



PEEL DEVELOPMENT COMMISSION
ANNUAL REPORT
2011-12

The Peel Region of Western Australia



The Peel Region is located immediately 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.

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.

Peel Development Commission
45 Mandurah Terrace
PO Box 543 Mandurah WA 6210

Tel (08) 9535 0000
Fax (08) 9535 2119
Email peel@peel.wa.gov.au
International phone +61 8 9535 0000
Fax +61 8 9535 2119

STATEMENT OF COMPLIANCE

The Hon Brendon Grylls MLA
Minister for Regional 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 2012.

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:

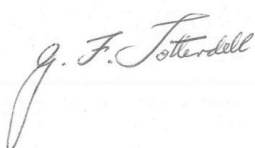
Regional Development Commissions Act 1993;

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
13 September 2012



Colleen Yates
A/Chief Executive Officer
13 September 2012

CONTENTS

STATEMENT OF COMPLIANCE	3
AGENCY OVERVIEW	5
EXECUTIVE SUMMARY.....	5
CHAIRMAN’S REPORT	6
OPERATIONAL STRUCTURE	8
Enabling Legislation	8
Responsible Minister	8
Objects and Powers	8
COMMISSION’S BOARD	9
COMMISSION STRUCTURE	12
PERFORMANCE MANAGEMENT FRAMEWORK	13
Outcome Based Management Framework	13
Our Vision	13
Our Mission	13
Our Outcomes	13
Alignment with Government Goals	13
Changes to Outcome Based Management Framework	13
Shared Responsibilities with Other Agencies	13
AGENCY PERFORMANCE – REPORT ON OPERATIONS	14
FINANCIAL TARGETS	14
EFFECTIVENESS INDICATORS	14
EFFICIENCY INDICATORS	14
OUTCOME 1: Government decision making takes account of Peel issues.....	15
OUTCOME 2: The Peel has an evolving, adaptive and diverse economy with increased job opportunities for all members of the community.....	18
OUTCOME 3: Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel.....	20
OUTCOME 4: Peel communities are education, productive, healthy, safe and supportive	23
OUTCOME 5: The Peel Environment is better understood and managed.....	25
SIGNIFICANT ISSUES AND TRENDS	26
DISCLOSURES AND LEGAL COMPLIANCE	27
CERTIFICATE OF FINANCIAL STATEMENTS	27
INDEPENDENT AUDIT OPINION.....	28
FINANCIAL STATEMENTS	31
CERTIFICATION OF KEY PERFORMANCE INDICATIONS	62
OVERALL EFFECTIVENESS INDICATORS	63
EFFICIENCY INDICATORS	64
OTHER DIRECTIVES AND FINANCIAL DISCLOSURES	65
Ministerial Directives	65
Pricing Policies of Services Provided	65
Employment and Industrial Relations	65
Staff Training and Development	65
Governance Disclosures	65
OTHER LEGAL REQUIREMENTS	66
Compliance with the <i>Public Sector Management Act 1994</i>	66
Advertising	67
Disability Access and Inclusion Plan Outcomes	67
Record Keeping Plans	68
Office of Shared Services	68
GOVERNMENT POLICY REQUIREMENTS	69
OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT	69
PUBLICATIONS	70

AGENCY OVERVIEW

EXECUTIVE SUMMARY

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

Peel Development Commission reports to the Minister for Regional Development and Lands, the Hon Brendon Grylls MLA. The Commission facilitates and coordinates regional strategic planning and the delivery of infrastructure and services to meet the needs of the Peel Region now and into the future. We provide the regional link between government policy and planning and regional aspirations and needs.

The Commission's Report on Operations is detailed from page 14 including the report against our Overall Effectiveness Indicators for 2011-12 as surveyed in our annual client survey. Satisfaction levels remain high. The Commission is working with our regional partners to identify strategies for continued improvement in this area.

Among other results detailed in the Report on Operations, in 2010-11 the Commission continued to work in collaboration with the regions five local governments, successfully reaching an agreed process for distribution of the Country Local Government fund in identifying strategic regional projects, including progression of the relocation of Murdoch's Veterinary School to Whitby Falls, implementation of a regional signage strategy and improving east – west road access for Waroona.

Since the inception of Royalties for Regions in 2008-09, the Commission has managed \$11 million investment into the region with 63 out of 79 projects completed including the refit of Midway Community Care's Community Access Centre; Stage 7 of Fairbridge's redevelopment; completion of the Pinjarra Harness Racing Club's new pavilion; the refurbishment of Dwellingup's Old Nursing Post into a Community Centre; improvements to Drakesbrook Weir and the roofing of the Boddington Lions Club Community Entertainment Complex.

Further Royalties for Regions investments include \$2.45 million to Boddington under the Supertowns program and \$12 million investment provided through the Action Agenda. Details of Royalties for Regions can be found on pages 15 – 17.

The Commission continues to work with key stakeholders in the development of the Peel Recycled Water Scheme to secure non-climate dependant water for agriculture and industry and transform the region creating jobs into the future.

The Commission has worked with regional stakeholders in updating the *Peel Away The Mask II* report that identifies social condition of the Peel Region and highlights levels of service provision, affordable and appropriate accommodation including crisis accommodation and accommodation for not-for-profit service providers, health and safety issues, infrastructure needs and areas of social isolation. The Commission will monitor the progress of the implementation of the relevant recommendations over 2012-13.

CHAIRMAN'S REPORT

I am pleased to present my first report as chairman of the Peel Development Commission.

The Peel Region continues to face significant challenges including rapid population growth. Peel is one of the fastest growing regions in Western Australia and between 2010 and 2011 the population increased by 4.4% to 112,677.

Unemployment in the region remains high. In March 2012, Peel's unemployment rate was 5.5% which was considerably higher than the Western Australian rate of 4.4%. In addition to high levels of unemployment, the Peel Region has a lower Year 12 completion rate at 34.1% than Western Australia at 49.1%. The Peel Development Commission is committed to identifying opportunities to influence the provision of secondary, tertiary and technical education within the region to attract students with the expectation that employment opportunities compatible with their learning will be available within the region.

Peel's gross regional product in 2010-2011 was \$10.7 billion, or 4.9% of the Gross State Product. The Region's economy is dominated by mining, manufacturing and construction although the agriculture, fishing, forestry, retail and tourism sectors make strong contributions.

Our underlying service is to identify and develop key strategic initiatives for the region. Such initiatives are aimed at increasing the region's ability to capitalise on its current and future growth. Our focus is to establish a strong regional identity for the Peel along with new job creation into the future. The Commission's role is to closely work with commerce, government agencies and local government to achieve positive outcomes from these emerging new opportunities.

The most significant need is to develop a non climate dependent water resource for the region to enable increased development in food production while also providing the platform for new industry development serving both domestic and export markets. Jobs resulting from this investment are "strategic" in nature and stage one has the ability to produce 6% of the region's total strategic jobs required under Departments of Planning's Directions 2031.

The year also saw significant restructuring and consolidation across the regional development portfolio, establishing a platform from which regional development will excel over the next five to ten years. The Regional Development Council was refocused with the appointment of an executive chair and the Royalties for Regions Fund recommendations for State Cabinet consideration. From that source, Peel received \$11 million towards refurbishment of the Mandurah Aquatic and Recreation Centre, the release of \$2.4 million to Boddington under the SuperTowns initiative towards implementation of its Growth Plan, and a grant to the Peel Chamber of Commerce and Industry for education programs over 4 years for the commerce and industry sector in the region.

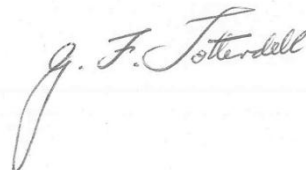
The Commission's ability to deliver is reflected in an overall 6% improvement across its 2011-12 key performance indicators.

Crucial to this outcome is the partnership with local government authorities, other agencies and the regional community in supporting this ambitious statewide regional development concept.

Looking to the future, I have no doubt that the Commission will continue to grow and fulfil its mission to be responsive to our region's changing needs. We will continue to develop strategies that enhance our service delivery and our role in economic development, organisational support and regional

representation. Our strategic plan will continue to guide the organisation in all that we do, from Board level decisions to the detail of service delivery.

Finally, may I add my personal gratitude to staff and our Board members. It has been a privilege to be your Chair and represent the Commission throughout the region in a variety of forums. I look forward to Commission's continuing challenges for the next 12 months as we all continue to work together to address the challenges that will make our region a great place to live work and visit.

A handwritten signature in black ink, reading "G. F. Totterdell". The signature is written in a cursive style with a large, looping initial "G".

Geoff Totterdell
Chairman

OPERATIONAL STRUCTURE

ENABLING LEGISLATION

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

RESPONSIBLE MINISTER

The Peel Development Commission reports to the Hon Brendon Grylls 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.

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 is to:




- promote the region;
- facilitate coordination between relevant statutory bodies and State government agencies;
- cooperate with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community within the region;
- identify the opportunities for investment in the region and encourage that investment;
- identify the infrastructure needs of the region, and encourage the provision of that infrastructure in the region; and
- co-operate 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.

