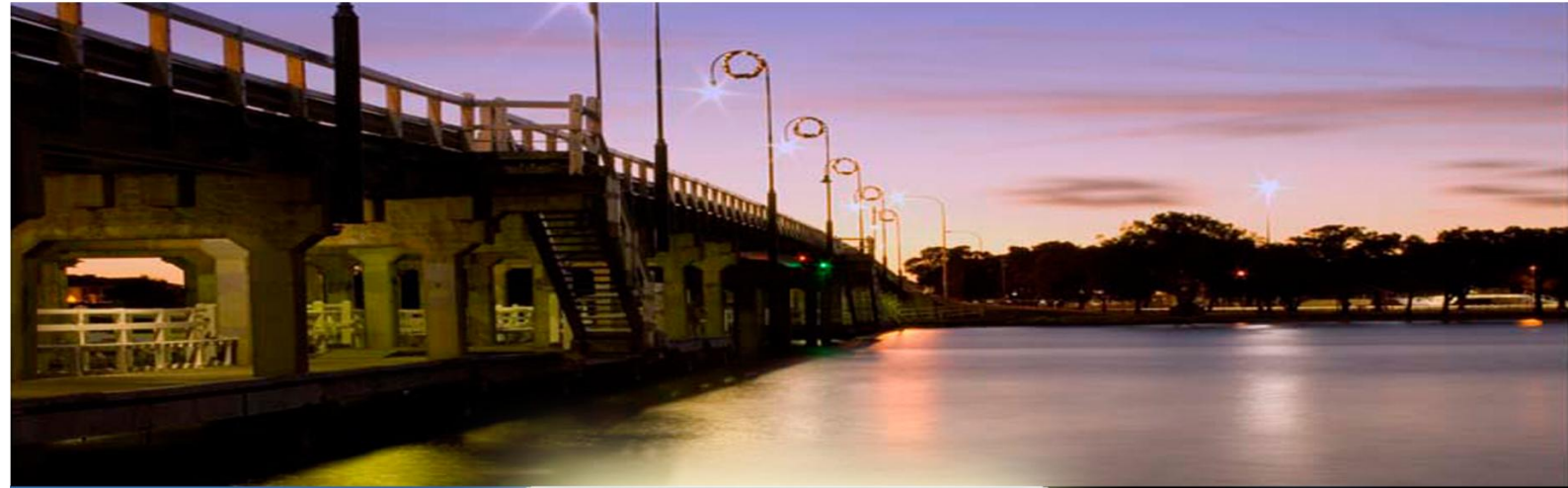




GOVERNMENT OF WESTERN AUSTRALIA

Peel Development Commission Annual Report 2012-13



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.

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STATEMENT OF COMPLIANCE

The Hon Brendon Grylls MLA
Minister for Regional Development

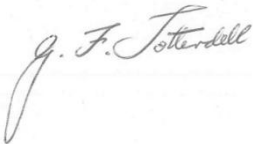
In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Peel Development Commission for the financial year ended 30 June 2013.

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



Mellisa Teede
Chief Executive Officer

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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 economic development and strategic planning and the delivery of infrastructure and services to meet the needs of the Peel Region now and into the future. The Commission provides the regional link between government policy and planning and regional aspirations and needs.

The Commission's Report on Operations is detailed from page 13 including the report "Overall Effectiveness Indicators for 2012-13" 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.

As detailed in the Report on Operations, in 2012-13 the Commission continued to work in collaboration with the region's five local governments, primarily through the Peel Region Leaders Forum. This group successfully reached an agreed process for identifying strategic regional projects and distribution of Country Local Government Funds, including the Mandurah Eastern Foreshore Redevelopment, Coolup Regional Equestrian Centre and a further stage of the Whitby Falls Community Access project.

The Commission continues to work with Water Corporation in the development of the Peel Recycled Water Scheme and was pleased to see \$500,000 allocated to conduct a feasibility study. Much work has been done to investigate and secure non-climate dependant water for agriculture and industry and transform the region, creating jobs into the future. Further information on this key priority is presented on page 16 of this report.

