------------------------------|
| All communities in the Peel will have healthy, safe, enjoyable and supportive environments to live and work, with access to high quality education and social services | 62.6%                              | 63.4%                              | 62.5%                              |

Source: Asset Research Community Survey 2013-2014

Following are examples of achievements aligning to Strategic Direction 4:

**Establishment of Peel Workforce Development Alliance** - The Commission has worked closely with the Department of Training and Workforce Development to establish the Peel Workforce Development Alliance. The Alliance will work closely with industry and government to monitor and anticipate shifts in the economy and the impacts on local industry and the labour market.

The Alliance will also develop in partnership with industry and local employment and training providers, a strategy to upskill or retrain workers currently employed in the resources sector who may be vulnerable to shifts in the industry.

### Peel Community Foundation / Murdoch University Scholarships

Peel Community Foundation funds were provided to Murdoch University to enable additional scholarships to be offered for Peel residents. The scholarships are to be offered annually reflecting the desire of the community to support young people to build educational aspirations and realise that studying at university is an achievable goal.

The Foundation was established by the Peel Development Commission with initial funding from the State Government.

## Strategic Direction 5 - The Peel environment is better understood and managed

### Client Response

| Goals  | 2012<br>Percentage<br>Satisfaction | 2013<br>Percentage<br>Satisfaction | 2014<br>Percentage<br>Satisfaction |
|--|------------------------------------|------------------------------------|------------------------------------|
| The Peel's natural environment will be responsibly managed to protect its diversity for current and future generations | 80.4%                              | 79.8%                              | 76.9%                              |

Source: Asset Research Community Survey 2013-2014

Following are examples of achievements aligning to Strategic Direction 5:

**Peel Harvey Estuary Management Committee** - The Commission prepared a business case enabling successful funding for the establishment of the Peel Harvey Estuary Management Committee (PHEMC). Funding of \$400,000 was received from the State Government to manage the waterway through the newly established management committee. Subsequently, the waterway has now become recognised as a Natural Resource Management area in its own right and will become eligible for longer term sustainable funding from the Federal Government.

The Commission is a member of the Peel Harvey Estuary Management Committee which is chaired by the Department of the Premier and Cabinet and brings together senior officials across various government departments and representatives from the City of Mandurah and the Shire of Murray.

**Hamel Community Centre** - The Commission supported the granting of funds to the National Trust of Australia (WA) through the Royalties for Regions funding program of \$326,250 to complete stage one to restore the old State Nursery at Hamel, near Waroona. This environmental project has been completed with the removal of asbestos, the rebuilding of a heritage bridge and site preservation works. The re-instatement of walk trails throughout the site allows for community participation in the continued restorative works planned over the next years.

## Significant Issues Impacting the Peel Development Commission

The Peel region is continuing to grow at a fast pace with the overall estimated resident population as of 2013 being 124,463. This figure shows a high annual growth rate of 4.9% on the previous 12 month population figures.

All of the local government areas in the Peel region have experienced population growth from 2012 to 2013 with the largest increase of 6.1% (21,162 people) in the Shire of Serpentine-Jarrahdale; followed by Shire of Murray with an increase of 5% (16,304 people); City of Mandurah with an increase of 4.7% (80,683); Shire of Boddington with an increase of 4.2% (2,471); and Shire of Waroona with an increase of 1.7% with an estimated population of 3,843.

There is a pressing need for strategically located industrial land to be released with demand for a large scale business park that will accommodate the growing economic and employment aspirations of the region. The development of the Peel Business Park Nambelup is expected to yield 6,900 to 7,150 full time equivalent workers by 2031.

The increase in population also results in the need for new jobs. Without a dedicated focus of attracting new business to the region and supporting local industry growth, job growth will be constrained and unemployment will continue to rise.

The labour force in the Peel region at December 2013 was 50,783 and has remained relatively constant over the last twelve months, despite significant population increases. This situation is reflected in the increase in unemployed persons (528 from December 2012 to December 2013) with an unemployment rate in the Peel of 6.5 per cent, compared to Western Australian of 4.6 per cent.

The Commission is actively addressing challenges of high unemployment by further developing the economy and strategies to create employment opportunities and creating education and training pathways to develop the occupational skill sets for the region's workforce to successfully compete for jobs.

Population and economic growth in the Peel region is also placing mounting pressure on the available water resources particularly for industry. The Commission is working closely with key stakeholders and planners to identify sustainable non climate dependent water sources and the infrastructure requirements to support industry, agriculture and urban expansion. Benefits arising from this project would include job creation and economic development.

Population growth presents a challenge with the demand for suitable affordable accommodation, particularly as ageing and retirees are the largest demographic group in the Peel. The region will need to further diversify its housing options to ensure that there are appropriate choices for the 60+ age bracket who are often looking to down-size their homes.

In the past decade, the supply of land has frequently been at levels beyond the demand created by population growth. There is an urgent need for appropriate transitional and affordable housing. On census night 2011, the Australian Bureau of Statistics reported 208 people registered as homeless in Mandurah.

Management changes not allowing residents to permanently reside in some caravan parks has highlighted the need to further investigate long term accommodation options.

Conservation of the natural landscape is of vital importance. Management of the Peel region's natural resource base is shared across a range of stakeholders. Consistency of approach is necessary to ensure that the region's forests, waterways and land cleared for horticulture, farming and mining are governed by strict environmental standards and plans.

The impacts outlined above have been addressed in the Peel Regional Investment Blueprint which describes Peel's Vision 2050 and provides a roadmap for its achievement.

Peel Development Commission will continue to work with its strategic partners and stakeholders to ensure the region is progressive, liveable and productive.

Over the reporting period there have been minor shifts in client satisfaction across the five outcome areas. While scores across these areas vary, all are above the mid-range and reflect a positive perception of the Peel Development Commission across the community.

# Disclosures and Legal Compliance

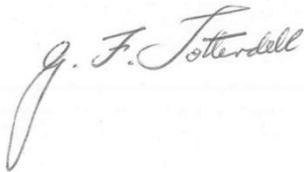
## Financial Statements

### Certification of Financial Statements

#### For the year ended 30 June 2014

The accompanying financial statements of the Peel Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2014 and the financial position as at 30 June 2014.

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



Geoff Totterdell  
Chairman  
27 August 2014



Mellisa Teede  
Chief Executive Officer  
27 August 2014



Fauziah Antonio  
Chief Finance Officer  
27 August 2014

## Auditor General Reports



Auditor General

### **INDEPENDENT AUDITOR'S REPORT**

**To the Parliament of Western Australia**

### **PEEL DEVELOPMENT COMMISSION**

### **Report on the Financial Statements**

I have audited the accounts and financial statements of the Peel Development Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2014, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

#### *Commission's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission'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 Commission, 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 Peel Development Commission at 30 June 2014 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

### **Report on Controls**

I have audited the controls exercised by the Peel Development Commission during the year ended 30 June 2014.

Controls exercised by the Peel Development Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

### ***Commission's Responsibility for Controls***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In my opinion, the controls exercised by the Peel Development Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2014.

### **Report on the Key Performance Indicators**

I have audited the key performance indicators of the Peel Development Commission for the year ended 30 June 2014.

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

### ***Commission's Responsibility for the Key Performance Indicators***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In my opinion, the key performance indicators of the Peel Development Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2014.

## **Independence**

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

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

This auditor's report relates to the financial statements and key performance indicators of the Peel Development Commission for the year ended 30 June 2014 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE  
DEPUTY AUDITOR GENERAL  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia

**29 August 2014**

## Financial Statements

### Statement of Comprehensive Income

For the year ended 30 June 2014

|   | Note | 2014<br>\$       | 2013<br>\$       |
|---|------|------------------|------------------|
| <b>COST OF SERVICES</b>                                     |      |                  |                  |
| <b>Expenses</b>   |      |                  |                  |
| Employee benefits expense                                   | 6.   | 1,396,503        | 1,128,779        |
| Supplies and services                                       | 7.   | 569,176          | 260,158          |
| Depreciation expense  | 8.   | 18,874           | 20,431           |
| Accommodation expenses                                      | 9.   | 188,875          | 167,815          |
| Grants and Subsidies  | 10.  | 815,722          | 1,904,060        |
| Other expenses  | 11.  | 39,992           | 43,639           |
| <b>Total cost of services</b>                               |      | <b>3,029,142</b> | <b>3,524,882</b> |
| Income  |      |                  |                  |
| <i>Revenue</i>  |      |                  |                  |
| Other revenue   | 12.  | 5,573            | 13,885           |
| <b>Total Revenue</b>  |      | <b>5,573</b>     | <b>13,885</b>    |
| <b>Total income other than income from State Government</b> |      | <b>5,573</b>     | <b>13,885</b>    |
| <b>NET COST OF SERVICES</b>                                 |      | <b>3,023,569</b> | <b>3,510,997</b> |
| <b>Income from State Government</b>                         |      |                  |                  |
| Service Appropriation                                       | 13.  | 467,000          | 1,379,000        |
| Resources received free of charge                           | 13.  | 7,809            | 6,081            |
| Royalties for Regions Fund                                  | 13.  | 1,680,500        | 2,339,341        |
| <b>Total income from State Government</b>                   |      | <b>2,155,309</b> | <b>3,724,422</b> |
| <b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>                     |      | <b>(868,260)</b> | <b>213,425</b>   |
| <b>Total other comprehensive income</b>                     |      | -                | -                |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>            |      | <b>(868,260)</b> | <b>213,425</b>   |

See also Note 31 the 'Schedule of Income and Expenses by Service'.