THE COMMISSION'S BOARD

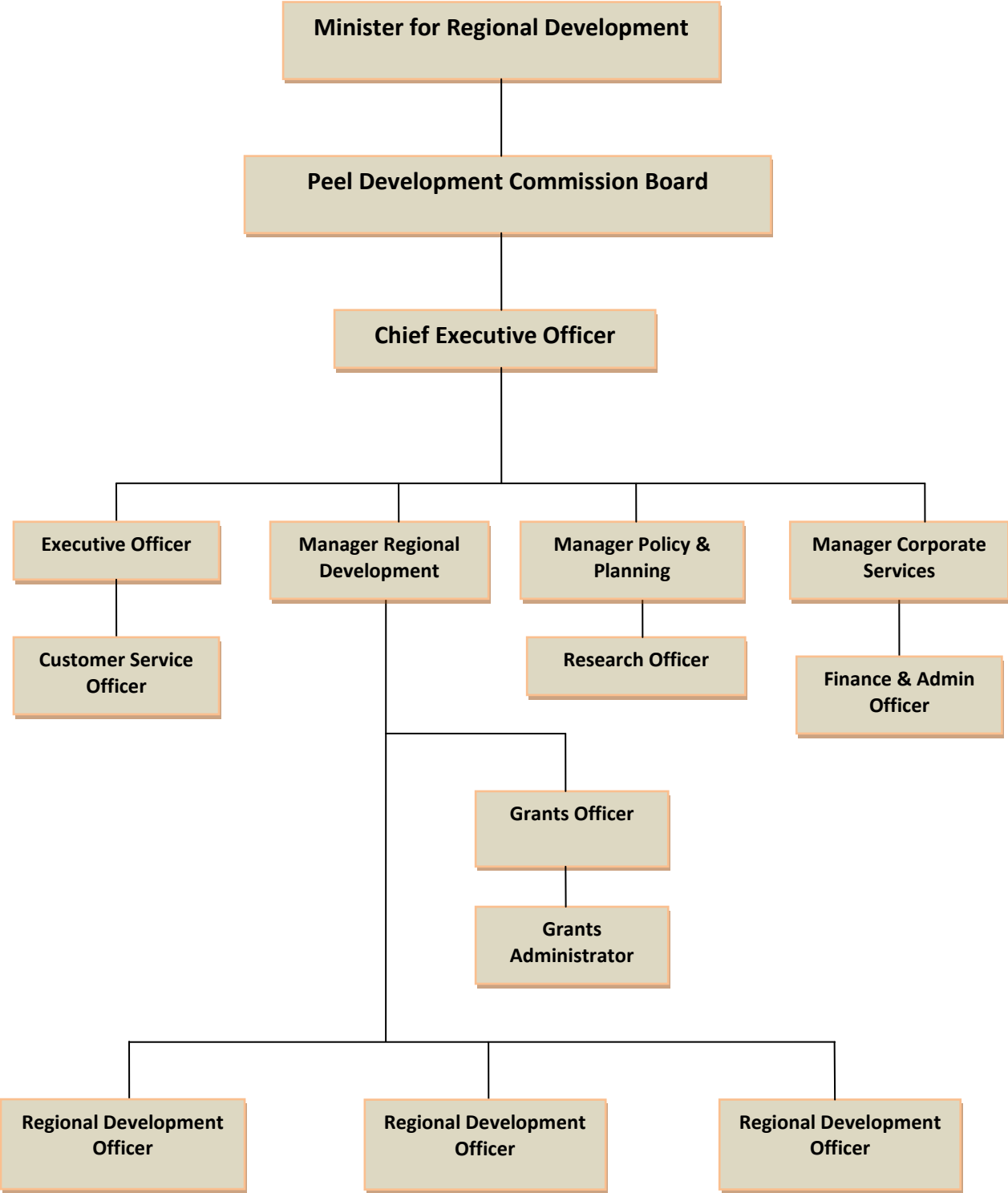
The Commission's Board of Management was established in 1994 upon proclamation of the *Regional Development Commissions Act 1993*. The Board comprises the CEO and others not exceeding nine in number including the Chair and Deputy Chair. The Minister has authority to appoint Board members. Three members are appointed as community representatives, another three are nominated by Local Government and the other three appointed at the Minister's discretion.

BOARD MEMBER	Meetings Attended
<p>MR GEOFF TOTTERDELL (Chair) Ministerial</p> <p>Geoff 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 Rottneest 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>4 of 5</p> 
<p>MR MICHAEL RYAN (Deputy Chair) Community</p> <p>Mike Ryan is retired with over 30 years experience in senior management, predominantly in the fields of Information, and Communications and Technology. He is a past member of several Boards including, Racing and Wagering WA, His Majesty's Theatre and the Starlight Foundation. Mr Ryan is a resident of Mandurah and is involved with a number of local charities including serving on the board of Supporting our Seniors and Disabled Inc. He is passionate about the need to ensure that the Peel's waterways are recognised and appreciated officially, managed appropriately and resourced to ensure their long term health and sustainability.</p>	<p>5 of 5</p> 
<p>MR MARK JEFFERY Ministerial</p> <p>Mark 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 and is a member of the Australia Institute of Company Directors.</p>	<p>4 of 5</p> 

BOARD MEMBER	Meetings Attended
<p>CR MERRI HARRIS Local Government</p> <p>Merri Harris has been a Councillor with the Shire of Serpentine Jarrahdale for 5 years. She was born in the Shire and after many years away, including a 19-year stint in California, she returned as a permanent resident 6 years ago. Cr Harris was a teacher for 10 years before moving 25 years ago to her current career as a chiropractor. She is also a Councillor on the Rivers Regional Council. In 2010 Cr Harris completed a Diploma of Local Government (Elected Member) and participated in a 2 week program in Excellence in Local Government Leadership in Canberra.</p>	<p>5 of 5</p> 
<p>CR RHYS WILLIAMS Local Government</p> <p>Cr Williams grew up in Mandurah and is an active member of the Peel community. In 2009 he was elected as a Councillor with the City of Mandurah and became the youngest person ever to be elected to local government. He is Deputy Chair of Regional Development Australia and Chairman of the City of Mandurah Planning, Community Development and Sustainability Committee, board member of Mandurah Performing Arts Centre, Vice Chairman of the peel Community Development Group and Executive Officer of Community Solutions Inc, a not-for-profit charity driving social change in communities across WA. Cr Williams is currently studying economics and sustainable development at Curtin University.</p>	<p>3 of 5</p> 
<p>MR STEPHEN COUGHLAN Ministerial</p> <p>Steven Coughlan is a qualified mining engineer with over 35 years' experience in the mining industry, from underground labourer at Kambalda to Byrnegut Mining where he has been Managing Director for over 20 years. Mr Coughlan is responsible for the direction of the activities of Byrnegut Mining's businesses in Australia and internationally. Murray Engineering, the anchor tenant at the Pinjarra Industrial Estate, is part of the Byrnegut group.</p>	<p>3 of 5</p> 
<p>MRS ELIZABETH HOEK Community</p> <p>Elizabeth Hoek is a long term resident of Boddington and a strong community advocate. She is Manager of the Boddington Community Resource Centre and has served as a Councillor with the Shire of Boddington since 1998. Mrs Hoek holds a number of Board and Committee memberships including Regional Development Australia and Boddington Old School Committee. She is an active member of the Boddington community and a small business owner.</p>	<p>4 of 5</p> 

BOARD MEMBER	Meetings Attended
<p data-bbox="150 264 464 338">MR NOEL NANCARROW Community</p> <p data-bbox="150 344 1078 591">Noel Nancarrow is a retired farmer and former Councillor and President of Shire of Murray. He is actively involved in the community, holding memberships on many Boards and Committees including Regional Development Australia (Peel), Pinjarra Community Resource Centre and is Chairman of the Murray House Resource Centre and Murray Auto Xtravaganza. In 2011 Mr Nancarrow was awarded a Freeman of the Shire of Murray.</p>	<p data-bbox="1096 264 1182 297">3 of 5</p> 
<p data-bbox="150 743 432 817">CR WALTER BARRETT Local Government</p> <p data-bbox="150 824 1078 1108">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 Healthway. He is active in the community, having served 23 years in the Army Reserve and holds a life membership in the Lions Club.</p>	<p data-bbox="1096 743 1182 777">4 of 5</p> 
<p data-bbox="150 1270 480 1344">MS COLLEEN YATES A/Chief Executive Officer</p> <p data-bbox="150 1350 1078 1635">Colleen Yates has had varied and extensive experience in business management, project planning and delivery, and residential and commercial planning. She has achieved success and recognition in agricultural production and business management, food processing, product development, and marketing. She has authored reports and articles regarding agriculture and supply chain management and has been the recipient of several awards and nominations. She is actively involved in a family owned and operated oil and gas company in the USA.</p>	<p data-bbox="1096 1270 1182 1303">5 of 5</p> 

COMMISSION'S STRUCTURE



PERFORMANCE MANAGEMENT FRAMEWORK

OUTCOME BASED MANAGEMENT FRAMEWORK

The Peel Development Commission's previous Strategic Plan was reviewed in 2008 and a new Strategic Plan 2009-2014 was completed, setting the strategic direction for the Commission's activities. The Strategic Plan incorporates five outcomes, listed below.

OUR VISION

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

OUR 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.

OUR OUTCOMES

<p><i>Government decision making takes account of Peel issues.</i> Peel Region's needs will be effectively represented in Government decision making</p>
<p><i>The Peel has an evolving, adaptive and diverse economy with increased job opportunities for all members of the community.</i> Peel's economy is strong, prosperous and diverse now and into the future</p>
<p><i>Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel.</i> The Peel's future population will be provided for by applying a coordinated approach to planning and the delivery of infrastructure</p>
<p><i>Peel communities are educated, productive, healthy, safe and supportive.</i> 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</p>
<p><i>The Peel environment is better understood and managed.</i> The Peel's natural environment will be responsibly managed to protect its diversity for current and future generations</p>

ALIGNMENT WITH GOVERNMENT GOALS

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

CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK

The Peel Development Commission's outcome based management framework did not change during 2011-12.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

The Peel Development Commission partners with other agencies in all of our work as highlighted in our project summaries in the Report on Operations section. The Commission's Resource Agreement between the Minister for Regional Development, the Chief Executive Officer, the Chairman and the Treasurer (2011-12) did not specify any major across-agency or whole-of-government responsibilities.