The Commission has completed Stage 1 of the Peel Regional Investment Blueprint which has identified a number of high level strategic priorities to position the region's economy and employment over the next ten to twenty years. These priorities include the creation of a number of non-climate dependent water supply schemes, the creation of innovative agricultural and agricultural related industry precincts, the creation of world class research and teaching facilities and the creation of a Peel Harvey Catchment Committee to govern and protect the region's waterways. The Commission will continue to work closely with its regional stakeholders in 2013-14 to finalise the Blueprint including a Strategic Action Plan for the next 6 years.

CHAIRMAN'S REPORT

I am pleased to present my second report as Chairman of the Peel Development Commission. This past year has been a very active one, characterised by change, challenges and progress.

The Peel Development Commission welcomed its new Chief Executive Officer, Mellisa Teede, who joined us in October from her previous role as acting CEO of Goldfields Institute of Technology. The Board of the Commission also welcomed four new members, adding significantly to its overall expertise and capacity to support the development of the Peel Region.

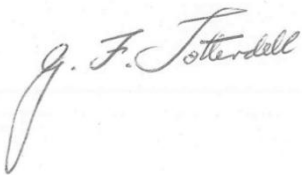
This past year saw a continuation of the difficult growth conditions both nationally and globally. The Peel Region's business sector has been under significant pressure and population continued to grow at a high rate, presenting challenges in terms of meeting the demands on services, facilities and the job market.

Looking forward, the Peel Development Commission has been working closely with our key stakeholders in preparing the Peel Regional Blueprint, an initiative designed to bring government and the private sector together to develop investment strategies for the region's future. Stage 1 of the Blueprint has been completed and this has brought to the fore a number of key focus areas, including the importance of managing the region's natural resource base, the need to development new sources of water and the need to broaden the base of our economy.

Stage 2 of the Blueprint will be tackled in the year ahead, developing strategies, securing resources and implementing programs and projects for the future development of our region.

It was pleasing to see from the Annual Client Survey that all three of the Commission's key outcome indicators remain high. There have been significant improvements for "facilitation and co-ordination" and "advice and information", both of which increased this year by 6%. This year's indicator for "contribution to the economic base" is very similar to the high levels seen over the previous 3 years.

Finally I would like to express my gratitude to our staff and Board members for their hard work over this past year. I look forward to continuing to work with our partners to ensure that the Peel Region continues to be a great place to live, work, invest and visit.