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

## Statement of Financial Position

As at 30 June 2014

|                                      | Note | 2014<br>\$       | 2013<br>\$       |
|--------------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                        |      |                  |                  |
| <b>Current Assets</b>                |      |                  |                  |
| Cash and cash equivalents            | 22.  | 1,055,876        | 1,104,558        |
| Restricted cash and cash equivalents | 14.  | 633,281          | 1,397,297        |
| Receivables                          | 15.  | 53,169           | 164,771          |
| <b>Total Current Assets</b>          |      | <b>1,742,326</b> | <b>2,666,626</b> |
| <b>Non-Current Assets</b>            |      |                  |                  |
| Restricted cash and cash equivalents | 14.  | 45,143           |                  |
| Amounts receivable for services      | 16.  | 134,000          | 134,000          |
| Property, Plant and equipment        | 17.  | 36,309           | 40,903           |
| <b>Total Non-Current Assets</b>      |      | <b>215,452</b>   | <b>174,903</b>   |
| <b>TOTAL ASSETS</b>                  |      | <b>1,957,778</b> | <b>2,841,529</b> |
| <b>LIABILITIES</b>                   |      |                  |                  |
| <b>Current Liabilities</b>           |      |                  |                  |
| Payables                             | 19.  | 29,306           | 51,383           |
| Provisions                           | 20.  | 235,533          | 227,914          |
| <b>Total Current Liabilities</b>     |      | <b>264,839</b>   | <b>279,297</b>   |
| <b>Non-Current Liabilities</b>       |      |                  |                  |
| Provisions                           | 20.  | 21,639           | 22,674           |
| <b>Total Non-Current Liabilities</b> |      | <b>21,639</b>    | <b>22,674</b>    |
| <b>TOTAL LIABILITIES</b>             |      | <b>286,479</b>   | <b>301,971</b>   |
| <b>NET ASSETS</b>                    |      | <b>1,671,298</b> | <b>2,539,558</b> |
| <b>EQUITY</b>                        |      |                  |                  |
| Contributed Equity                   | 21.  | 137,770          | 137,770          |
| Accumulated surplus/(deficit)        | 21.  | 1,533,528        | 2,401,788        |
| <b>TOTAL EQUITY</b>                  |      | <b>1,671,298</b> | <b>2,539,558</b> |

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

## Statement of Changes in Equity

For the year ended 30 June 2014

|   | Note | Contributed equity | Reserves | Accumulated surplus/(deficit) | Total equity     |
|---|------|--------------------|----------|-------------------------------|------------------|
|   |      | \$                 | \$       | \$                            | \$               |
| <b>Balance at 1 July 2012</b>             | 21.  | 137,770            | -        | 2,188,363                     | 2,326,133        |
| Surplus/(deficit)                         |      | -                  | -        | 213,425                       | 213,425          |
| Other Comprehensive income                |      | -                  | -        | -                             | -                |
| Total comprehensive income for the period |      | 137,770            | -        | 2,401,788                     | 2,539,558        |
| <b>Balance at 30 June 2013</b>            |      | <b>137,770</b>     | <b>-</b> | <b>2,401,788</b>              | <b>2,539,558</b> |
| <b>Balance at 1 July 2013</b>             |      | 137,770            | -        | 2,401,788                     | 2,539,558        |
| Surplus/(deficit)                         |      | -                  | -        | (868,260)                     | (868,260)        |
| Other Comprehensive income                |      | -                  | -        | -                             | -                |
| Total comprehensive income for the period |      | 137,770            | -        | 1,533,528                     | 1,671,298        |
| <b>Balance at 30 June 2014</b>            |      | <b>137,770</b>     | <b>-</b> | <b>1,533,528</b>              | <b>1,671,298</b> |

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

## Statement of Cash Flows

For the year ended 30 June 2014

|  | Note | 2014<br>\$         | 2013<br>\$         |
|--|------|--------------------|--------------------|
| <b>CASH FLOWS FROM STATE GOVERNMENT</b>                    |      |                    |                    |
| Service appropriation                                      |      | 467,000            | 1,414,000          |
| Royalties for Regions Fund                                 |      | 1,680,500          | 2,339,341          |
| <b>Net cash provided by State Government</b>               | 13.  | <u>2,147,500</u>   | <u>3,753,341</u>   |
| Utilised as follows:                                       |      |                    |                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |      |                    |                    |
| <b>Payments</b>  |      |                    |                    |
| Employee benefits  |      | (1,405,479)        | (1,149,784)        |
| Supplies and services                                      |      | (575,690)          | (261,742)          |
| Accommodation Expenses                                     |      | (181,066)          | (161,734)          |
| Grants and Subsidies                                       |      | (815,722)          | (1,916,633)        |
| Other Payments   |      | (39,992)           | (43,639)           |
| GST payments on purchases                                  |      | (157,747)          | (185,149)          |
| <b>Receipts</b>  |      |                    |                    |
| Receipts from services                                     |      | 15,375             | 2,644              |
| GST receipts on sales                                      |      | 320                | 2,663              |
| GST receipts from taxation authority                       |      | 259,226            | 194,050            |
| <b>Net cash provided by/(used in) operating activities</b> | 22.  | <u>(2,900,775)</u> | <u>(3,519,324)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |      |                    |                    |
| <b>Payments</b>  |      |                    |                    |
| Purchase of non-current assets                             |      | (14,280)           | (4,734)            |
| <b>Net cash provided by/(used in) investing activities</b> |      | <u>(14,280)</u>    | <u>(4,734)</u>     |
| Net increase/(decrease) in cash and cash equivalents       |      | (767,555)          | 229,283            |
| Cash and cash equivalents at the beginning of the period   |      | 2,501,855          | 2,272,572          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>  | 22.  | <u>1,734,300</u>   | <u>2,501,855</u>   |

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

## **Notes to the Financial Statements**

For the year ended 30 June 2014

### **Note 1. Australian Accounting Standards**

#### **General**

The Commission's financial statements for the year ended 30 June 2014 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 Commission has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

#### **Early adoption of standards**

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2014.

### **Note 2. Summary of significant accounting policies**

#### **(a) General statement**

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

## **(b) Basis of preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

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 dollar.

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

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

## **(c) Reporting entity**

### Mission

Develop and enhance the opportunities for the Peel people, economy and environment by providing strong leadership and engaging in effective and innovative partnerships to achieve the vision.

### Services

The Commission provides the following services:

*Service 1: Facilitation and Coordination*

Facilitate and coordinate regional development activities.

*Service 2: Advice and Information*

Provide advice and information on regional development activities or matters.

## **(d) Contributed equity**

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

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

**(e) Income**

Revenue recognition

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

*Service appropriations*

Service Appropriations are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

*Net Appropriation Determination*

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Commission. In accordance with the determination specified in the 2013-14 Budget Statements, the Commission retained \$5,573 in 2014 (\$13,885 in 2013) from the following:

- proceeds from fees and charges;
- sale of goods;
- Commonwealth specific purpose grants and contributions;
- one-off gains with a value of less than \$10,000 derived from the sale of property other than real property; and other Commission revenue;
- other revenue.

*Grants, donations, gifts and other non-reciprocal contributions*

Revenue is recognised at fair value when the Commission 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.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Commission obtains control over the funds. The Commission obtains control of the funds at the time the funds are deposited into the Commission's bank account.

## Gains

Gains and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

### **(f) Property, plant and equipment**

#### Capitalisation/expensing of assets

Items of plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment 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 plant and equipment are initially recognised at cost.