AGENCY PERFORMANCE – REPORT ON OPERATIONS

FINANCIAL TARGETS

Actual performance compared to Resource Agreement targets

Financial Targets	2012 Target \$'000	2012 Actual \$'000	Variance \$'000
Total Cost of services (expense limit) (sourced from Income Statement)	2,764	5,424	(2,660)
Net Cost of Services (sourced from Income Statement)	2,734	5,415	(2,681)
Total equity (sourced from Balance Sheet)	3,509	2,326	1,183
Net Increase/Decrease in Cash Held (sourced from Cash Flow Statement)	(177)	(3,324)	(3,147)
Approved full time equivalent (FTE) staff level	13	12	1

- 1) Variation between Target and Actual is due to RFR project milestones being brought forward so that majority of projects can be completed in this financial year.
- 2) Variation between Target and Actual is due to RFR project milestones being brought forward so that majority of projects can be completed in this financial year.
- 3) Variation between Target and Actual is due to timing of grant payments which impact on cash balances.
- 4) Variation between Target and Actual is due to timing of grant payments which impact on cash balances.

EFFECTIVENESS INDICATORS

Outcome: Development and Promotion of the Peel Region	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Target
Client satisfaction with the contribution to the Region's economic base	86%	84%	86%	87%	86%	90%

EFFICIENCY INDICATORS

	2007-08 (a)	2008-09 (a)	2009-10 (a)	2010-11 (a)	2011-12 (a)
1. Facilitation and coordination	\$82	\$75	\$75	\$72	\$85
2. Information and advice	\$46	\$46	\$46	\$45	\$54

(a) Operating cost information is sourced from the Income Statement.

	2011-12 Actual	2011-12 Target	Variance
1. Facilitation and coordination	\$85	\$79	\$6
2. Information and advice	\$54	\$48	\$6

The variation between the average cost per unit of service hour between 2011-12 Budget and 2011-12 Actual is minimal.

STRATEGIC DIRECTION ONE:

Government decision making takes account of Peel issues

PEEL REGIONAL LEADERS FORUM

In February 2011 the Peel Development Commission convened a Peel Regional Decision Making Forum. The invited Forum members consisted of the CEOs and elected leaders of the five local government councils in the Peel Region, together with the CEOs and Chairs of the Peel Development Commission, RDA Peel, Peel Harvey Catchment Council and the Peel Community Development Group.

This successful combination of elected leaders and senior officials continued to meet on a regular basis, and the group was formally constituted as the Peel Regional Leaders Forum Inc (PRLF) in February 2012. Since that initial meeting, the Forum members have developed a strong working relationship, together with a better understanding of the needs and issues of the entities represented. It is this unique, collaborative regional structure that has made it possible for the PRLF to reach, with relative ease, common agreement on the drafting of a regional priorities list (which will be the basis for an eventual Regional Blueprint).

Additionally, the local government councils have cooperated within the structure of the PRLF to equitably determine Country Local Government Fund Regional Groups funding allocations.

The potential of this governance structure for the Peel Region is quite significant. Having an acknowledged leadership body that can meld disparate views into a common regional voice is a powerful tool. The PRLF offers a means by which the Region's needs and aspirations can be made known to Government.

The Commission continues to actively support the PRLF, by being both part of the entity, as well as providing secretariat support for the Forum (and the associated PRLF CEO Group).

BODDINGTON SUPERTOWN



The decision by Newmont to reopen the Boddington Gold mine in 2007 and a decision by BHP Billiton to expand mining operations in the Boddington sub-region were closely monitored by the Western Australian Government in anticipation of the change in demand that the expanded population would have on the local shires of Boddington, Murray, Wandering and Williams.

Government's key concern was to ensure that the Shires would be to cope with the rapid changes anticipated by the reopening of the gold mine and expanded bauxite mining.

In 2008, the State Government announced that assistance would be provided to aid capacity building for the affected communities, particularly within a 50 km radius of Boddington.

A Boddington Social Infrastructure Fund of \$9 million was allocated to focus on key areas of anticipated need, including:

- Shire staffing - housing and support
- Shire buildings, works and plant
- industrial land development
- housing for prospective new residents
- utilities – power, water and wastewater
- government employee and community housing
- hospital and medical centre
- education – primary, secondary and TAFE
- state and local roads
- community services - police, youth, child care, aged care and recreation
- streetscapes.

The implementation of this program was successfully managed by the Peel Development Commission, and it gave rise to further investment within the Boddington sub-region by various government departments and agencies, of an additional (estimated) \$50 million during the period 2007 to 2012.

In July 2011, the State Government announced the SuperTowns initiative, selecting nine regional centres (including Boddington) to play an increasing role in the overall development of the state, and increasing absorption of the State's future urban population.

An amount of \$5.5 million was set aside for the preparation of SuperTowns Growth Plans (and related technical investigations) and a further \$80 million was been set aside for transformational projects in the SuperTowns.

In September 2011 the inaugural meeting of the Boddington SuperTown Planning Team (BSTPT) was held to map out the process towards the preparation of a Growth Plan, including the identification of projects to be put forward for funding. A Community Reference Group was established at the same time to assist in determining the vision for, and development needs of, Boddington and the surrounding region.

Following a structured bid process, consultants were selected to prepare the Boddington SuperTown Growth Plan, with this work being informed also by the preparation of an economic development strategy. A Community Reference Group was established in Boddington, comprising a broad spectrum of members of the community, in order to work closely with the consultants in providing a vision for the future of Boddington and the strategies to facilitate this.

The focus of the BSTPT was on producing a draft Growth Plan and full business cases for four priority projects and this was completed in February. In May 2012, public meetings were held in all SuperTowns, where the successful projects were announced, including a \$2.45 million allocation to Boddington; \$1.25 million to extend potable water supply into the Ranford area to facilitate rural residential development, and \$1.2 million to support economic development initiatives for the Boddington sub-region.

The draft Boddington Growth Plan is currently being finalised for completion by the end of September 2012, providing a blueprint for the Boddington town and region into the medium to long term, and providing a common point of reference for all stakeholders.

ROYALTIES FOR REGIONS

Over the past 4 years the Commission has been allocated \$11 million in Royalties for Regions grants, and of this only approximately \$500 000 across 16 projects is still to be released.

In 2011-12, thirty-seven projects were finalised, including the refit of Midway Community Care’s Community Access Centre; Stage 7 of Fairbridge’s redevelopment; completion of the Pinjarra Harness Racing Club’s new pavilion; the refurbishment of Dwellingup’s Old Nursing Post into a Community Centre; improvements to Drakesbrook Weir and the roofing of the Boddington Lions Club Community Entertainment Complex.



The region attracted almost \$12 million through the RFR Action Agenda Funding Scheme announced in June this year. Recipients were the City of Mandurah who received \$11 million towards the redevelopment of the Mandurah Aquatic and Recreation Centre (MARC); and the Peel Region Chamber of Commerce and Industry who will receive \$600,000 over 4 years to develop and run a *Business Education and Training Series Framework (BETSF)*, a three-tiered educational program aimed at equipping business owners with skills and knowledge to implement best practice.

How our community thought we performed in this outcome area:

Outcome	2011 Client Satisfaction	2012 Client Satisfaction
Peel Region’s needs have been effectively represented in government decision making.	71.1%	69%

STRATEGIC DIRECTION TWO:

The Peel has an evolving, adaptive and diverse economy with increased job opportunities for all members of the community

PEEL REGIONAL BRANDING

A collaborative arrangement between the Commission, Peel Regional Leaders Forum, and funding provided by Tourism WA has provided the impetus for the Peel Region stakeholders to come together, initially with the aim to support regional tourism, but eventually with a much broader agenda in mind.

The concept of a regional 'brand' for Peel has not only been developed with tourism in mind, but also inwards investment and - of equal importance - the residents of Peel, who individually and collectively provide a most powerful voice. The consultations associated with this exercise have been critical to gaining an understanding of what stakeholders identify with the region, and then using that knowledge to promote the region's unique character.

The use of the brand tagline – *Very Appealing* – will be complemented by a complete revamp of the region's tourism directional signage, through a joint application by the Regional Local Government Councils for funding under the Country Local Government Fund (Regional Groups). This partnership approach to regional issues is a further demonstration of the positive impact that the Peel Regional Leaders Forum has had on the region.

SKILLED MIGRATION

The Commission continues to support the Region's business sector through the provision of assessment and certification activities for skilled visas on behalf of the Department of Immigration and Citizenship. The following table shows the activity undertaken by the Commission for financial year 2011-2012 compared to the same period 2010-11.

	2010-11	2011-12
Regional Sponsored Migration Scheme	77	176
General Visa Inquiries	348	587

AGRI-PRECINCTS

The Peel Economic Development Initiative (PEDI), developed in late 2009, identified the importance of developing a broader base for the Peel Region's economy – moving beyond reliance on the mining sector, and beyond the typical population driven retail and service industrial activities that accompany urban expansion. The PEDI specifically identified the need to develop in those areas where the region had a clear comparative advantage – notably tourism, the agricultural sector and industry – but also recognising that within these sectors it would also be necessary to



focus on special markets and the development of infrastructure that would facilitate market strengths in these sectors.

In 2009-10, the Peel Development Commission and the Department of Agriculture and Food undertook research into the potential establishment of agri-/bio-industry precincts in the Peel Region. This study was undertaken in recognition of the fact that agri-/bio-industry with buffer and waste management requirements have been under constant pressure from urban encroachment and increasing land prices in the metropolitan region.