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

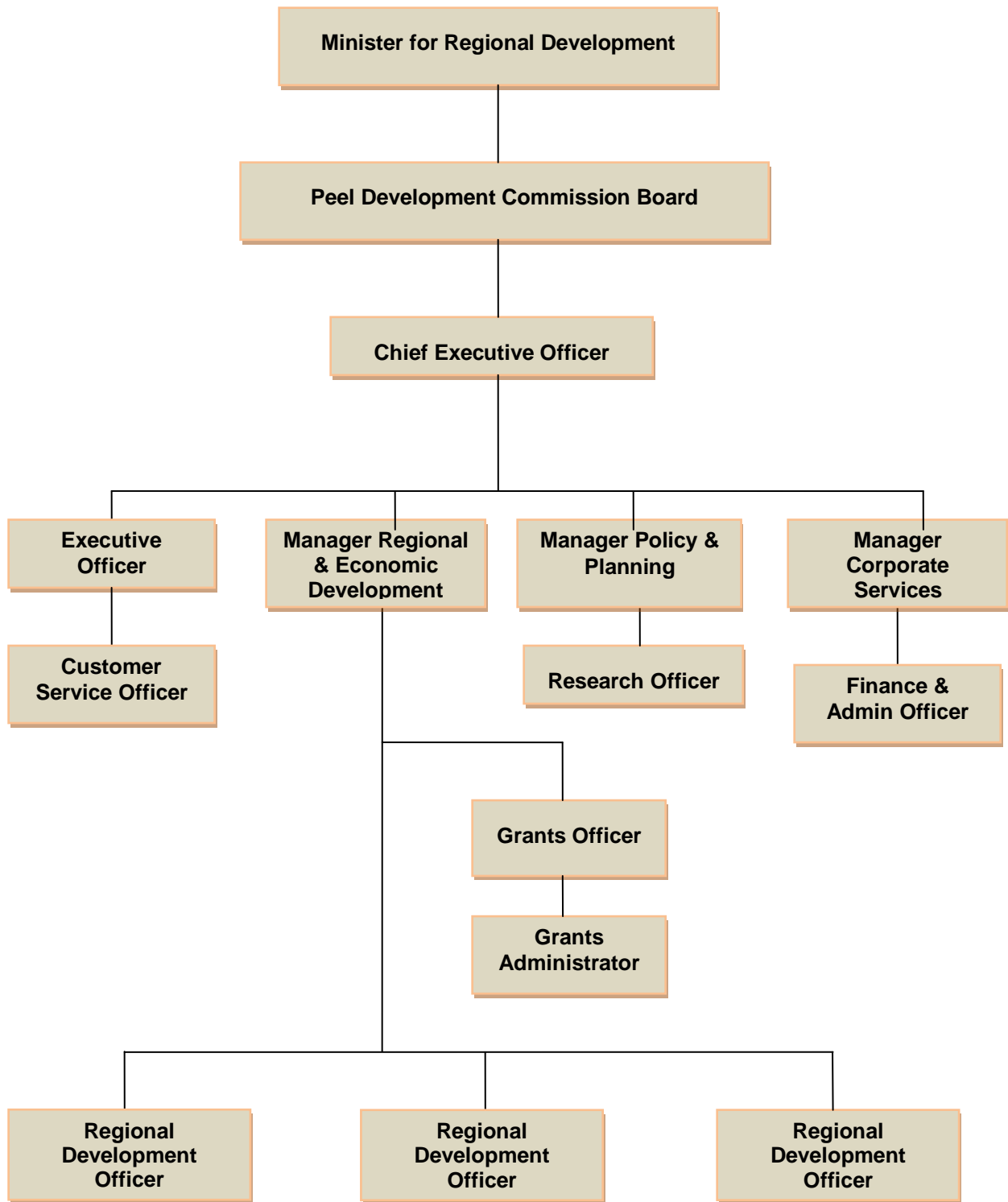
The Commission's Board of Management was established in 1994 upon proclamation of the *Regional Development Commissions Act 1993*. The Board comprises the CEO and others not exceeding nine in number including the Chair and Deputy Chair. The Minister has authority to appoint Board members. Three members 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>5 of 5</p> 
<p>MR PAUL FITZPATRICK (Deputy Chair) Community</p> <p>Paul Fitzpatrick is a descendant of the early settlers of the Peel Region. He is a graduate of the UWA Advanced School of Management Program and the Australian Institute of Company Directors. He co-founded the International award winning 'smart house' technology, the Smart Company of Australia in 1993. In 2001 he was elected to the Waroona Shire Council, serving 2 of his 7 years as Shire President. During this period he developed 'lifestyle olive farms'. He is currently a member of the Peel Planning Commission and is President of the Mandurah Country Club.</p>	<p>2 of 3</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>5 of 5</p> 

BOARD MEMBER	Meetings Attended
CR JOHN ALLERT Local Government	3 of 3
<p>John Allert has a Bachelor of English and is a Master of Commerce, and has also undertaken doctoral studies in Indigenous Economic Development. He is a Fellow and past President of the Public Relations Institute of Australia. Cr Allert has been a resident of Boddington for 14 years, and was elected to Council in 2009. He is currently the Shire President and is heavily involved in the community, holding membership on several committees including Chairman of the Hotham Way Tourist Route Committee.</p>	
CR RHYS WILLIAMS Local Government	3 of 4
<p>Rhys 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>	
MRS ELIZABETH HOEK Community	5 of 5
<p>Elizabeth Hoek is a long term resident of Boddington and is the Manager of the Boddington Community Resource Centre. She has been a Councillor with the Shire of Boddington since 1998 and is heavily involved in the community of Boddington through various local and regional committees. She is a Board member of Peel Community Development Group and Regional Development Australia Peel.</p>	
MR ANTONY EDWARDS Community	3 of 3
<p>Antony Edwards is a resident of Mandurah, holds a Diploma in Accounting and is a UWA Management Program Graduate. His past fellowships include the Australian Institute of Company Directors and the Australian Society of Certified Practising Accountants. Prior to his retirement Mr Edwards was Chief Financial Officer and Company Secretary of United Farmers Cooperative Company Ltd, a position he held for 5 years, and previously 14 years as Finance Director of Joyce Corporation Ltd.</p>	