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

#### Subsequent measurement

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

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

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

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

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. Land under infrastructure is included in land reported under note 26 'Property, plant and equipment'. Independent valuations are obtained every 3 to 5 years for infrastructure.

When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

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.

### 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:

|                                    |          |
|------------------------------------|----------|
| Computing hardware                 | 3 years  |
| Furniture, fixtures & fittings     | 10 years |
| Communication and Office equipment | 5 years  |

### **(g) Intangible assets**

#### Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

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

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

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

Software<sup>(a)</sup> 3 to 5 years

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

#### Computer software

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

## **(h) Impairment of assets**

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

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

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

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

## **(i) Leases**

The Commission holds operating leases for its office building and motor vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

## **(j) Financial instruments**

In addition to cash and bank overdraft, the Commission has two categories of financial instrument:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
  - a. Cash and cash equivalents
  - b. Restricted cash and cash equivalents
  - c. Receivables
  - d. Amounts receivable for services
- Financial Liabilities
  - e. Payables

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

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

**(k) Cash and cash equivalents**

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

**(l) Accrued salaries**

Accrued salaries (See note 19 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See note 14 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

**(m) Amounts receivable for services (holding account)**

The Commission receives income from State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

**(n) Receivables**

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts

(i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission 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 Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

## **(p) 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*

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

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

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

#### *Long service leave*

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

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

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

Unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

#### *Deferred leave*

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional 12 months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

#### *Purchased leave*

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled.

#### *Superannuation*

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

Eligible employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members since 1987 or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Commission makes contributions to GESB or other fund providers on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish the Commission's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purpose of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Commission to GESB extinguishes the agency's obligations to the related superannuation liability.

The Commission has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Commission to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

#### 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 Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

#### **(q) Superannuation expense**

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the consolidated Account by the GESB.

#### **(r) Assets and services received free of charge or for nominal cost**

Assets and services 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 Commission would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

#### **(s) Comparative figures**

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

#### **Note 3. Judgments made by management in applying accounting policies**

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

## **Operating lease commitments**

The Commission has entered into a lease for a building used for office accommodation. It has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as an operating lease.

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

### **Note 5. Disclosure of changes in accounting policy and estimates**

## **Initial application of an Australian Accounting Standard**

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2013 that impacted on the Commission.

### **AASB 13 Fair Value Measurement**

This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for assets and liabilities measured at fair value. There is no financial impact.

### **AASB 119 Employee Benefits**

This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements.

The Commission assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

### **AASB 1048 Interpretation of Standards**

This Standard supersedes AASB 1048 (June 2012), enabling references to the interpretation in all other Standards to be updated by reissuing the service Standard. There is no financial impact.

*AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 34, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]*

This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.

*AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)[AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]*

This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

*AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]*

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.

*AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]*

This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.

*AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]*

This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.

*AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Int 1039.*

The withdrawal of Int 1039 Substantive Enactment of Major Tax Bills in Australia has no financial impact for the Authority during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46-47.

*AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Int 12]*

The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not for profit entities accounting for interests in other entities. There is no financial impact.

*AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.*

Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.

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

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

**Operative for  
reporting periods  
beginning on/after**

*Int 21*

*Levies*

1 Jan 2014

This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Commission at reporting date.

|         |  |            |
|---------|--|------------|
| AASB 9  | <p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard was amended to 1 January 2018 by AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The Commission has not yet determined the application of the potential impact of the Standard.</p>   | 1 Jan 2018 |
| AASB 10 | <p><i>Consolidated Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10 <i>Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments</i>. The adoption of the new Standard has no financial impact for the Model Commission as it does not impact accounting for related bodies and the Commission has no interests in other entities.</p> | 1 Jan 2014 |
| AASB 11 | <p><i>Joint Arrangements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 131 <i>Interests in Joint Ventures</i>, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.</p> <p>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact for the Model Commission as the new standard continues to require the recognition of the Commission's share of assets and share of liabilities for the unincorporated joint operation.</p>  | 1 Jan 2014 |

|           |   |            |
|-----------|---|------------|
| AASB 12   | <p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard, issued in August 2011, supersedes disclosure requirements in AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.</p>  | 1 Jan 2014 |
| AASB 14   | <p><i>Regulatory Deferral Accounts</i></p> <p>The Commission has not yet determined the application or the potential impact of the Standard.</p>  | 1 Jan 2016 |
| AASB 127  | <p><i>Separate Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i>, removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact.</p>   | 1 Jan 2014 |
| AASB 128  | <p><i>Investments in Associates and Joint Ventures</i></p> <p>This Standard, issued in August 2011, supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of clarifications for the accounting treatments of changed ownership interest.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The adoption of the new Standard has no financial impact for the Model Commission as it does not hold investments in associates and the accounting treatments for joint operations is consistent with current practice.</p> | 1 Jan 2014 |
| AASB 1031 | <p><i>Materiality</i></p> <p>This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality that is not available in IFRSs and refers to other Australian pronouncements that contain guidance on materiality. There is no financial impact.</p>   | 1 Jan 2014 |

AASB 1055      *Budgetary Reporting*      1 Jul 2014

This Standard requires specific budgetary disclosures in the financial statements of not-for-profit entities within the General Government Sector. The Commission will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.

AASB 2009-11      *Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]*      1 Jan 2015

[modified by AASB 2010-7]

AASB 2010-7      *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]*      1 Jan 2015

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2011-7      *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]*      1 Jan 2014

This Standard gives effect to consequential changes arising from the issue of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. The Model Statutory Authority has analysed the suite of Consolidation and Joint Arrangements Standards and determined that no financial impact arises from adopting the various Standards.

*AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]* 1 Jan 2014

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.

The model Commission does not routinely hold financial assets and financial liabilities that it intends to settle on a net basis, therefore there is no financial impact.

*AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets.* 1 Jan 2014

This Standard introduces editorial and disclosure changes. There is no financial impact.

*AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]* 1 Jan 2014

This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a judging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The model Commission does not routinely enter into derivatives or hedges, therefore there is no financial impact.

*AASB 2013-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities [AASB 10, 12 & 1049].* 1 Jan 2014

The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not key attribute of the investor's relationship. The Standard has no financial impact in its own right, rather the impact result from the adoption of the amended AASB 10.

|                    |   |                          |
|--------------------|---|--------------------------|
| <i>AASB 2013-9</i> | <i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.</i> | 1 Jan 2014<br>1 Jan 2017 |
|--------------------|---|--------------------------|

This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). The Commission has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.

|                    |  |  |
|--------------------|--|--|
| <i>AASB 2014-1</i> | <i>Amendments to Australian Accounting Standards</i> | 1 Jan 2014<br>1 Jan 2015<br>1 Jan 2016<br>1 Jan 2018 |
|--------------------|--|--|

The Commission has not yet determined the application of potential impact of the Standard.

**Note 6. Employee benefits expense**

|  | <b>2014</b>      | <b>2013</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| Wages and salaries <sup>(a)</sup>                          | 1,236,272        | 1,009,393        |
| Superannuation - defined contribution plans <sup>(b)</sup> | 103,158          | 92,513           |
| Other related expenses                                     | 57,073           | 26,873           |
|  | <b>1,396,503</b> | <b>1,128,779</b> |

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

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

Employment on-costs expenses, such as workers' compensation insurance, are included at note 11 'Other Expenses'.

Employment on-costs liability is included at note 20 'Provisions'.