Recognising the inherent natural resource strengths of the Peel Region, this research work was focused on looking at the prospects of securing sites for agri-/bio-industries seeking efficient, affordable, proximate and long term locations. Typically such precincts would remain rural in character, offer affordable land price, waste management technologies and alternative energy/water sources.

In 2011, as the Peel Recycled Water Scheme began to take shape, the opportunity became available to also start looking at new agricultural production precincts in the region – the notion being for the establishment of a “food bowl” for the metropolitan region, based on land availability, availability of fit-for-purpose water, proximity to the metropolitan markets and proximity to logistics for export of agricultural produce.

Since late 2011, the Peel Development Commission has been working with private sector proponents in the early stages of establishment of both an agri-/bio-industrial precinct, and the establishment of a new agricultural production precinct – both of which will have linkage to the Peel Recycled Water Scheme. These processes are concerned with land assembly, securing the appropriate land-use rights, developing the appropriate services and securing the project investment. As progress is made with these two precincts, the focus will need to start embracing other critical aspects of development in the agricultural sector – notably skills development.

How our community thought we performed in this outcome area:

Outcome	2011 Client Satisfaction	2012 Client Satisfaction
Peel’s economy is strong prosperous and diverse now and into the future.	81.3%	65.1%

STRATEGIC DIRECTION THREE:

Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel.

PEEL WASTE WATER REUSE SCHEME

The Peel Recycled Water Scheme is a regional scale scheme comprising a number of integrated elements:

- pipeline infrastructure to convey treated waste water from at least two of WaterCorp's waste water treatment plants (WWTP) – the Gordon Road WWTP and the Woodman Point WWTP;
- stormwater capture capabilities at one or more points along the pipeline routes, together with water treatment facilities and managed aquifer recharge (MAR) capability;
- new agricultural production precinct(s) linked into the recycled water scheme; and
- new agri-/bio-industrial precinct(s) capable of providing secure, affordable, efficient long term locations for agri-/bio-industries with buffer and waste management requirements.

The integrated scheme will commence with the main pipeline infrastructure development to supply non-climate dependent water to mining/industry, agriculture, local government and urban development. The other elements of the scheme will be developed incrementally over a period of years through both public and private sector investment.

The main pipeline infrastructure is to be developed in two stages - Stage 1 is the construction of a pipeline from the Gordon Road Waste Water Treatment Plant (WWTP) to Pinjarra, and Stage 2 is the construction of a pipeline from the Woodman Point WWTP Wagerup.



The process to deliver Stage 1 of the main pipeline infrastructure is the subject of current deliberations by the major stakeholders. An economic assessment determining the regional economic benefits has been completed for Stage 1 of the pipeline and a number of direct, indirect and induced costs and benefits have been determined. These include:

- other users such as local governments for ovals, open space and other purposes, industry, urban development (third pipe supplies) and agriculture;
- the introduction of recycled water into the region will offset potable water use. Operating at 4.4 GL per annum, the value of potable water offset is \$7.5 million;
- based on 1.8 GL of water going to agriculture from the Stage 1 pipeline, the gross farm gate value of new agricultural production is estimated to be \$51 million, with the creation of 413 new jobs; and
- it is estimated that the Stage 1 pipeline project has the ability to produce 6% of the region's total strategic jobs required in terms of Directions 2031.

PEEL REGIONAL EQUINE CENTRE

The Commission was instrumental in supporting a previous attempt to form a collective from the disparate elements of the equine industry operating in the Peel Region. The Peel Equine Needs Analysis Study (1998) determined that the regional equine industry was worth an estimated \$75 million and proposed the development of a Peel equine association.

Whilst this association was initially successful, it suffered the fate of a number of similar equine associations around Australia. The key barriers to a successful association are the distinct differences between the recreational/quasi-professional and the professional equine participants, and the often micro nature of the businesses involved in the industry.

Because of the continuing importance of the equine industry to the Peel Region, the Commission is supportive of a different approach to this issue. With a membership based approach not being successful, the Shire of Murray has proposed an alternative infrastructure approach. The construction of a Peel Regional Equine Centre will not only provide a first class facility for a range of equestrian pursuits, but will also be the a physical focus for many of the discrete equestrian associations operating in the region.

The Peel Region is already well known as a horse racing centre, with thoroughbred and pacing at Pinjarra, and state of the art training facilities at Lark Hill (thoroughbred) and Byford (pacing). In addition it is host to a large contingent of horse trainers and associated equine professionals (veterinarians, farriers, etc), and many of the State's larger horse breeding operations.

The development of the Equine Centre will permit the region's non-racing equine participants to demonstrate, in a material way, the size and value of this side of the equestrian industry.

The Commission will continue to work with the Shire to provide this important element as part of an overall strategy to maximise the benefits of the region's equine industry.

WHITBY FALLS

The Whitby Falls initiative comprises the Whitby Falls Hostel and associated farmland near Mundijong. The property was a former psychiatric hospital with a working farm, prior to being vested in the National Trust of Western Australia.

The Commission, in conjunction with the Shire of Serpentine-Jarrahdale, have been working with Murdoch University to explore the option of having the property redeveloped as a working farm to train Murdoch students undertaking animal husbandry studies (including courses undertaken in the School of Veterinary and Biomedical Sciences). To achieve that will require, firstly, the support of the National Trust, and secondly, the University being successful with grant applications (including Royalty for Regions funding).



The proposal would provide delivery of additional university courses to complement the School of Nursing operations in Mandurah. Because of the animal husbandry focus, the initiative would strengthen the strategic position of the Peel Region insofar as it's State standing in the equine industry.

As part of the partnership, the Shire has applied for Country Local Government funding to implement some of the initial work required to allow public access to Whitby Falls. This will involve fencing and preparing a pathway route through the property, and ensure that visitors and residents could access the Falls safely without impacting on the school. This pathway fencing will fulfil the multi-role of delineating the route to the Falls, providing a protected habitat corridor for flora and fauna, and installing the initial livestock fencing for the future working farm.

The Commission has supported the Shire's funding proposal and continues to be actively engaged in ongoing dialogue regarding the ultimate use of the site.

How our community thought we performed in this outcome area:

Outcome	2011 Client Satisfaction	2012 Client Satisfaction
Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel.	83.9%	69.7%

STRATEGIC DIRECTION FOUR:

Peel communities are educated, productive, healthy, safe and supportive.

AFFORDABLE LIVING – CARAVAN PARKS

Originally Peel Region caravan parks met the needs of a holiday-maker market. Over time many have evolved to include long-stay residents who consider their caravan or park home to be their place of permanent residence.

Peel Development Commission leads a Support Group to produce, in consultation with an advisory group, a framework and subsequent action plan to guide the development of a diverse and sustainable caravan park sector for residents and tourists in the Peel Region.

The framework was developed using feedback from forums held for two stakeholder groups: firstly relevant government agencies, caravan park operator peak bodies and individual operators; and then caravan park consumer groups and individual residents.

Over the past 12 months the objective to facilitate an increase in sustainable, new product and/or expansion of existing product has seen one successful planning approval for a 400-site mixed-tenure resort village, a supported 'in principle' Caravan Park/Park Home park and two further proposals pending. There are three applications pending for expansions.

Thirteen privately-owned sites and six government-owned sites were identified across the City of Mandurah and Shires of Murray and Waroona. However none proved to be suitable. Barriers to government land development were high environmental values, road noise, hydrology issues and perceived community objections. Private land barriers were the unwillingness to develop, operate or lease a caravan park and one site is too small to be viable.

Peel Development Commission has also reviewed local government authority land use planning strategies with regard to caravan park location potential and has met with officers regarding their role in caravan park regulatory compliance. Options for more secure tenure are being explored with a caravan park developer. Research findings have been provided to the consultants developing the *Tourism WA Caravan and Camping Strategy for Western Australia*.

PEEL AWAY THE MASK REVIEW

The Commission provided funds and support to the Peel Community Development Group Inc (PCDG) to coordinate a review of the 2001 *Peel Away the Mask* (PATM) study into the social conditions of the Peel Region.

With rapid growth being experienced in the Peel Region, the timely release of the "*Peel Away The Mask II*" report in March 2012 has highlighted areas of need in the Peel Region. The report is a study on the "*Social Condition of the Peel Region*" and highlights the lack of service provision, affordable and appropriate accommodation



including crisis accommodation and accommodation for not-for-profit service providers, health and safety issues, infrastructure needs and areas of social isolation. The Commission has participated in the project management group for this project and will monitor the progress of the implementation of the relevant recommendations.

How our community thought we performed in this outcome area:

Outcome	2011 Client Satisfaction	2012 Client Satisfaction
All communities in the Peel will have healthy, safe, enjoyable and supportive environments to live work, with access to high quality education and social services.	72.5%	62.6%

STRATEGIC DIRECTION FIVE:

The Peel environment is better understood and managed

MANAGEMENT OF PEEL REGIONAL ENVIRONMENT

The Peel Region contains 137 km of inland waterways and 50 kms of coastline. Approximately 50% of the land is designated State forest, regional open space or conservation. This signifies the importance of the natural environment to the region.

Peel DC continues to support government and other agencies with their environmental strategic and management planning for the region including:

- coordinating key regional agency input into the Conservation Commission's Draft *Forest Management Plan 2014-2023*;
- coordinating a meeting of key regional agencies with the Department of Environment and Conservation (DEC) prior to the release of the Conservation Commission's draft management plan for parks and reserves managed by DEC in the southern portion of the Swan Coastal Plain;



- participating in a pilot project *Aboriginal Land Management Services In Gnaala Karla Booja Country* which is exploring new partnership arrangement for the management of protected areas and establishing training and enterprise development; and
- working with the Murray Districts Aboriginal Association (MDAA) on a pilot initiative to revitalise the Pinjarra Binjareb Centre in Pinjarra. Agreement has been reached between DEC and MDAA to enter into a joint management of the Centre and the adjacent DEC managed lands.