BOARD MEMBER	Meetings Attended
<p data-bbox="151 208 435 264">MRS JOANNE ABBISS Ministerial</p> <p data-bbox="151 271 1074 544">Joanne Abbiss has been a resident of the Peel Region for over 30 years and currently resides in Keysbrook. She was the CEO of Serpentine Jarrahdale Shire for 7 years, holds a Bachelor of Science and is currently studying a Bachelor of Laws at Notre Dame University. Joanne now runs her own policy and strategy development business, is a training consultant for the Western Australian Local Government Association and a tutor with the Curtin Law School. She has a long history of community involvement which includes being a board member of the local landcare centre and the inaugural chairperson of the Keysbrook Hills Community Group Inc.</p>	<p data-bbox="1369 208 1444 230">3 of 3</p> 
<p data-bbox="151 678 443 734">CR WALTER BARRETT Local Government</p> <p data-bbox="151 741 1074 987">Cr Barrett is a long term resident of Pinjarra and a retired police officer. In 1994 he was elected as a Councillor with the Shire of Murray. He served as Deputy Shire President for 2 years before being elected as Shire President in late 2011. Cr Barrett serves on numerous boards and committees including Regional Development Australia, Department of Planning Development Assessment Panel, Rivers Regional Council and is a State Councillor on WALGA. He is active in the community, having served 23 years in the Army Reserve and holds a life membership in the Lions Club.</p>	<p data-bbox="1369 678 1444 701">5 of 5</p> 
<p data-bbox="151 1149 427 1205">MS MELLISA TEEDE Chief Executive Officer</p> <p data-bbox="151 1211 1074 1637">In October 2012 Mellisa Teede was appointed Chief Executive Officer of Peel Development Commission. Prior to this Ms Teede worked for several years in the education and training sectors both at a senior policy and service delivery level, her most recent role being A/CEO of Goldfields Institute of Technology in Kalgoorlie. Ms Teede has worked extensively with peak industry and regional bodies including the State Training Board, Regional Development Commissions, Chambers of Commerce and Industry and Chambers of Minerals and Energy. She has a strong background in the health and community services sectors as well as having solid connections in the resources sector. Ms Teede is keen to explore opportunities to partner with relevant stakeholders to build the skills of the regional workforce, with a particular focus on youth and Indigenous people, that will enable them to take up employment opportunities in industry where there is an identified skills shortage.</p>	<p data-bbox="1369 1149 1444 1171">4 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 2012-13.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

The Peel Development Commission partners with other agencies in all of its work as highlighted in its 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 (2012-13) did not specify any major cross-agency or whole-of-government responsibilities.

AGENCY PERFORMANCE – REPORT ON OPERATIONS

FINANCIAL TARGETS

Actual performance compared to Resource Agreement targets

Financial Targets	2013 Target \$'000	2013 Actual \$'000	Variance \$'000
Total Cost of services ¹⁾ (expense limit) (sourced from Income Statement)	3,924	3,525	399
Net Cost of Services ²⁾ (sourced from Income Statement)	3,894	3,511	383
Total equity ³⁾ (sourced from Balance Sheet)	3,306	2,540	766
Net Increase/Decrease in Cash Held ⁴⁾ (sourced from Cash Flow Statement)	(177)	229	406
Approved full time equivalent (FTE) staff level	13	11	2

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	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2012-13 Target
Client satisfaction with the contribution to the Region's economic base	86%	87%	86%	87%	90%

EFFICIENCY INDICATORS

	2009-10 (a)	2010-11 (a)	2011-12 (a)	2012-13
1. Facilitation and coordination	\$75	\$72	\$85	\$82
2. Information and advice	\$46	\$45	\$54	\$52

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

	2012-13 Actual	2012-13 Target	Variance
1. Facilitation and coordination	\$82	\$79	\$3
2. Information and advice	\$52	\$48	\$4

²⁾ The variation between the average cost per unit of service hour between 2012-13 Budget and 2012-13 Actual is due to the drop in FTE numbers in the latter part of the financial year.