**Note 7. Supplies and services**

|                             | <b>2014</b>    | <b>2013</b>    |
|-----------------------------|----------------|----------------|
|                             | <b>\$</b>      | <b>\$</b>      |
| Communications              | 32,674         | 12,622         |
| Consultants and contractors | 446,981        | 182,285        |
| Consumables                 | 54,099         | 32,998         |
| Travel                      | 2,363          | 1,187          |
| Vehicle Lease Costs         | 8,801          | 17,602         |
| Other                       | 24,258         | 13,464         |
|                             | <b>569,176</b> | <b>260,158</b> |

**Note 8. Depreciation expense**

|                                 | <b>2014</b>   | <b>2013</b>   |
|---------------------------------|---------------|---------------|
|                                 | <b>\$</b>     | <b>\$</b>     |
| <u>Depreciation</u>             |               |               |
| Office equipment                | 2,145         | 2,621         |
| Communication Equipment         | 3,237         | 3,237         |
| Computer hardware               | 12,056        | 13,137        |
| Furniture fixtures and fittings | 1,436         | 1,436         |
| <b>Total depreciation</b>       | <b>18,874</b> | <b>20,431</b> |

**Note 9. Accommodation expenses**

|              | <b>2014</b>    | <b>2013</b>    |
|--------------|----------------|----------------|
|              | <b>\$</b>      | <b>\$</b>      |
| Lease Rental | 177,797        | 154,270        |
| Cleaning     | 11,078         | 13,545         |
|              | <b>188,875</b> | <b>167,815</b> |

|                      | <b>2014</b> | <b>2013</b> |
|----------------------|-------------|-------------|
|                      | <b>\$</b>   | <b>\$</b>   |
| Grants and Subsidies | 815,722     | 1,904,060   |

**Recurrent**

|  |                |                  |
|--|----------------|------------------|
| Boddington Gold Mine Expansion - Social infrastructure Package             | 645,400        | 1,597,385        |
| Royalties for Regions - Regional Grants Scheme                             | 62,021         | 203,763          |
| Royalties for Regions - Support to Regional Groupings of Local Governments | 32,145         | 54,421           |
| Royalties for Regions - Blueprint  | 76,157         | 48,491           |
|  | <u>815,722</u> | <u>1,904,060</u> |

**Note 11. Other expenses**

|                                   | <b>2014</b>   | <b>2013</b>   |
|-----------------------------------|---------------|---------------|
|                                   | <b>\$</b>     | <b>\$</b>     |
| Audit Fee                         | 31,000        | 29,600        |
| Insurance - Workers' Compensation | 3,222         | 6,351         |
| Other expenses(a)                 | 5,770         | 7,688         |
|                                   | <u>39,992</u> | <u>43,639</u> |

(a) Includes prior period adjustment made to correct Fringe Benefit Tax .

**Note 12. Other revenue**

|  | <b>2014</b>  | <b>2013</b>   |
|--|--------------|---------------|
|  | <b>\$</b>    | <b>\$</b>     |
| Recoups – unacquitted grants and subsidies | -            | 7,502         |
| Recoups – other (a)                        | 5,573        | 6,356         |
| Miscellaneous ( )                          | -            | 27            |
|  | <u>5,573</u> | <u>13,885</u> |

a) Includes recoups for the use of office space, consumables and salary overpayments

b) Miscellaneous income includes financial incentives received for use of purchasing cards and refund of overpayment of building lease

**Note 13. Income from State Government**

|   | 2014<br>\$       | 2013<br>\$       |
|---|------------------|------------------|
| Appropriation received during the period:   |                  |                  |
| Service appropriation <sup>(a)</sup>  | 467,000          | 1,379,000        |
|   | <b>467,000</b>   | <b>1,379,000</b> |
| Resources received free of charge from other State Government agencies during the year <sup>(b)</sup> |                  |                  |
| Department of Finance – Building and Management Works   | 7,809            | 6,081            |
|   | <b>7,809</b>     | <b>6,081</b>     |
| Royalties for Regions Fund:   |                  |                  |
| Regional Community Services   | 147,500          | 2,212,500        |
| Country Local Government Fund   | -                | 126,841          |
| Regional and Statewide  | 1,533,000        | -                |
|   | <b>1,680,500</b> | <b>2,339,41</b>  |
|   | <b>2,155,309</b> | <b>3,724,422</b> |

- (a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (b) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

**Note 14. Restricted cash and cash equivalents**

|   | 2014<br>\$     | 2013<br>\$       |
|---|----------------|------------------|
| <u>Current</u>                                    |                |                  |
| Royalties for Regions Fund (a)                    | 633,281        | 751,897          |
| Boddington Gold Social Infrastructure Package (b) | -              | 645,400          |
|   | <b>633,281</b> | <b>1,397,297</b> |
| <u>Non-current</u>                                |                |                  |
| Accrued salaries suspense account <sup>(c)</sup>  | 45,143         | -                |
|   | <b>45,143</b>  | -                |

- (a) Unspent funds are committed to projects and programs in WA regional areas.
- (b) Funds held for the completion of the outstanding Boddington Gold Mine Social Infrastructure Package projects. These projects were completed in 2014.
- (c) Funds held in the suspense account used only for the purpose of meeting the 27<sup>th</sup> pay in a financial year that occurs every 11 years.

**Note 15. Receivables**

|                      | 2014<br>\$           | 2013<br>\$            |
|----------------------|----------------------|-----------------------|
| <u>Current</u>       |                      |                       |
| Receivables          | -                    | 1,320                 |
| GST Receivable       | 47,898               | 149,698               |
|                      | <u>47,898</u>        | <u>151,018</u>        |
| Loans and Advances   |                      |                       |
| Other debtors        | 5,271                | 13,753                |
| <b>Total current</b> | <b><u>53,169</u></b> | <b><u>164,771</u></b> |

**Note 16. Amounts receivable for services (Holding Account)**

|             | 2014<br>\$            | 2013<br>\$            |
|-------------|-----------------------|-----------------------|
| Non-Current | <u>134,000</u>        | <u>134,000</u>        |
|             | <b><u>134,000</u></b> | <b><u>134,000</u></b> |

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

**Note 17. Property, plant and equipment**

|  | 2014<br>\$   | 2013<br>\$   |
|--|--------------|--------------|
| <u>Office equipment</u>                |              |              |
| At cost                                | 13,103       | 13,103       |
| Accumulated depreciation               | (12,208)     | (10,063)     |
|  | <u>895</u>   | <u>3,040</u> |
| <u>Communication equipment</u>         |              |              |
| At cost                                | 16,183       | 16,183       |
| Accumulated depreciation               | (9,981)      | (6,744)      |
|  | <u>6,202</u> | <u>9,439</u> |
| <u>Furniture fixtures and fittings</u> |              |              |
| At cost                                | 14,864       | 14,864       |
| Accumulated depreciation               | (8,520)      | (7,084)      |
|  | <u>6,344</u> | <u>7,780</u> |

### Computer Hardware

|  |                      |                      |
|--|----------------------|----------------------|
| At cost                                    | 76,005               | 61,725               |
| Accumulated depreciation                   | (53,137)             | (41,081)             |
|  | <u>22,868</u>        | <u>20,644</u>        |
| <b>Total Property, Plant and Equipment</b> | <b><u>36,309</u></b> | <b><u>40,903</u></b> |

All Property, Plant and Equipment are measured at cost.

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the reporting period are set out in the table below:

|                                  | Office<br>equipment | Communic<br>ation<br>Equipment | Furniture<br>fixture and<br>fittings | Computer<br>hardware | Total         |
|----------------------------------|---------------------|--------------------------------|--------------------------------------|----------------------|---------------|
|                                  | \$                  | \$                             | \$                                   | \$                   | \$            |
| <b>2014</b>                      |                     |                                |                                      |                      |               |
| Carrying amount at start of year | 3,040               | 9,439                          | 7,780                                | 20,644               | 40,903        |
| Additions                        | -                   | -                              | -                                    | 14,280               | 14,280        |
| Disposals                        | -                   | -                              | -                                    | -                    | -             |
| Depreciation                     | (2,145)             | (3,237)                        | (1,436)                              | (12,056)             | (18,874)      |
| Carrying amount at end of year   | <u>895</u>          | <u>6,202</u>                   | <u>6,344</u>                         | <u>22,868</u>        | <u>36,309</u> |
| <b>2014</b>                      | \$                  | \$                             | \$                                   | \$                   | \$            |
| Carrying amount at start of year | 5,661               | 12,676                         | 9,216                                | 29,042               | 56,595        |
| Additions                        | -                   | -                              | -                                    | 4,739                | 4,739         |
| Disposals                        | -                   | -                              | -                                    | -                    | -             |
| Depreciation                     | (2,621)             | (3,237)                        | (1,436)                              | (13,137)             | (20,431)      |
| Carrying amount at end of year   | <u>3,040</u>        | <u>9,439</u>                   | <u>7,780</u>                         | <u>20,644</u>        | <u>40,903</u> |

### **Note 18. Impairment of assets**

There were no indications of impairment to plant and equipment, and intangible assets at 30 June 2014.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2014 have either been classified as assets held for sale or written-off.