In addition the Commission has been exploring innovative models of natural asset governance and management that could be applied to selected sites. Regional stakeholders have concerns about the limited resources available to protect the core environmental assets of Yalgorup National Park. This includes the interface of private management of land adjacent to the park. Together with the Departments of Planning, Environment and Conservation, Water and the Peel Harvey Catchment Council, the Commission is exploring a Park Precinct Management concept which will later include wider stakeholders.

How our community thought we performed in this outcome area:

Outcome	2011 Client Satisfaction	2012 Client Satisfaction
The Peel's natural environment will be responsibly managed to protect its diversity for current and future generations.	68.5%	80.4%

SIGNIFICANT ISSUES AND TRENDS

Peel has a rapidly growing population with annual average growth rates of 4.4% for the past year, 4.5% over the past five years and 4.0% over past ten years. This growth is significantly higher than for Western Australia which experienced growth rates of 2.4% for the past year, 2.7% over the past five years and 2.2% over the last 10 years. Over this time, Peel has been the second fastest growing regional population in the State, second only to the Pilbara. The estimated resident population of the Peel Region as at June 2011 was 112,677.

Peel has an economy based on mining, manufacturing and construction and in 2010-11 Peel's gross regional product of \$10.7 billion contributed 4.9% to the Western Australian economy. Gold and copper are mined at Newmont's Boddington gold mine and Alcoa and Worsley's bauxite mines in the region provide the entire feedstock for the State's alumina production. In 2010-11 mining contributed \$3,446 million to Peel's economy. Major manufacturing industries in Peel include metal products, machinery and equipment, as well as food processing. The construction sector, which is underpinned by residential projects, contributed \$431.4 million to the economy in 2010-11.

Other industry sectors integral to the Peel economy include agriculture, forestry and fishing, retail and tourism. Retail trade has been increasing in Peel over the last decade and increased by 6.1% in the twelve months to June 2011. This was larger than any other increase in the State.

Despite a growing and diverse economy, the Peel Region continues to experience higher than State average levels of unemployment. In March 2012, there were 49,591 people in Peel's labour force and the unemployment rate was 5.5% as compared to Western Australia at 4.4%, Perth 4.6% and Regional Western Australia 3.7%. At this time, Peel had the highest unemployment rate of all regional areas in Western Australia. Alongside high unemployment rates are relatively low levels of educational attainment. Data from the 2011 census showed that 49.1% of Western Australians aged over 15 years who are no longer at school had completed Year 12 compared to just 34.9% in the Peel Region.

Peel is also experiencing other social issues which were highlighted in the recently released Peel Away the Mask II report on social conditions in the Peel Region. The report noted that the Peel Region has a higher rate of reported drug-related offences than for Western Australia and also that levels of domestic violence in Peel are amongst the highest in the state.

Affordable housing continues to be an issue in the Peel Region and there are over 800 people on the Public Housing waiting list in the region.

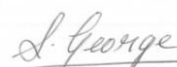
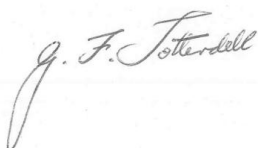
The Peel Development Commission is actively addressing the region's challenges which include further developing the economy and working to address social problems while protecting the Region's precious environment which is already being impacted by a drying climate.

Significant developments include the Peel Economic Development Initiative, a targeted program of strategies designed to improve the region's economy, the Peel Recycled Water Scheme to ensure a secure, consistent and sustainable supply of water and a project designed to improve the wellbeing and career opportunities of local high school students.

DISCLOSURES AND LEGAL COMPLIANCE

CERTIFICATE OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 ending 30 June 2011 and the financial position as at 30 June 2011. At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Geoff Totterdell
Chairman
13 September 2012

Colleen Yates
A/Chief Executive Officer
13 September 2012

Suma George
Manager Corporate Services
13 September 2012



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 2012, 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 2012 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 2012.

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 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Peel Development Commission for the year ended 30 June 2012.

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

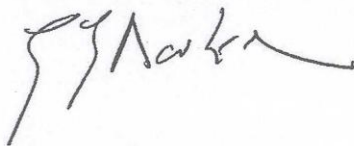
In my opinion, the key performance indicators of the Peel Development Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2012.

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 2012 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
14 September 2012

FINANCIAL STATEMENTS

Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	2012	2011
		\$	\$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	1,072,472	1,091,344
Supplies and services	7	352,704	297,775
Depreciation and amortisation expense	8	9,977	12,128
Accommodation expenses	9	161,960	154,981
Grants and subsidies	10	3,794,247	4,671,927
Other expenses	11	32,467	55,068
Total cost of services		5,423,827	6,283,223
Income			
<i>Revenue</i>			
Other revenue	12	8,489	207,975
Total revenue		8,489	207,975
Total income other than income from State Government		8,489	207,975
NET COST OF SERVICES		5,415,338	6,075,248
Income from State Government	13		
Service appropriation		1,609,000	1,506,000
Resources received free of charge		4,852	6,295
Royalties for Regions Fund		700,000	3,000,000
Total income from State Government		2,313,852	4,512,295
SURPLUS/(DEFICIT) FOR THE PERIOD		(3,101,486)	(1,562,953)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(3,101,486)	(1,562,953)

Refer also to note 32 '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 2012

	Note	2012	2011
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	23	1	1,386,220
Restricted cash and cash equivalents	14,23	2,272,571	4,210,169
Receivables	15	165,298	111,041
Total Current Assets		2,437,870	5,707,430
Non-Current Assets			
Amounts receivable for services	16	169,000	163,000
Plant and equipment	17	56,595	37,530
Total Non-Current Assets		225,595	200,530
TOTAL ASSETS		2,663,465	5,907,960
LIABILITIES			
Current Liabilities			
Payables	20	135,118	246,460
Provisions	21	180,714	213,384
Total Current Liabilities		315,832	459,844
Non-Current Liabilities			
Provisions	21	21,500	20,497
Total Non-Current Liabilities		21,500	20,497
TOTAL LIABILITIES		337,332	480,341
NET ASSETS		2,326,133	5,427,619
EQUITY			
Contributed Equity	22	137,770	137,770
Accumulated surplus/(deficiency)		2,188,363	5,289,849
TOTAL EQUITY		2,326,133	5,427,619

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 2012

	Note	Contributed equity	Reserves	Accumulated surplus/(deficit)	Total equity
Balance at 1 July 2010	22	137,770	-	6,852,802	6,990,572
Total comprehensive income for the year		-	-	(1,562,953)	(1,562,953)
Balance at 30 June 2011		137,770	-	5,289,849	5,427,619
Balance as at 1 July 2011		137,770	-	5,289,849	5,427,619
Total comprehensive income for the year		-	-	(3,101,486)	(3,101,486)
Balance at 30 June 2012		137,770	-	2,188,363	2,326,133

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 2012

	Note	2012	2011
		\$	\$
CASH FLOWS FROM/(TO) STATE GOVERNMENT			
Service appropriations		1,603,000	1,495,000
Holding account drawdowns		-	18,000
Royalties for Regions Fund		700,000	3,000,000
Grants from/(to) Government agencies		-	(470,456)
Net Cash provided by State Government		2,303,000	4,042,544
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,088,784)	(1,035,922)
Supplies and services		(486,121)	(355,619)
Grants and subsidies		(3,944,840)	(4,671,927)
GST payments on purchases		(437,032)	(525,332)
Other payments		(32,467)	(210,049)
Receipts			
User charges and fees		5,207	207,975
Recoup from Grant recipient		-	470,456
GST receipts on sales		4,335	20,631
GST receipts from taxation authority		381,927	510,605
Net cash provided by/(used in) operating activities	23	(5,597,775)	(5,589,182)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(29,042)	(16,183)
Net cash provided by/(used in) investing activities		(29,042)	(16,183)
Net increase/(decrease) in cash and cash equivalents			
		(3,323,817)	(1,562,821)
Cash and cash equivalents at the beginning of period		5,596,389	7,159,210
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	23	2,272,572	5,596,389

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 2012

Note 1. Australian Accounting Standards **General**

The Commission's financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard 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 2012.

Note 2. Summary of significant accounting policies

(a) General statement

The Commission is a not-for-profit 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 Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the Treasurer's instructions 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

The reporting entity comprises of the Commission.

(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.

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) 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 as an asset, the historical cost model is used by the Commission for all plant and equipment. All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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
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 ^(a)	2 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

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.

(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
 - Cash and cash equivalents
 - Restricted cash and cash equivalents
 - Receivables
 - Amounts receivable for services
- Financial Liabilities
 - 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 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.

(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

The liability for annual leave 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.

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

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

The provision for annual leave is classified as a current liability as the 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.

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. The liability is measured on the same basis as annual leave.

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.

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.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The Commission makes concurrent contributions to GESB or other funds 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 employees who are not members of the Pension Scheme or GSS.

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 fund.

(r) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the 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. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Commission evaluates these judgements 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 2011 that impacted on the Commission.