STRATEGIC DIRECTION ONE: Government decision making takes account of Peel issues

Peel Regional Investment Blueprint

The Peel Development Commission has been developing a Regional Investment Blueprint for Peel. The purpose of the Blueprint is to present a long term vision (to 2031) for the future of the Peel region which will be underpinned by a set of aspirational goals and key growth strategies. A key driver of the Blueprint is the projected population growth, which is estimated to almost double over the next twenty to thirty years. This growth will require, at a minimum, an additional 23,000 jobs to meet the employment self-sufficiency target of 80% for the region. The future jobs growth of the region, beyond mining, construction and manufacturing, is limited. Therefore, diversifying the region's economy is crucial to ensuring a robust and sustainable economy for the future.

The Stage 1 Regional Investment Blueprint report found that extensive plans and strategies currently exist to address the existing, more acute, short term needs of the region. However, the report highlighted the need to take a longer term view of the region's future economy and the investment priorities required to accommodate the significant urban expansion of the region.

The economic diversification of the region is therefore a key priority. The region has significant tracts of agricultural land that could be opened up for investors, if the sustainable supply of non climate dependent water was made available. The region has many competitive features that will attract investors to the industry including transport infrastructure and our proximity to Perth, particularly the airport.

To this end, the Commission has identified a preliminary set of high level strategies that will shape the development of the final Blueprint. These include, but not limited to, the following:

- **water supply** and the creation of a number of non-climate dependent water supply schemes, including recycled water, to open up underutilised industrial and agricultural land to diversify the region's economy;
- **agricultural industry expansion** and the creation of a number of innovative agricultural and agricultural-related industry (supply chain) precincts including intensive food production and value adding in dairy production and intensive glasshouse production of fresh food. (A reliable water supply will attract investors into the region who are keen to take advantage of the growing food market opportunities, particularly with Asia's economic rise and growth);
- **catchment and waterways environmental protection** and the creation of a Peel Harvey Catchment body to advocate for the creation of a regulatory body to administer the Peel Harvey Catchment and Waterways;
- **skills, research and intellectual property development** and the creation of world class education, training and research facilities including at Murdoch University's Whitby Farm. The farm will directly support the region's agricultural industry, focussing on innovation and technology to support the dairy and intensive fresh food production industries with adoption of new technologies and business approaches in order to be globally competitive;
- **establishment of a regional city** – the City of Mandurah would be the principal centre, supplemented by the 'secondary city' of Pinjarra. A regional city would attract strong investor interest, and in turn, lead to the development of major infrastructure and greater employment opportunities; and
- **establishment of a high technology – commercial and business hub** - to broaden and diversify the region's business and commercial sectors and strengthen their competitive advantage in a global market.

This first stage of Peel's Regional Investment Blueprint has focused on articulating the region's current over-arching strategic framework; its vision, strategic direction, objectives and regional context, including known key drivers of regional development, reviewing and assessing the current planning documents and analysing any potential gaps that exist, as well as providing recommendations for forward planning that will anticipate future issues and work to address them.

Stage 2 of the Blueprint will provide a more detailed analysis of the issues and recommendations discussed in Stage 1, as well as the development of a strategic plan for the region which has been agreed on by all stakeholders. This final document will also consider all strategic planning and investment by public, private and not-for-profit sectors and form the basis of more comprehensive and long-term positioning and investment for the region.

Midway Community Centre

Midway Community Care has been providing support services in the Peel Region for children and young adults with an intellectual disability for more than twenty years.

With a decision by the state government to provide \$250,000 through the Royalties for Regions Regional Grant Scheme, Midway Community Care has been able to extend its day care facility in Mandurah. The extension provides daily support services for an additional 20 people with disabilities to participate in skill development in personal care, employment training, transport mobility and social activities. These types of activities contribute to Midway Community Care clients being more independent and enables them to gain greater access to community and community resources.



The centre was officially opened in 18 January 2013.