**Note 19. Payables**

|                      | <b>2014</b>   | <b>2013</b>   |
|----------------------|---------------|---------------|
|                      | <b>\$</b>     | <b>\$</b>     |
| <u>Current</u>       |               |               |
| Accrued salaries     | 18,674        | 34,234        |
| Accrued expense      | 8,609         | 17,149        |
| Other payables       | 2,023         | -             |
| <b>Total current</b> | <b>29,306</b> | <b>51,383</b> |

**Note 20. Provisions**

|                                    | <b>2014</b>    | <b>2013</b>    |
|------------------------------------|----------------|----------------|
|                                    | <b>\$</b>      | <b>\$</b>      |
| <u>Current</u>                     |                |                |
| <i>Employee benefits provision</i> |                |                |
| Annual leave <sup>(a)</sup>        | 66,520         | 66,264         |
| Long service leave <sup>(b)</sup>  | 167,215        | 157,553        |
| Purchased leave <sup>(c)</sup>     | 146            | 3,064          |
|                                    | <u>233,881</u> | <u>226,881</u> |
| <i>Other provisions</i>            |                |                |
| Employment on-costs <sup>(d)</sup> | 1,652          | 1,033          |
|                                    | <u>1,652</u>   | <u>1,033</u>   |
|                                    | <b>235,533</b> | <b>227,914</b> |
| <br><u>Non-current</u>             |                |                |
| <i>Employee benefits provision</i> |                |                |
| Long service leave <sup>(b)</sup>  | 21,484         | 22,571         |
|                                    | <u>21,484</u>  | <u>22,571</u>  |
| <i>Other provisions</i>            |                |                |
| Employment on-costs <sup>(d)</sup> | 155            | 103            |
|                                    | <u>155</u>     | <u>103</u>     |
|                                    | <b>21,639</b>  | <b>22,674</b>  |

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

|   | <b>2014</b>   | <b>2013</b>   |
|---|---------------|---------------|
|   | <b>\$</b>     | <b>\$</b>     |
| Within 12 months of the end of the reporting period       | 55,413        | 47,813        |
| More than 12 months after the end of the reporting period | 11,107        | 18,451        |
|   | <u>66,520</u> | <u>66,264</u> |

- (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 the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

|   | <b>2014</b>    | <b>2013</b>    |
|---|----------------|----------------|
|   | \$             | \$             |
| Within 12 months of the end of the reporting period       | 85,468         | 58,389         |
| More than 12 months after the end of the reporting period | 103,231        | 121,735        |
|   | <b>188,699</b> | <b>180,124</b> |

- (c) Purchased leave scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of liabilities is expected to occur as follows:

|   | <b>2014</b> | <b>2013</b>  |
|---|-------------|--------------|
|   | \$          | \$           |
| Within 12 months of the end of the reporting period | 146         | 3,064        |
|   | <b>146</b>  | <b>3,064</b> |

- (d) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including worker's compensation insurance. The provision is the present value of expected future payments.

The associated expense, apart from unwinding of the discount (finance cost), is disclosed in note 11 'Other expenses'.

#### **Movements in other provisions**

|   | <b>2014</b>  | <b>2013</b>  |
|---|--------------|--------------|
|   | \$           | \$           |
| Employment on-cost provision            |              |              |
| Carrying amount at start of period      | 1,136        | 901          |
| Additional provisions recognised        | 671          | 235          |
| <b>Carrying amount at end of period</b> | <b>1,807</b> | <b>1,136</b> |

**Note 21. Equity**

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

**Contributed equity**

|  | <b>2014</b>      | <b>2013</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| Balance at start of period             | 137,770          | 137,770          |
| <u>Contributions by owners</u>         |                  |                  |
| Capital appropriation                  | -                | -                |
| <b>Total contributions by owners</b>   | <b>-</b>         | <b>-</b>         |
| <b>Balance at end of period</b>        | <b>137,770</b>   | <b>137,770</b>   |
| <b>Accumulated surplus / (deficit)</b> |                  |                  |
|  | <b>2014</b>      | <b>2013</b>      |
|  | <b>\$</b>        | <b>\$</b>        |
| Balance at start of period             | 2,401,788        | 2,188,363        |
| Result for the period                  | (868,260)        | 213,425          |
| <b>Balance at end of period</b>        | <b>1,533,528</b> | <b>2,401,788</b> |
| <b>Total Equity at end of period</b>   | <b>1,671,298</b> | <b>2,539,558</b> |

## Note 22. Notes to the Statement of Cash Flows

### Reconciliation of cash

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

|  | 2014             | 2013             |
|--|------------------|------------------|
|  | \$               | \$               |
| Cash and cash equivalents                              | 1,055,876        | 1,104,558        |
| Restricted cash and cash equivalents (refer to note 14 | 678,424          | 1,397,297        |
| 'Restricted cash and cash equiva                       | <u>1,734,300</u> | <u>2,501,855</u> |

### Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

|  | 2014                      | 2013                      |
|--|---------------------------|---------------------------|
|  | \$                        | \$                        |
| Net cost of services                                       | (3,023,569)               | (3,510,997)               |
| <u>Non-cash items:</u>                                     |                           |                           |
| Depreciation expense                                       | 18,874                    | 20,431                    |
| Bad debts expense  | -                         | -                         |
| Resources received free of charge                          | 7,809                     | 6,081                     |
| <u>(Increase)/decrease in assets:</u>                      |                           |                           |
| Current receivables <sup>(a)</sup>                         | 9,802                     | (11,241)                  |
| <u>Increase/(decrease) in liabilities:</u>                 |                           |                           |
| Current payables <sup>(a)</sup>                            | (22,077)                  | (83,740)                  |
| Current provisions   | 7,619                     | 47,200                    |
| Non-current provisions                                     | (1,035)                   | 1,174                     |
| Net GST receipts/(payments) <sup>(b)</sup>                 | 101,799                   | 161,261                   |
| Change in GST in receivables/payables <sup>(c)</sup>       |                           | (149,493)                 |
| <b>Net cash provided by/(used in) operating activities</b> | <b><u>(2,900,775)</u></b> | <b><u>(3,519,324)</u></b> |

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

(b) This is the net GST paid/received, i.e. cash transaction. The 2012-13 figure has been adjusted to correctly reflect the movements.

(b) This reverses out the GST in receivables and payables. The 2012-13 figure has been adjusted to correctly reflect the movements.

**Note 23. Commitments**

|  | 2014           | 2013          |
|--|----------------|---------------|
|  | \$             | \$            |
| Commitments for minimum lease payments are payable as follows: |                |               |
| Within 1 year  | 96,724         | 69,520        |
| Later than 1 year and not later than 5 years                   | 115,344        | -             |
|  | <u>212,068</u> | <u>69,520</u> |

The commitments below are inclusive of GST were relevant.

|  | 2014     | 2013           |
|--|----------|----------------|
|  | \$       | \$             |
| Other expenditure commitments contracted for at the end of the reporting period but not recognized as liabilities, are payable as follows: |          |                |
| Within 1 year  | -        | 838,808        |
| Later than 1 year and not later than 5 years   | -        | -              |
|  | <u>-</u> | <u>838,808</u> |

There are no expenditure commitments at the end of 2013-14.

**Note 24. Contingent liabilities and contingent assets**

There are no contingent liabilities or contingent assets as at 30 June 2014.

**Note 25. Event occurring after the end of the reporting period**

There were no events occurring after the end of the reporting date that impact on the financial statements.

## Note 26. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2014 and between actual results for 2013 and 2014. Significant variations are considered to be greater than 10% and \$50,000.

### Significant variances between estimated and actual for the financial year

|                           | <b>2014<br/>Estimate</b> | <b>2014<br/>Actual</b> | <b>Variance</b> |
|---------------------------|--------------------------|------------------------|-----------------|
|                           | \$                       | \$                     | \$              |
| <u>Expenses</u>           |                          |                        |                 |
| Employee benefits expense | 886,000                  | 1,396,503              | 510,503         |
| Supplies and services     | 231,000                  | 569,176                | 338,176         |
| Grants and Subsidies      | 1,738,000                | 815,722                | (922,278)       |

The total actual expenditure in 2013-14 differ by 4% when compared to 2013-14 budget estimate. The variances are due to the following:

- (a) The increase in employee benefits is predominantly due to severance payments made under the Enhanced Voluntary Severance Scheme.
- (b) Reduction in expenditure in grants and subsidies is due to reduction in Royalties for Regions funding for regional grants scheme, which is offset by increase in expenditure for grants to complete the Shire of Boddington project, Boddington Gold Mine expansion - Social Infrastructure package.
- (c) The increase in supplies and services is due to expenditure incurred for work relating to Regional Blueprints that was initially budgeted against Grants and Subsidies.

### Income

|                            |           |           |             |
|----------------------------|-----------|-----------|-------------|
| Services Appropriation     | 215,000   | 467,000   | 252,000     |
| Royalties for regions fund | 2,888,000 | 1,680,500 | (1,207,500) |

The total actual revenue received has decreased by 46% when compared to 2013-14 budget estimate.

The variances are due to the following:

- (a) Additional service appropriation was received as funding towards the severance payments made under the Enhanced Voluntary Severance Scheme.
- (b) The Royalties for Regions funding for regional grants scheme has been reduced in this financial year due to the agreement coming to an end.