<i>AASB 1054</i>	<i>Australian Additional Disclosures</i> This Standard, in conjunction with AASB 2011-1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i> , removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
<i>AASB 2009-12</i>	<i>Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]</i> This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.
<i>AASB 2010-4</i>	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Int 13]</i> The amendments to <i>AASB 7</i> clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact The amendments to <i>AASB 101</i> clarify the presentation of the Statement of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity can be presented in either the Statement of Changes in Equity or the Notes. There is no financial impact.
<i>AASB 2010-5</i>	<i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Int 112, 115, 127, 132 & 1042]</i> This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.
<i>AASB 2010-6</i>	<i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]</i> This Standard introduces additional disclosures relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact
<i>AASB 2011-1</i>	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Int 2, 112 & 113]</i> This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
<i>AASB 2011-5</i>	<i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]</i> This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact

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 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
AASB 9	<p><i>Financial Instruments</i> This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued in December 2010. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 10	<p><i>Consolidated Financial Statements</i> This Standard supersedes requirements under 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>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 11	<p><i>Joint Arrangements</i> This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 12	<p><i>Disclosure of Interests in Other Entities</i> This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 13	<p><i>Fair Value Measurement</i> This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013
AASB 119	<p><i>Employee Benefits</i> This Standard supersedes AASB 119 (October 2010). As the Commission does not operate a defined benefit plan, the impact of the change is limited to measuring annual leave as a long-term employee benefit. The resultant discounting of the annual leave benefit has an immaterial impact.</p>	1 Jan 2013
AASB 127	<p><i>Separate Financial Statements</i> This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 128	<p><i>Investments in Associates and Joint Ventures</i> This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 1053	<p><i>Application of Tiers of Australian Accounting Standards</i> This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial</p>	1 Jul 2013

statements. There is no financial impact.

AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12] [Modified by AASB 2010-7]</i>	1 Jul 2013
AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i> This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.	1 Jul 2013
AASB 2010-7	<i>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]</i> 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.	1 Jan 2013
AASB 2011-2	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i> This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.	1 Jul 2013
AASB 2011-6	<i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i> This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.	1 Jul 2013
AASB 2011-7	<i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i> This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> . The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 2011-8	<i>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, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i> 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.	1 Jan 2013

AASB 2011-9	<p><i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i></p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2012
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is no financial impact.</p>	1 Jan 2013
AASB 2011-11	<p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jul 2013
AASB 2012-1	<p><i>Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i></p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 Jul 2013

Note **6. Employee benefits expense**

	2012	2011
	\$	\$
Wages and salaries ^(a)	972,232	979,675
Superannuation - defined contribution plans ^(b)	83,054	85,548
Other employee related expenses ^(c)	17,186	26,121
	1,072,472	1,091,344

(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 (contribution paid).

(c) Includes other work related expenses.

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

Employment on-costs liability is included at note 21 'Provisions'.

Note **7. Supplies and Services**

	2012	2011
	\$	\$
Communication	18,589	15,125
Consultants & contractors	244,519	195,351
Consumables	27,914	33,749
Vehicle lease costs	26,898	24,657
Other expenses	34,784	28,893
	352,704	297,775

Note **8. Depreciation and amortisation expense**

	2012	2011
	\$	\$
<u>Depreciation</u>		
Computing hardware	2,683	7,801
Furniture, fixtures & fittings	1,436	1,436
Office equipment	2,621	2,621
Communication equipment	3,237	270
Total Depreciation	9,977	12,128
<u>Amortisation</u>		
Computer software	-	-
Total amortisation	-	-
Total depreciation and amortisation	9,977	12,128

Note **9. Accommodation expenses**

	2012	2011
	\$	\$
Lease rentals	145,424	140,231
Cleaning	16,536	14,750
	161,960	154,981

Note **10. Grants and subsidies**

	2012	2011
<u>Recurrent/Capital</u>	\$	\$
Boddington Gold Mine Expansion - Social Infrastructure Package	75,652	391,433
Royalties for Regions - Regional Grants Scheme	3,433,849	3,983,071
Royalties for Regions - Support to Regional Groupings of Local Governments	106,091	-
Other Project Related Grants	178,655	297,423
	3,794,247	4,671,927

Note **11. Other expenses**

	2012	2011
	\$	\$
Doubtful debts expense	-	500
Audit Fees	26,000	27,012
Other	6,467	27,556
	32,467	55,068

Note **12. Other revenue**

	2012	2011
	\$	\$
Recoups - unacquitted grants and subsidies	-	20,895
Recoups - other (a)	3,072	146,550
Miscellaneous (b)	5,417	40,530
	8,489	207,975

(a) Includes recoups for the use of office space and other miscellaneous recoups

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

Note **Income from State**
13. Government

	2012	2011
	\$	\$
Appropriation received during the year:		
Service appropriations ^(a)	1,609,000	1,506,000
	1,609,000	1,506,000
Resources received free of charge ^(b)		
Determined on the basis of the following estimates provided by agencies:		
DTF - Building Management and Works	4,852	6,295
	4,852	6,295

Grants received from Government agencies

Royalties for Regions Fund:

- Regional Infrastructure and Headworks Account^(c)

- Regional Community Services Fund^(c)

500,000	3,000,000
---------	-----------

- Country Local Government Fund ^(c)

	200,000	-
	700,000	3,000,000
	2,313,852	4,512,295

(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.

(c) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

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

	2012	2011
	\$	\$
<u>Current</u>		
Royalties for Regions Fund ^(a)	29,786	1,881,732
Boddington Gold Social Infrastructure Package ^(b)	2,242,785	2,328,437
	2,272,571	4,210,169

(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.

(c) Adjustments were made to the 2011 figures to correct errors in prior years. The restricted cash held for Royalties for Regions were decreased by \$189,427 and the restricted cash held for Boddington Gold Social Infrastructure Package was increased by \$200,000. The net effect of these adjustments is that the total restricted cash in 2011 increased by \$10,573.

Note **15. Receivables**

	2012	2011
	\$	\$
<u>Current</u>		
Receivables	440	550
GST Receivable	161,466	110,491
	161,906	111,041
Loans and advances		
Other debtors	3,392	-
Total Current	165,298	111,041

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

	2012	2011
	\$	\$
Non-Current	169,000	163,000
	169,000	163,000

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. Plant and Equipment**

	2012	2011
	\$	\$
<u>Communication equipment</u>		
At cost	16,183	16,183
Accumulated depreciation	(3,507)	(270)
	<u>12,676</u>	<u>15,913</u>
<u>Computing hardware</u>		
At cost	56,986	38,272
Accumulated depreciation	(27,944)	(35,589)
	<u>29,042</u>	<u>2,683</u>
<u>Furniture fixtures and fittings</u>		
At cost	14,864	27,919
Accumulated depreciation	(5,648)	(17,268)
	<u>9,216</u>	<u>10,651</u>
<u>Office equipment</u>		
At cost	13,103	13,103
Accumulated depreciation	(7,442)	(4,820)
	<u>5,661</u>	<u>8,283</u>
	<u>56,595</u>	<u>37,530</u>

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:

Asset Reconciliation

	Communication equipment	Computing hardware	Furniture fixture and fittings	Office equipment	Total
	\$	\$	\$	\$	\$
2012					
Carrying amount at start of year	15,913	2,683	10,652	8,282	37,530
Additions	-	29,042	-	-	29,042
Depreciation	(3,237)	(2,683)	(1,436)	(2,621)	(9,977)
Carrying amount at end of year	<u>12,676</u>	<u>29,042</u>	<u>9,216</u>	<u>5,661</u>	<u>56,595</u>
2011					
Carrying amount at start of year	-	10,484	12,088	10,903	33,475
Additions	16,183	-	-	-	16,183
Depreciation	(270)	(7,801)	(1,436)	(2,621)	(12,128)
Carrying amount at end of year	<u>15,913</u>	<u>2,683</u>	<u>10,652</u>	<u>8,282</u>	<u>37,530</u>

Note **18. Intangible assets**

	2012	2011
	\$	\$
<u>Computer Software</u>		
At cost	-	15,603
Accumulated amortisation	-	(15,603)
	<u>-</u>	<u>-</u>
Reconciliation		
<u>Computer Software</u>		
Carrying amount at start of year	-	-
Amortisation expense		
Carrying amount at end of year	<u>-</u>	<u>-</u>

Note **19. Impairment of assets**

There were no indications of impairment to plant and equipment, or intangible assets at 30 June 2012.

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 2012 have either been classified as assets held for sale or written-off.

Note **20. Payables**

	2012	2011
	\$	\$
<u>Current</u>		
Trade payables	12,772	95,866
Other payables	3,075	4,063
Accrued expenses	97,571	121,658
Accrued salaries	21,700	24,873
Total current	<u>135,118</u>	<u>246,460</u>

Note **21. Provisions**

	2012	2011
	\$	\$
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave ^(a)	74,513	103,527
Long service leave ^(b)	97,297	109,071
	<u>171,810</u>	<u>212,598</u>
<i>Other provisions</i>		
Employment on-costs ^(c)	802	987
Purchased Leave scheme	8,102	(201)
	<u>8,904</u>	<u>786</u>
	<u>180,714</u>	<u>213,384</u>

Non-current

Employee benefits provision

Long service leave^(b)

21,401	20,403
21,401	20,403

Other provisions

Employment on-costs^(c)

99	94
99	94
21,500	20,497

(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:

	2012	2011
	\$	\$
Within 12 months of the end of the reporting period	48,287	61,114
More than 12 months after the reporting period	26,226	42,413
	74,513	103,527

(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:

	2012	2011
	\$	\$
Within 12 months of the end of the reporting period	20,139	15,212
More than 12 months after the reporting period	98,559	114,262
	118,698	129,474

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

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

Movement in Other Provisions

	2012	2011
	\$	\$
Movements in each class of provisions during the financial year, other than employee benefits, are set out below.		