How our community thought we performed in this outcome area

Outcome	2012 Client Satisfaction	2013 Client Satisfaction
Peel Region's needs have been effectively represented in government decision making.	69%	70.8%

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

Strengthening the Primary Industries

Agriculture continues to play an important role in the development of the Peel Region due to the traditional aspects of the sector, namely the activities of cropping, animal husbandry, timber and fishing, becoming ever more linked to a vast array of new economic sectors.

With over 3% of the workforce already involved in some aspect of agriculture, the Peel Region is well-placed to help meet these demands. With both foreign and domestic investors looking to Western Australia for yet further opportunities, the Peel Region offers an attractive array of features that makes it the prime candidate for any future ventures including; its close proximity to the metropolitan region, a vast array of utilisable land, both flat plains and gentle slopes and access to new energy initiatives of the surrounding areas, as well as the state.

The Peel Development Commission has been involved in facilitating discussions around a number of new and emerging agricultural ventures in the region, known as precincts. Spread throughout the region, each of these inter-related initiatives is intended to focus on the current and future agricultural requirements at varying levels of market need. These precincts include the Southern Palus Plain Initiative, with interest coming from Chinese dairy parties amongst others, bio-industrial and bio-fuel businesses and a number of intensive food precincts, including glass-house production process to help address potential food shortages.

Our regional agricultural initiatives have the potential to build upon previously established connections in other sectors and transform the Peel Region into both a national and international agricultural powerhouse.

Recycled Water Initiatives

The need for readily available and consistent water supply is paramount to the ongoing development of the Peel Region and coupled with the continuing effects of climate change means that reusable water initiatives would provide the best option. Given Peel's proximity to the Indian Ocean, the Commission has been involved in three such ventures, each offering innovative means of collecting and reusing both storm and waste water in a bid to counteract the impacts of our evolving climate and increasing demand for water. Each of the projects discussed below has the potential to propel the Peel Region to the forefront of sustainable water recycling at an international level.

Peel Recycled Water Scheme (PRWS)

The Peel Recycled Water Scheme, the 'pipeline', has been a priority of the Commission for a number of years. Conceived as a means of utilising recycled water sourced from the Water Corporation's Woodman Point waste water treatment facilities in Munster and Mandurah, the pipeline has the potential to reach as far as Harvey in the state's south west. The pipeline would address water shortages regionally and ensure a significant and reliable supply of water to local agricultural, industrial and mining sectors, as well as residential and municipal customers.

In December 2012, the State Government announced that \$500,000 would be allocated to Water Corporation from Royalties for Regions, to conduct a feasibility study. The study, due for completion in the second half of 2013, will outline the approximate costs in the treatment of up to 40 gigalitres of waste water per year. The 'drought proof' water supply will not only benefit regional industry and businesses, but will also provide water for maintenance of parks, sporting fields and community areas.

Ocean Road

The Ocean Road Water Advanced Treatment Facility (WATF) seeks to provide the necessary output of water that the growing Mandurah area will require in the immediate future. Considered among the fastest growing areas within the City of Mandurah the Ocean Road precinct, comprising the suburbs of Dawesville and Wannanup, is likely to experience further growth in the immediate future with young families moving into the area as a result of ongoing residential developments. This in turn creates a higher demand for superior schooling and recreational facilities. Currently, no active sports reserve exists in the area and as a consequence residents need to travel to other areas in order to find suitable facilities, leading to overuse, congestion and increased maintenance costs.

The Ocean Road facility would primarily be used to provide year round water reticulation for the estimated three hectares of public space, the two primary schools currently located adjacent to the public space, as well as any future developments likely to be constructed in this precinct. The Commission approved a grant of \$305,000 in 2008-09 for the City of Mandurah, and supported the city's application for an additional \$1.59 million of capital investment to complete the facility and develop the active reserve.

Managed Aquifer Recharge

The Managed Aquifer Recharge (MAR) is an innovative water management project which aims to demonstrate (as a pilot project) the successful treatment and injection of captured water into a suitable deep aquifer for storage and eventual extraction and use when required. It is regarded as an integral part of the Peel Region's over-arching water initiative that will ensure a continuous and sustainable water supply for development purposes.