### Significant variances between actual results for 2013 and 2014

|                           | <b>2014<br/>Actual</b> | <b>2013<br/>Actual</b> | <b>Variance</b> |
|---------------------------|------------------------|------------------------|-----------------|
|                           | \$                     | \$                     | \$              |
| <u>Expenses</u>           |                        |                        |                 |
| Employee benefits expense | 1,396,503              | 1,128,779              | 267,724         |
| Supplies and services     | 569,176                | 260,158                | 309,018         |
| Grants and Subsidies      | 815,722                | 1,904,060              | (1,088,338)     |

The total actual expenditure in 2013-14 decreased by 14% when compared to 2012-13 actual expenditure.

The variances are due to the following:

- (a) The increase in employee benefits is predominantly due to severance payments made under the Enhanced Voluntary Severance Scheme.
- (b) The increase in supplies and services is due to expenditure incurred for work relating to Regional Blueprints in this financial year.
- (c) Reduction in expenditure in grants and subsidies is due to reduction in expenditure in the regional grants and expenditure in grants for the Boddington Gold Mine Expansion - Social infrastructure Package .

These projects were completed in 2014.

|                            | <b>2014<br/>Actual<br/>\$</b> | <b>2013<br/>Actual<br/>\$</b> | <b>Variance<br/>\$</b> |
|----------------------------|-------------------------------|-------------------------------|------------------------|
| <u>Income</u>              |                               |                               |                        |
| Service appropriation      | 467,000                       | 1,379,000                     | (912,000)              |
| Royalties for Regions Fund | 1,680,500                     | 2,339,341                     | (658,841)              |

The total actual revenue for 2013-14 received has decreased by 42% when compared to 2012-13 actual expenditure. The variances are due to the following:

- (a) The operational activities for the Commission is now funded from the Royalties for Regions and this decrease is offset by additional service appropriation received as funding towards the severance payments made under the Enhanced Voluntary Severance Scheme.
- (b) The Royalties for Regions funding for regional grants scheme has been reduced in this financial year due to the agreement coming to an end.

**Note 27. Financial instruments**

**(a) Financial risk management objectives and policies**

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

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 27 (c) 'Financial instrument disclosures' and Note 15 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

#### Liquidity risk

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

The Commission has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

#### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks.

### **(b) Categories of financial instruments**

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

|  | <b>2014</b> | <b>2013</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| <u>Financial Assets</u>                          |             |             |
| Cash and cash equivalents                        | 1,055,876   | 1,104,558   |
| Restricted cash and cash equivalents             | 678,424     | 1,397,297   |
| Receivables <sup>(a)</sup>                       | 5,271       | 15,073      |
| <u>Financial Liabilities</u>                     |             |             |
| Financial liabilities measured at amortised cost | 29,306      | 51,383      |

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable). The comparative figure has been restated due to error in disclosure.

**Note 27. continued**

**(c) Financial instrument disclosures**

Credit risk

The following table details the Commission's maximum exposure to credit risk and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

The Commission does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

**Aged analysis of financial assets**

|                                      | Carrying Amount  | Not past due and not impaired | Past due but not impaired |              |                    |              | More than 5 Years | Impaired financial assets |
|--------------------------------------|------------------|-------------------------------|---------------------------|--------------|--------------------|--------------|-------------------|---------------------------|
|                                      |                  |                               | Up to 1 month             | 1 - 3 months | 3 months to 1 year | 1 - 5 Years  |                   |                           |
|                                      | \$               | \$                            |                           |              | \$                 | \$           | \$                | \$                        |
| <b>2014</b>                          |                  |                               |                           |              |                    |              |                   |                           |
| Cash and cash equivalents            | 1,055,876        | 1,055,876                     | -                         | -            | -                  | -            | -                 | -                         |
| Restricted cash and cash equivalents | 678,424          | 678,424                       | -                         | -            | -                  | -            | -                 | -                         |
| Receivables <sup>(a)</sup>           | 5,271            | 5,271                         | -                         | -            | -                  | -            | -                 | -                         |
| Amounts receivable for services      | 134,000          | 134,000                       | -                         | -            | -                  | -            | -                 | -                         |
|                                      | <b>1,873,571</b> | <b>1,873,571</b>              | -                         | -            | -                  | -            | -                 | -                         |
| <b>2013</b>                          |                  |                               |                           |              |                    |              |                   |                           |
| Cash and cash equivalents            | 1,104,558        | 1,104,558                     | -                         | -            | -                  | -            | -                 | -                         |
| Restricted cash and cash equivalents | 1,397,297        | 1,397,297                     | -                         | -            | -                  | -            | -                 | -                         |
| Receivables <sup>(a)</sup>           | 15,073           | 9,481                         | -                         | -            | 318                | 5,274        | -                 | -                         |
| Amounts receivable for services      | 134,000          | 134,000                       | -                         | -            | -                  | -            | -                 | -                         |
|                                      | <b>2,650,928</b> | <b>2,645,336</b>              | -                         | -            | <b>318</b>         | <b>5,274</b> | -                 | -                         |

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

Liquidity risk and interest rate exposure

The following table details the Commission's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

**Interest rate exposure and maturity analysis of financial assets and financial liabilities**

|                                      | <u>Interest rate exposure</u>              |                    |                        |                           |                         | <u>Maturity Dates</u> |                  |                 |                        |               |                      |
|--------------------------------------|--|--------------------|------------------------|---------------------------|-------------------------|-----------------------|------------------|-----------------|------------------------|---------------|----------------------|
|                                      | Weighted average effective interest rate % | Carrying Amount \$ | Fixed interest rate \$ | Variable interest rate \$ | Non-Interest Bearing \$ | Nominal Amount \$     | Up to 1 month \$ | 1 - 3 months \$ | 3 months to 1 years \$ | 1 -5 years \$ | More than 5 years \$ |
| <b>2014</b>                          |  |                    |                        |                           |                         |                       |                  |                 |                        |               |                      |
| <u>Financial Assets</u>              |  |                    |                        |                           |                         |                       |                  |                 |                        |               |                      |
| Cash and cash equivalents            | -  | 1,055,876          | -                      | -                         | 1,055,876               | 1,055,876             | 1,055,876        | -               | -                      | -             | -                    |
| Restricted cash and cash equivalents | -  | 678,424            | -                      | -                         | 678,424                 | 678,424               | 678,424          | -               | -                      | -             | -                    |
| Receivables (a)                      | -  | 5,271              | -                      | -                         | 5,271                   | 5,271                 | 5,271            | -               | -                      | -             | -                    |
| Amounts receivable for services      | -  | 134,000            | -                      | -                         | 134,000                 | 134,000               | -                | -               | -                      | -             | 134,000              |
|                                      | -  | <b>1,873,571</b>   | -                      | -                         | <b>1,873,571</b>        | <b>1,873,571</b>      | <b>1,739,571</b> | -               | -                      | -             | <b>134,000</b>       |
| <u>Financial Liabilities</u>         |  |                    |                        |                           |                         |                       |                  |                 |                        |               |                      |
| Payables                             | -  | 29,306             | -                      | -                         | 29,306                  | 29,306                | 29,306           | -               | -                      | -             | -                    |
|                                      | -  | <b>29,306</b>      | -                      | -                         | <b>29,306</b>           | <b>29,306</b>         | <b>29,306</b>    | -               | -                      | -             | -                    |

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

## Interest rate exposure and maturity analysis of financial assets and financial liabilities

|                                      | <u>Interest rate exposure</u>              |                    |                        |                           |                         | <u>Maturity Dates</u> |                  |                 |                        |               |                      |
|--------------------------------------|--|--------------------|------------------------|---------------------------|-------------------------|-----------------------|------------------|-----------------|------------------------|---------------|----------------------|
|                                      | Weighted average effective interest rate % | Carrying Amount \$ | Fixed interest rate \$ | Variable interest rate \$ | Non-Interest Bearing \$ | Nominal Amount \$     | Up to 1 month \$ | 1 - 3 months \$ | 3 months to 1 years \$ | 1 -5 years \$ | More than 5 years \$ |
| <b>2013</b>                          |  |                    |                        |                           |                         |                       |                  |                 |                        |               |                      |
| <u>Financial Assets</u>              |  |                    |                        |                           |                         |                       |                  |                 |                        |               |                      |
| Cash and cash equivalents            | -  | 1,104,558          | -                      | -                         | 1,104,558               | 1,104,558             | 1,104,558        | -               | -                      | -             | -                    |
| Restricted cash and cash equivalents | -  | 1,397,297          | -                      | -                         | 1,397,297               | 1,397,297             | 1,397,297        | -               | -                      | -             | -                    |
| Receivables (a)                      | -  | 15,073             | -                      | -                         | 15,073                  | 15,073                | 15,073           | -               | -                      | -             | -                    |
| Amounts receivable for services      | -  | 134,000            | -                      | -                         | 134,000                 | 134,000               | -                | -               | -                      | -             | 134,000              |
|                                      | -  | <b>2,650,928</b>   | -                      | -                         | <b>2,650,928</b>        | <b>2,650,928</b>      | <b>2,516,928</b> | -               | -                      | -             | <b>134,000</b>       |
| <u>Financial Liabilities</u>         |  |                    |                        |                           |                         |                       |                  |                 |                        |               |                      |
| Payables                             | -  | 51,383             | -                      | -                         | 51,383                  | 51,383                | 51,383           | -               | -                      | -             | -                    |
|                                      | -  | <b>51,383</b>      | -                      | -                         | <b>51,383</b>           | <b>51,383</b>         | <b>51,383</b>    | -               | -                      | -             | -                    |