Employment on-cost provision

Carrying amount at start of period	1,081	915
Additional/(reversal of) provisions recognised	(180)	166
Carrying amount at end of period	901	1,081

Note 22. 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

	2012	2011
	\$	\$
Balance at start of period	137,770	137,770
Balance at end of period	137,770	137,770

Accumulated surplus/(deficit)

	2012	2011
	\$	\$
Balance at start of period	5,289,849	6,852,802
Result for the period	(3,101,486)	(1,562,953)
Balance at end of period	2,188,363	5,289,849
Total Equity at end of period	2,326,133	5,427,619

Note 23. 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:

	2012	2011
	\$	\$
Cash and cash equivalents	1	1,386,220
Restricted cash and cash equivalents (refer to note 14)	2,272,571	4,210,169
	2,272,572	5,596,389

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

	2012	2011
	\$	\$
Net cost of services	(5,415,338)	(6,075,248)
<u>Non-cash items:</u>		
Depreciation and amortisation expense	9,977	12,128
Doubtful debts expense	-	500
Resources received free of charge	4,852	6,295
Recoup from grant recipient	-	470,456
<u>(Increase)/decrease in assets:</u>		
Current receivables ^(a)	(3,282)	23,290

<u>Increase/(decrease) in liabilities:</u>		
Current payables ^(a)	(111,342)	(76,596)
Current provisions	(32,670)	90,682
Non-current provisions	1,003	(47,083)
Net GST receipts/(payments) ^(b)	(50,770)	5,904
Change in GST in receivables/payables ^(c)	(205)	490
Net cash provided by/(used in) operating activities	(5,597,775)	(5,589,182)

- (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.
- (c) This reverses out the GST in receivables and payables.

Note 24. Commitments

Lease Commitments

The commitments below are inclusive of GST where relevant.

Non-cancellable operating lease commitments

	2012	2011
	\$	\$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	80,428	122,357
Later than 1 year and not later than 5 years	6,792	64,977
	87,220	187,334

The Commission has entered into a property lease and leases on its motor vehicles.

The property lease is a non-cancellable lease with a term expiring on 31 January 2013.

The motor vehicle leases are non-cancellable leases with a two year term, with lease payments monthly. New vehicle leases are negotiated at the end of this period.

Other expenditure commitments

	2012	2011
	\$	\$
Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	442,119	2,402,921
Later than 1 year and not later than 5 years	191,785	191,010
	633,904	2,593,931

The Commission expects to make grant and subsidy payments for existing project commitments.

Note 25. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at the end of June 2012.

Note 26. Events occurring after the end of the reporting period

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

Note 27. Explanatory Statement

This statement provides details of any significant variations between estimates and actual results for 2012 and between actual results for 2011 and 2012. Significant variations are considered to be those greater than 10% or \$30,000.

Significant variances between estimated and actual results for the financial year

The Commission has a net deficit of \$3.1m this financial year. This is mainly due to project milestones for Royalties for Regions funds being brought forward to this financial year as required by the Department of Regional Development and Lands. The Department has advised the Commission that this money will be given to the Commission in the 2012/13 financial year.

	2012 Estimate	2012 Actual	Variation
	\$	\$	\$
<u>Expenses</u>			
Employee benefits expense	1,275,000	1,072,472	(202,528)
Supplies and services	211,000	352,704	141,704
Grants and subsidies	1,000,000	3,794,247	2,794,247
Other expenses	126,000	32,467	(93,533)
<u>Income</u>			
Royalties for Regions Fund	1,125,000	700,000	(425,000)

Employee benefits expense

The variation is attributable to vacancies during the year and leave payments and holiday relief payments being less than budgeted for.

Supplies and services

The variation reflects an increase in costs due to the installation of new server and various general expenses.

Grants and subsidies

The variance is attributable to milestone payments being brought forward so that majority of projects can be completed in this financial year.

Other expenses

The variance is attributable to administration, advertising and other miscellaneous expenses being less than what was budgeted for.

Royalties for Regions Fund

The variation is due to lower than expected funds were received for RFR Regional Grants Scheme.

Significant variances between actual results for 2011 and 2012

	2012 Actual \$	2011 Actual \$	Variation \$
<u>Income</u>			
Other revenue	8,489	207,975	(199,486)
Service appropriation	1,609,000	1,506,000	103,000
Royalties for Regions Fund	700,000	3,000,000	(2,300,000)
<u>Expenses</u>			
Employee benefits expense	1,072,472	1,091,344	(18,872)
Supplies and services	352,704	297,775	54,929
Grants and subsidies	3,794,247	4,671,927	(877,680)

Other revenue

The balance in 2011 included external funding received for tourism projects. No such revenue in 2012.

Service appropriation

The variance is attributable to higher appropriation received to accommodate increase in cost of service.

Royalties for Regions Fund

The variance is attributable to lower funds received from RfR for Regional Grants Scheme.

Employee benefits expense

The variation is attributable to vacancies during the year.

Supplies and services

The variance is due to the regional branding project in the current financial year.

Grants and subsidies

The variance is attributable to timing of the grant payments as well as the lower funds received from RfR to spend on projects.

Note 28 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 instruments 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. 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 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:

	2012	2011
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	1	1,386,220
Restricted cash and cash equivalents	2,272,571	4,210,169
Loans and receivables ^(a)	172,832	163,550
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	135,118	246,460

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

(c) Financial instrument disclosures

Credit risk

The following table discloses 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		Past due but not impaired					Impaired financial assets
			Up to 1 month	1 - 3 months	3 months to 1 year	1-5 Years	More than 5 Years	
	Carrying Amount	Not past due and not impaired						
	\$		\$	\$	\$	\$	\$	\$
2012								
Cash and cash equivalents	1	1	-	-	-	-	-	-
Restricted cash and cash equivalents	2,272,571	2,272,571	-	-	-	-	-	-
Receivables ^(a)	3,832	750	-	-	-	3,082	-	-
Amounts receivable for services	169,000	169,000	-	-	-	-	-	-
	2,445,404	2,442,322	-	-	-	3,082	-	-
2011								
Cash and cash equivalents	1,386,220	1,386,220	-	-	-	-	-	-
Restricted cash and cash equivalents	4,210,169	4,210,169	-	-	-	-	-	-
Receivables ^(a)	550	-	550	-	-	-	-	-
Amounts receivable for services	163,000	163,000	-	-	-	-	-	-
	5,759,939	5,759,389	550	-	-	-	-	-

^(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 months \$	1 - 3 months \$	3 months to 1 year \$	1 - 5 years \$	More than 5 years \$
2012											
<u>Financial Assets</u>											
Cash and cash equivalents	1	-	-	-	1	1	1	-	-	-	-
Restricted cash and cash equivalents		2,272,571	-	-	2,272,571	2,272,571	2,272,571	-	-	-	-
Receivables ^(a)		3,832	-	-	3,832	3,832	3,832	-	-	-	-
Amounts receivable for services		169,000	-	-	169,000	169,000	-	-	-	-	169,000
		2,445,404	-	-	2,445,404	2,445,404	2,276,404	-	-	-	169,000
<u>Financial Liabilities</u>											
Payables		135,118	-	-	135,118	135,118	135,118	-	-	-	-
		135,118	-	-	135,118	135,118	135,118	-	-	-	-

(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	Carrying	Fixed	Variable	Non-	Nominal Amount	Up to 1 months	1 - 3 months	3 months to 1 year	1 - 5 years	More than 5 years
	effective	Amount	interest	interest	Interest						
	interest		rate	rate	Bearing						
rate		\$	\$	\$							
%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2011											
<u>Financial Assets</u>											
Cash and cash equivalents		1,386,220	-	-	1,386,220	1,386,220	1,386,220	-	-	-	-
Restricted cash and cash equivalents		4,210,169	-	-	4,210,169	4,210,169	4,210,169	-	-	-	-
Receivables ^(a)		550	-	-	550	550	550	-	-	-	-
Amounts receivable for services		163,000	-	-	163,000	163,000	-	-	-	-	163,000
		5,759,939	-	-	5,759,939	5,759,939	5,596,939	-	-	-	163,000
<u>Financial Liabilities</u>											
Payables		246,460	-	-	246,460	246,460	246,460	-	-	-	-
		246,460	-	-	246,460	246,460	246,460	-	-	-	-

(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 liabilities at the end of the reporting period are sensitive to movements in interest rates. Movements in interest rates would therefore have no 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.

Remuneration of members of the accountable authority and senior officers

Remuneration of members of the accountable authority

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

\$	2012	2011
0 - 10,000	14	8
10,001 - 20,000	-	1
20,001 - 30,000	1	-
		\$
The total remuneration of members of the accountable authority	46,178	40,773

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

Remuneration of senior officers

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

\$	2012	2011
150,001 - 160,000	-	1
160,001 - 170,000	1	-
	\$	\$
The total remuneration of senior officers is:	160,281	154,124

The total remuneration includes the superannuation expense in respect of senior officers other than senior officers reported as members of the accountable authority.

Note 30. Remuneration of auditor

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

	2012	2011
	\$	\$
Auditing the accounts, financial statements and key performance indicators	27,700	26,000

Note 31. Supplementary financial information

(a) Write-offs

2012	2011
\$	\$
	-

(b) Losses through theft, default and other causes

2012	2011
\$	\$
	-

Losses of public moneys and public and other property through theft or default.