Expert analysis suggests that there is between 12 and 23 GL of water per annum that could be sustainably captured in the Nambelup area. It is further estimated that the local Cattamarra aquifer has a capacity of up to 100 GL for this form of storage.

In addition to meeting supply needs, the MAR will also be a very important component in reducing phosphorus exports to meet the Peel-Harvey Environmental Protection Policy 1992 requirements.

The first project of its kind in Western Australia, the MAR would benefit not only the proposed Nambelup Industrial Area, but also the greater Peel Region, as well as paving the way for future schemes to be established state wide.

The Commission has supported the Shire of Murray in the preparation of a business case for funds to commence the trial. An initial investment of \$2.2 million is required to implement the MAR scheme.

Peel Region Equine Industry

The equine industry in the Peel Region is a key economic driver. The racing side of it alone is responsible for generating more than \$53 million in value added contribution to gross state product, and directly employs over 1,600 people in the region. Those statistics, once combined with the non-racing side, make a compelling argument to support and develop this significant, but segmented regional industry.

The Commission has had a long standing interest in the region's equine industry and determined that the time was appropriate to commence discussions on collaboratively developing optimal pathways for the groups and individuals that comprise this diverse industry.

To assist that process the Commission has commissioned a study to determine the economic worth of the non-racing component of the equine industry. This study, combined with the region's racing data, will provide a complete economic assessment of the regional equine industry, including direct financial impacts and employment figures and will form a key component of the Blueprint's skills and employment strategies in 2013-14.



How our community thought we performed in this outcome area

Outcome	2012 Client Satisfaction	2013 Client Satisfaction
Peel's economy is strong prosperous and diverse now and into the future.	65.1%	66.7%

STRATEGIC DIRECTION THREE: Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel

Whitby Falls – Community Access Pathway Project

The Whitby Falls Farm, located to the east of Mundijong, is a site of significant history. Since its purchase by the state government in 1897 it has been the location for a psychiatric asylum, later developing as a working farm to provide occupational therapy for inpatients until the facility became redundant in 2004.

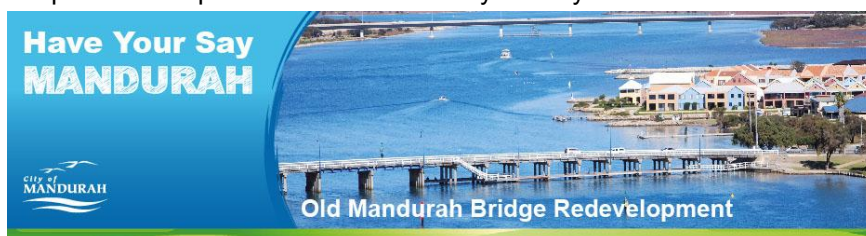
Vested to the National Trust of Australia (WA), the property was offered to interested parties for development, with a joint proposal by the Shire of Serpentine Jarrahdale and Murdoch University – strongly supported by the Commission - being successful.

Using Royalties for Regions funding the Shire, through an easement arrangement with Murdoch University, proposes to construct a shared use pathway through the property (along the alignment of the bisecting Manjedal Brook), so as to provide safe public access to a viewing area in the vicinity of the Whitby Falls. A fenced vegetation corridor, remediation of the brook and (ultimately) a sealed parking area will provide active and passive recreation and amenity opportunities for both the local community and visitors, and offer another quality tourism destination to visitors to the region.

The Commission has been an active advocate of schemes such as Whitby Falls, where partner organisations – in this case the National Trust, Murdoch University and the Serpentine Jarrahdale Shire – combine to provide multiple use outcomes.

Old Mandurah Bridge Replacement

The long-awaited redevelopment of the Old Mandurah Bridge is one step closer to reality as the project moves into phase two. The Community Reference Group has reviewed the progress and input received into the bridge replacement. A draft concept has been published on the “Have your Say MANDURAH” website :



One of the major standout comments during the community consultation period was around the allowance for foot traffic during the construction of the new bridge.

This replacement is not the first for bridge number 230, known as Old Mandurah Traffic Bridge. The eastern side of the estuary was first linked to the western side by a fully operational toll ferry in 1845 owned by Thomas Peel. This was then replaced by the first single lane bridge in 1894 for a cost of £1,792. The current structure was opened in 1953.