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

### Interest rate sensitivity analysis

None of the Commission's financial assets and financial liabilities at the end of the reporting period are sensitive to movements in interest rates, hence movements in interest rates have no bottom line impact on the Commission's surplus or equity.

### Fair Values

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

**Note 28. Remuneration of members of the accountable authority and senior officers**

**Remuneration of member of the accountable authority**

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

| \$  | 2014   | 2013   |
|---|--------|--------|
| 0 – 10,000  | 7      | 12     |
| 10,001 – 20,000   | 1      | -      |
| 20,001 – 30,000   | -      | -      |
| 30,001 – 40,000   | -      | 1      |
| 50,001 – 60,000   | 1      | -      |
| Base remuneration and superannuation                          | 87,146 | 65,216 |
| Annual leave and long service leave accruals                  | -      | -      |
| Other benefits  | -      | -      |
| The total remuneration of member of the accountable authority | 87,146 | 65,216 |

The total remuneration includes the superannuation expense incurred by the Commission in respect of member of the accountable authority

**Remuneration of senior officers**

| \$  | 2014    | 2013    |
|---|---------|---------|
| 70,001 – 80,000   | -       | -       |
| 100,001 – 110,000   | 1       | -       |
| 110,001 – 120,000   | -       | 1       |
| 120,001 – 130,000   | -       | -       |
| 140,001 – 150,000   | 1       | -       |
| 150,001 – 160,000   | -       | -       |
| 160,001 – 170,000   | -       | -       |
| 180,001 – 190,000   | -       | 1       |
| 250,001 – 260,000   | 1       | -       |
| Base remuneration and superannuation                          | 452,356 | 283,309 |
| Annual leave and long service leave accruals                  | 38,196  | 11,734  |
| Other benefits  | 20,300  | -       |
| The total remuneration of member of the accountable authority | 510,852 | 295,043 |

The total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers.

**Note 29. Remuneration of auditor**

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

|  | <b>2014</b> | <b>2013</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| Auditing the accounts, financial statements and key performance indicators | 30,000      | 29,000      |
|  | <hr/>       | <hr/>       |
|  | 30,000      | 29,000      |
|  | <hr/>       | <hr/>       |

**Note 30. Supplementary financial information**

**(a) Write-offs**

During the financial year, there was no write off of the Commission's debt.

**Note 31. Schedule of income and expenses by service**

|   | Facilitation & Co-ordination |                  | Advice and Information |                | Total            |                  |
|---|------------------------------|------------------|------------------------|----------------|------------------|------------------|
|   | 2014                         | 2013             | 2014                   | 2013           | 2014             | 2013             |
|   | \$                           | \$               | \$                     | \$             | \$               | \$               |
| <b>COST OF SERVICES</b>                                     |                              |                  |                        |                |                  |                  |
| <u>Expenses</u>   |                              |                  |                        |                |                  |                  |
| Employee benefits expense                                   | 1,256,853                    | 1,015,901        | 139,650                | 112,878        | 1,396,503        | 1,128,779        |
| Supplies and services                                       | 512,258                      | 234,142          | 56,918                 | 26,016         | 569,176          | 260,158          |
| Depreciation and amortisation expense                       | 16,987                       | 18,388           | 1,887                  | 2,043          | 18,874           | 20,431           |
| Grants and Subsidies  | 734,150                      | 1,713,654        | 81,572                 | 190,406        | 815,722          | 1,904,060        |
| Accommodation expenses                                      | 169,988                      | 151,034          | 18,888                 | 16,782         | 188,876          | 167,816          |
| Other expenses  | 35,993                       | 39,275           | 3,999                  | 4,364          | 39,992           | 43,639           |
| <b>Total cost of services</b>                               | <b>2,726,229</b>             | <b>3,172,394</b> | <b>302,914</b>         | <b>352,489</b> | <b>3,029,143</b> | <b>3,524,883</b> |
| <u>Income</u>   |                              |                  |                        |                |                  |                  |
| Other revenue   | 5,016                        | 12,497           | 557                    | 1,389          | 5,573            | 13,886           |
| <b>Total income other than income from State Government</b> | <b>5,016</b>                 | <b>12,497</b>    | <b>557</b>             | <b>1,389</b>   | <b>5,573</b>     | <b>13,886</b>    |
| <b>NET COST OF SERVICES</b>                                 | <b>2,721,213</b>             | <b>3,159,897</b> | <b>302,357</b>         | <b>351,100</b> | <b>3,023,570</b> | <b>3,510,997</b> |
| <u>Income from State Government</u>                         |                              |                  |                        |                |                  |                  |
| Service appropriation                                       | 420,300                      | 1,241,100        | 46,700                 | 137,900        | 467,000          | 1,379,000        |
| Royalties for Regions Fund                                  | 1,512,450                    | 2,105,407        | 168,050                | 233,934        | 1,680,500        | 2,339,341        |
| Resources received free of charge                           | 7,028                        | 5,473            | 781                    | 608            | 7,809            | 6,081            |
| <b>Total income from State Government</b>                   | <b>1,939,778</b>             | <b>3,351,980</b> | <b>215,531</b>         | <b>372,442</b> | <b>2,155,309</b> | <b>3,724,422</b> |
| <b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>                     | <b>(781,435)</b>             | <b>192,083</b>   | <b>(86,826)</b>        | <b>21,342</b>  | <b>(868,261)</b> | <b>213,425</b>   |

## Ministerial Directives

No Ministerial directives were received during the reporting period.

## Other Financial Disclosures

### Employment and Industrial Relations

#### Staff Profile

| Status              | As at 30 June 2013 | As at 30 June 2014 |
|---------------------|--------------------|--------------------|
| Full time permanent | 3                  | 2                  |
| Part time permanent | 3                  | 0.4                |
| Full time contract  | 3                  | 7                  |
| Part time contract  | 2                  | 1.68               |
| Other               |                    |                    |
| Total (FTE)         | 11                 | 11.08              |

#### Staff Development

The Commission values its Board Members and staff and continues to regard professional development as a high priority. Training and development plans are part of every employee's performance agreement.

The Commission has provided opportunities for professional development courses to be undertaken. Board Members have completed governance training, the Chief Executive Officer has completed a Directors course and senior staff have been provided the ability to undertake accredited applied project management study. The Business Services Manager is also completing a Certificate IV – Foundations of Government Human Resources course offered by the Public Sector Commission. Other training included: Fire Suppression; Accountable and Ethical Decision Making; Undertaking Due Diligence on Grant Applications; Website, Outlook, Social Media and Excel instruction; AIM Finance; and Better Buying.

During 2013-2014, employees and Board Members were collectively involved in 268 hours of training and development activity at a cost of \$28,088.50.

An opportunity arose for the Commission to participate in the Public Sector Commission's Indigenous School Based Traineeship program. A Year 11 student from Coodanup College is participating in an accredited two year employment based training program learning administration skills which will provide a Certificate 2 in Government on completion. This training program is available to Indigenous students who wish to prepare themselves for a career in the public sector.

The Commission has also been proactive in providing new computing equipment ensuring the best possible resources are available assisting staff to perform their daily activity in a professional manner.

### **Workers Compensation**

There have been no workers compensation claims during the reporting period.