(c) Gift of public property

2012	2011
\$	\$

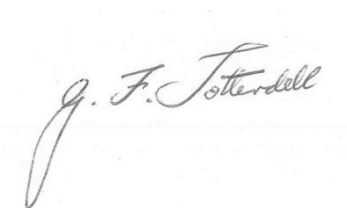
Note 32. Schedule of income and expenses by service

	Facilitation & Coordination		Information & Advice		Total	
	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
COST OF SERVICES						
<u>Expenses</u>						
Employee benefit expense	965,225	982,210	107,247	109,134	1,072,472	1,091,344
Supplies and services	317,434	267,997	35,270	29,778	352,704	297,775
Depreciation and amortisation expense	8,979	10,915	998	1,213	9,977	12,128
Accommodation expenses	145,764	139,483	16,196	15,498	161,960	154,981
Grants and subsidies	3,414,822	4,204,734	379,425	467,193	3,794,247	4,671,927
Other expenses	29,220	49,561	3,247	5,507	32,467	55,068
Total cost of services	4,881,444	5,654,900	542,383	628,323	5,423,827	6,283,223
<u>Income</u>						
Other revenue	7,640	187,177	849	20,798	8,489	207,975
Total income other than income from State Government	7,640	187,177	849	20,798	8,489	207,975
NET COST OF SERVICES	4,873,804	5,467,723	541,534	607,525	5,415,338	6,075,248
INCOME FROM STATE GOVERNMENT						
Service appropriation	1,448,100	1,355,400	160,900	150,600	1,609,000	1,506,000
Resources received free of charge	4,367	5,665	485	630	4,852	6,295
Royalties for Regions Fund	630,000	2,700,000	70,000	300,000	700,000	3,000,000
Total income from State Government	2,082,467	4,061,065	231,385	451,230	2,313,852	4,512,295
Surplus/(deficit) for the period	(2,791,337)	(1,406,658)	(310,149)	(156,295)	(3,101,486)	(1,562,953)

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

Certification of Key Performance Indicators for the Year Ended 30 June 2012

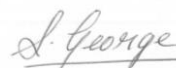
We hereby certify that the Key Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Peel Development Commission's performance, and fairly represent the performance of the Commission for the financial year ending 30 June 2012.



Geoff Totterdell
Chairman
13 September 2012



Colleen Yates
A/Chief Executive Officer
13 September 2012



Suma George
Manager Corporate Services
13 September 2012

OVERALL EFFECTIVENESS INDICATORS

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

The effectiveness of the Commission in achieving its outcomes is determined by undertaking an annual client/stakeholder survey. In 2011-12 the Commission engaged an independent market research consultancy to undertake its Client Survey.

The Commission provided a database of 149 of their clients which included local governments, federal and state government agencies, and private organisations. Respondents from this sampling frame were sent an email which introduced the survey and provided a link to a self-contained survey website. Respondents were able to complete the survey online, with the results being collated by Advantage Communications and Marketing Pty Ltd.

A total of 126 surveys were completed— a response rate of 85%. 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%.

Survey respondents were asked to rate their satisfaction with the Peel Development Commission’s achievement of the following key outcome:

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

A percentage score has been calculated below to determine an overall satisfaction rating for this area. This historical outcome is included for the 2010-11 client survey for comparison purposes.

Outcome: Development and Promotion of the Peel Region	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Target
Client satisfaction with the contribution to the Region’s economic base	86%	84%	86%	87%	86%	90%

Satisfaction levels were slightly increased in 2011 in comparison with previous years, and the satisfaction levels remain high. The Commission is working with our regional partners to identify strategies for continued improvement in this area.

EFFICIENCY INDICATORS

The Commission's key services, adopted on 1 January 1998, are:

1. Facilitation and coordination; and
2. Information and advice.

Both services are measured in cost per service hour.

	2007-2008 (a)	2008-2009 (a)	2009-10 (a)	2010-2011 (a)	2011-12 (a)
1. Facilitation and coordination	\$82	\$75	\$75	\$72	\$85
2. Information and advice	\$46	\$46	\$46	\$45	\$54

(a) Operating cost information is sourced from the Income Statement.

	2011-12 Actual	2011-12 Target	Variance
1. Facilitation and coordination	\$85	\$79	\$6
2. Information and advice	\$54	\$48	\$6

The variation between the average cost per unit of service hour between 2011-2012 Budget and 2011-2012 Actual is minimal.

OTHER DIRECTIVES AND FINANCIAL DISCLOSURES

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

PRICING POLICIES OF SERVICES PROVIDED

The Peel Development Commission does not charge for its services, brochures, publications, requests for information or access to files.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Staff Profile

	As at 30 June 2011	As at 30 June 2012
Full time permanent	9	6
Part time permanent	2	3
Full time contract	3	2
Part time contract	0	1
Total (FTE)	13	12

STAFF TRAINING AND DEVELOPMENT

Staff training and development remains a high priority for the Peel Development Commission. Training and development plans are part of every employee's performance agreement.

During 2011-2012, employees were collectively involved in 183 hours of training and development courses at a cost of \$3,113.

GOVERNANCE DISCLOSURES

Contracts with Senior Officers:

At the date of reporting, other than normal contracts of employment of service, no Board members or senior officers, 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.

The Commission funded grants through the Royalties for Regions Peel Region Grants Scheme and in some instances Board members were involved in some capacity with the recipient organisation. The Peel Development Commission assesses each grant proposal according to specific criteria, with the Board approving or recommending to the Minister the successful applications. Where there is potential for a conflict of interest, these are formally identified and officers and Board members do not participate in decision-making processes and this is documented.

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.

Peel Development 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)*

In the administration of the Peel Development Commission, the Peel Development Commission has 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:

Compliance issues	Significant action taken to monitor and ensure compliance
Public Sector Standards (PSS) <i>Nil breach claims</i>	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. Ongoing awareness-raising process conducted on the standards. Transactions audited internally as a standard operating procedure.
WA Code of Ethics <i>Nil reports of non compliance with WA Code of Ethics</i>	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.
Peel Development Commission Code of Conduct <i>Nil breach claims or reports</i>	Code of Conduct is accessible on intranet and hard copies are available to staff and board members (signed off on induction). Code of Conduct is part of all inductions for board and staff members.



Colleen Yates
A/Chief Executive Officer
13 September 2012

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:

Market research organisations	\$3,905
Advertising agency services	\$1,989
Market advertising promotion campaigns	\$2,420
Total	\$8,314

Payments totalling \$8,314 (inc GST) during the reporting year were made to each of the following organisations:

Advantage	\$3,905
AdCorp	\$1,989
Rural Press Regional Media (WA)	\$2,420

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

The *Disability Services Act 1993* was amended in December 2004, creating a requirement for the Peel Development Commission to develop and implement a Disability Access and Inclusion Plan. Other legislation underpinning access and inclusion includes the *WA Equal Opportunity Act 1984* and the *Commonwealth Disability Discrimination Act 1992*.

The plan 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.

During 2011-2012 the Commission achieved the following against the outcomes:

	Number of strategies planned	Number of strategies completed	Number of strategies progressed through contractors
Outcome 1	5	1	0
Outcome 2	3	0	0
Outcome 3	4	0	0
Outcome 4	3	0	0
Outcome 5	2	0	0
Outcome 6	2	1	0

Has a copy of agency DAIP been provided	0
Has a link to the DAIP was provided	√
Sent a letter	0
Has the DAIP been referenced in a contract(s)	0
Has the DAIP was referenced in a contract variation(s)	√

RECORDKEEPING PLANS

As required by the *State Records Act 2000* the Commission maintains a Record Keeping Plan which was 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.

Training in the use of the Commission's electronic record keeping program is included as a component of the staff induction process and ongoing training in Record Management principles and the use of the electronic record keeping program is available on a one to one basis as needed for all staff.

OFFICE OF SHARED SERVICES

The Office of Shared Services (OSS) provides financial, procurement and human resources services. The centralising of these services aims to standardise delivery of administrative services across government. In addition, the Commission has engaged OSS for provision of Chief Financial Officer Support, which will provide an appropriately qualified and skilled individual to assist the client agency CFO to undertake their role.

GOVERNMENT POLICY REQUIREMENTS

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's staff are required to conform to relevant state and federal legislation and Australian Standards when performing all duties. The Commission provides staff with guidance on safe work practices. All staff are required to comply with the Commission's OSH policies and procedures, and to conduct themselves in a safe manner, not placing themselves or others at risk. Contractors working on the Commission premises 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 of 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 managers. 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. The Executive Team supports the injury management process and recognises that success relies on the active participation and cooperation of the injured worker. Whenever possible, suitable duties will be arranged internally having regard for the injured worker's medical restrictions.

The Commission intends carrying out an assessment in 2012 of its occupational safety and health management system using the WorkSafe Plan and will report on the assessment and agreed actions in the 2012-2013 year.

Report of Annual Performance for 2011-2012		
Indicator	Actual	Target
Number of fatalities	Zero (0)	Zero (0)
Lost time injury/diseases (LTI/D) incidence rate	Zero (0)	Zero (0)
Lost time injury severity rate	Zero (0)	Zero (0)
Percentage of injured workers returned to work within 28 weeks	N/A	100%
Percentage of managers trained in occupational safety, health and injury management responsibilities	25%	50%

PUBLICATIONS

The following publications are available at www.peel.wa.gov.au:

- Peel Region Investment Opportunities (June 2012): provides a series of detailed profiles on projects ranging from residential developments to biotechnology precincts and represents significant opportunities for investors.
- Peel Profile (March 2012): presents a selection of interesting facts and figures relating to social, economic and environmental aspects of the Peel Region.
- Peel Profile (December 2011): presents a selection of interesting facts and figures relating to social, economic and environmental aspects of the Peel Region.
- Mandurah and Peel Business Survey (2007): a report on the findings of a major survey of business proprietors from Mandurah and the surrounding Shires of Serpentine-Jarrahdale, Waroona and Murray.
- Peel Workforce Development Strategy (2006): a strategic document that addresses the supply of, and demand for, a labour force in the Peel Region.
- Peel 2020 Sustainability Strategy (2006): the final report of the development of a sustainability strategy and vision for Peel Region.