## Government Disclosures

### Contracts with Senior Officers

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

### Board and Committee Remuneration

| Peel Development Commission |                  |                       |                      |              |                           |
|-----------------------------|------------------|-----------------------|----------------------|--------------|---------------------------|
| Position                    | Name             | Type of remuneration* | Period of membership |              | Gross/actual remuneration |
| Chair                       | Geoff Totterdell | Stipend               | 12 months            |              | \$48,520                  |
| Deputy Chair                | Paul Fitzpatrick | Sitting Fees          | 12 months            |              | \$10,980                  |
| Member                      | Ms Joanne Abbiss | Sitting Fees          | 12 months            |              | \$2,361                   |
|                             | John Allert      | Sitting Fees          | 12 months            |              | \$1,703                   |
|                             | Walter Barrett   | Sitting Fees          | 12 months            |              | \$2,756                   |
|                             | Antony Edwards   | Sitting Fees          | 12 months            |              | \$6,023                   |
|                             | Elizabeth Hoek   | Sitting Fees          | 12 months            |              | \$2,372                   |
|                             | Mark Jeffery     | Sitting Fees          | 12 months            |              | \$1,186                   |
|                             | Rhys Williams    | Sitting Fees          | 4 months             |              | \$1,582                   |
|                             |                  |                       |                      | <b>Total</b> | <b>\$77,483.00</b>        |

\* Sessional, per meeting, half day, or annual.

## Other Legal Requirements

### Compliance with Public Sector Standards and Ethical Codes

Peel Development Commission has had no compliance issues during the financial year regarding the Public Sector Standards, the WA Code of Ethics or the internal Code of Conduct.

The Commission continues to regularly review and update internal policies to ensure currency with Public Sector Commission updates.

The Code of Conduct forms part of the Commission's induction program for all new staff and is also regularly discussed at staff meetings to ensure all staff remain conversant with policy and requirements.

### Compliance with Public Sector Management Act 1994 31 (1)

The Peel Development Commission has, in its administration, complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics, and the Code of Conduct.

The applications made for breach of standards review and the corresponding outcomes for the reporting period are as follows:

| <b>Compliance Issues</b>  | <b>Significant action taken to monitor and ensure compliance</b>  |
|---|---|
| <i>Public Sector Standards (PSS)</i><br><i>Nil breach claims</i>                          | <ul style="list-style-type: none"><li>• Regularly updated information about Standards included on the Peel Development Commission internal information system and within induction materials as well as being provided to the Board.</li><li>• Ongoing awareness-raising process conducted on the standards.</li><li>• Transactions audited internally as a standard operating procedure.</li></ul> |
| <i>WA Code of Ethics</i><br><i>Nil reports of non-compliance with WA Code of Ethics</i>   | <ul style="list-style-type: none"><li>• The WA Code of Ethics forms part of induction materials and is listed on the Peel Development Commission internal information system. Ethics is a standing topic for all executive and staff meetings.</li></ul>  |
| <i>Peel Development Commission Code of Conduct</i><br><i>Nil breach claims or reports</i> | <ul style="list-style-type: none"><li>• Code of Conduct is accessible on the Commission's shared drive and hard copies are available to staff and Board members (signed off on induction).</li><li>• Code of Conduct is part of all inductions for Board and staff members.</li></ul>   |



Mellisa Teede  
Chief Executive Officer

27 August 2014

## Government Policy Requirements

### Disability Access and Inclusion Plan Outcomes

The *Disability Services Act 1993 s.29 and Schedule 3 of the Disability Services Regulations 2004* require agencies to develop and implement a Disability Access and Inclusion Plan. Other legislation underpinning access and inclusion includes the *WA Equal Opportunity Act 1984*, the *Commonwealth Disability Discrimination Act 1992* and the United Nations Convention on the Rights of Persons with a Disability (2007).

The Peel Development Commission's Disability and Inclusion Plan (DAIP) outlines the following outcomes:

Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the Peel Development Commission.

Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Peel Development Commission.

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

Outcome 4: People with disabilities receive the same level and quality of service from the staff of the Peel Development Commission as other people.

Outcome 5: People with disabilities have the same opportunities as other people to make complaints to the Peel Development Commission.

Outcome 6: People with disabilities have the same opportunities as other people to participate in public consultation by the Peel Development Commission.

*Note: The Disability Services Commission (DSC) has amended the reporting requirements to include a further Outcome 7 – Employment of People with Disabilities. The DSC has advised that inclusion of Outcome 7 in reporting structures will take effect from 1 July 2014. The Commission will include Outcome 7 in future reporting activities.*

During 2013-2014 the Commission achieved the following against the outcomes:

|                  | <b>Number of strategies planned</b> | <b>Number of strategies completed including on-going strategies</b> | <b>Number of strategies progressed through contractors</b> |
|------------------|-------------------------------------|---|--|
| <b>Outcome 1</b> | 5                                   | 5   | 0  |
| <b>Outcome 2</b> | 3                                   | 3   | 0  |
| <b>Outcome 3</b> | 4                                   | 4   | 0  |
| <b>Outcome 4</b> | 2                                   | 2   | 0  |
| <b>Outcome 5</b> | 2                                   | 2   | 0  |
| <b>Outcome 6</b> | 2                                   | 2   | 0  |
| <b>Outcome 7</b> | Not currently included in DAIP      |   |  |

|  |   |
|--|---|
| Has a copy of Peel DC DAIP been provided             | Y |
| Has a link to DAIP been provided                     | N |
| Sent a letter  | - |
| Has the DAIP been referenced in a contract           | Y |
| Has the DAIP been referenced in a contract variation | Y |

### Record Keeping Plans

As required by the *State Records Act 2000* and *State Records Commission Standard 2, Principle 6* the Commission maintains a Record Keeping Plan which has been approved by the State Records Office.

The Commission's record keeping systems and processes are regularly reviewed to ensure that they are meeting the Commission's needs and all required compliance. Updates to the Record Keeping Plan are done in consultation with the State Records Office. Our Plan was last reviewed and evaluated in May 2014.

Records management training is arranged for new staff as part of their induction process and ongoing training is provided in the use of the Commission's electronic record keeping system. Other intensive training is provided on an 'as needs' basis for all employees.

## Occupational Safety Health and Injury Management

Peel Development Commission is committed to providing and maintaining a safe and healthy environment for staff, contractors, volunteers and visitors, and to the continuous improvement of injury prevention and management programs. In the event of a work related injury the Commission provides effective claims management and rehabilitation assistance aimed at supporting injured employees through their period of illness or injury and their safe return to work where possible.

The Commission provides staff with guidance on safe work practices and all staff are required to comply with OSH policies and procedures. Employees are required to conduct themselves in a safe manner, not placing themselves or others at risk. Contractors working onsite are also required to conduct their activities in a manner that ensures the safety, health and welfare of others.

The Commission is committed to consulting with staff on OSH issues and enabling all staff to contribute to decisions that may affect their safety, health and welfare at work. Mechanisms for consulting with staff on OSH matters include:

- A strong focus on OSH at induction of new staff;
- Placing OSH as a standing agenda item at all staff meetings;
- Hazard/incident reporting system; and
- Open access to grievance procedures.

The Commission ensures compliance with the injury management requirements of the *Workers Compensation and Injury Management Act 1981* through establishing policies and procedures and providing training for relevant staff. In the event of a work related injury or illness the Commission is committed to assisting injured workers to return to work as soon as medically appropriate. Whenever possible, suitable duties will be arranged internally having regard for the injured worker's medical capabilities.

The Commission reviews its Occupational Safety and Health policy on an annual basis and ensures that all fire fighting equipment is serviced by the due date as advised by the manufacturer.

| Indicator   | Actual Results |          |          | Results Against Target       |  |
|---|----------------|----------|----------|------------------------------|--|
|   | 2011-12        | 2012-13  | 2013-14  | Target                       | Comment on Result  |
| Number of fatalities  | Zero (0)       | Zero (0) | Zero (0) | Zero (0)                     |  |
| Lost time injury/disease (LTI/D) incidence rate   | Zero (0)       | Zero (0) | Zero (0) | Zero (0)                     |  |
| Lost time injury severity rate  | Zero (0)       | Zero (0) | Zero (0) | Zero (0)                     |  |
| % of injured workers returned to work within 28 weeks                                       | N/A            | N/A      | N/A      | 100%                         | No injuries incurred during the reporting period                                   |
| % of managers trained in occupational safety, health and injury management responsibilities | 25%            | 25%      | 25%      | Greater than or equal to 50% | The Commission has had a large turnover of employees late in the reporting period. |

## **Statement of Compliance**

Peel Development Commission has adopted the Code of Practice: Occupational Safety and Health in the Western Australian Public Sector and has in place an Injury Management System together with a Return to Work Program. These are in accordance with the Worker's Compensation and Injury Management Act 1981.