The Peel Development Commission provided funds through the Royalties for Regions Regional Grant Scheme of \$125,000 towards conceptualising the design for the new bridge.

How our community thought we performed in this outcome area

Outcome	2012 Client Satisfaction	2013 Client Satisfaction
Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel.	69.7%	73.1%

STRATEGIC DIRECTION FOUR: Peel communities are educated, productive, healthy, safe and supportive

Establishment of Peel Workforce Development Alliance

The Commission, in partnership with the Department of Training and Workforce Development, has been established a regional workforce development alliance.

The Peel Workforce Development Alliance (PWDA) will be a strategic – not operational – body. It will provide leadership and oversight for the development of a Peel Regional Workforce Development Plan. That Plan will align with the state government’s *Skilling WA – A workforce development plan for Western Australia*, and will directly address the skills requirements of regional industry.

The emphasis of the PWDA will be on supporting training development in industries and occupations that are emerging (agriculture/science) or in high growth and/or deemed to be in shortage of skilled workers. In 2013-14 the alliance will take a lead in the facilitation of partnerships with multiple stakeholders including industry, government and service providers, to develop targeted programs to address the skills requirements of the region.

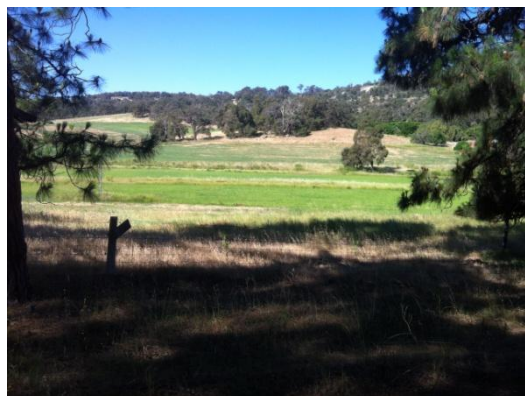
With the construction phase of major projects in the mining sector peaking in 2014 and the transitioning to the operational phase, it is expected that the Peel Region will see an increase of unemployed construction workers seeking employment. The challenge will be to identify potential growth areas for employment in the Peel Region and provide appropriate training to upskill the existing workforce to take advantage of those opportunities.

University Investment in Serpentine Jarrahdale

In addition to the community access pathway project being developed for Whitby Falls, Murdoch University has committed to reinstating the Whitby Falls property as a working farm for their students’ practical education.

This exciting project not only provides another tertiary educational facility in the Peel (part of the Murdoch School of Veterinary and Biomedical Sciences), but offers the opportunity for the university to undertake research into a range of primary production areas, such as dairy and horticulture.

The Commission has been a strong advocate and financial supporter of this project. The Whitby Falls Farm has the potential for developing into a centre of excellence in primary production education, with possible spin-off opportunities from research that could create a significant economic advantage for the Peel.



The Commission is working closely with Murdoch University and the Shire of Serpentine Jarrahdale to ensure the farm is developed to its full potential.

How our community thought we performed in this outcome area

Outcome	2012 Client Satisfaction	2013 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.	62.9%	63.4%

STRATEGIC DIRECTION FIVE: The Peel environment is better understood and managed

Plans for Waterways Governance

The Peel Harvey Catchment – in particular, the estuary and lower river reaches – is of critical importance to the Peel Region, not only for its environmental significance, but for economic, social and cultural reasons.

The lower river reaches and the estuary of the catchment have been under increasing stress, initially as a consequence of land clearing last century and the subsequent land uses, but more recently due to urban development on or near the waterways. That environmental stress was relieved temporarily, by the opening of the Dawesville Channel in 1994, but any sustained improvement is threatened by forecast population pressures.

The Commission is aware that a plethora of government/non-government agencies and numerous pieces of legislation with varying objectives, make it difficult to effectively provide a coordinated approach to providing sustainable natural resource management of the Peel Harvey Catchment.

For some years the Commission, along with environmental groups such as the Peel Harvey Catchment Council, has seen the need for an appropriate governance structure for the catchment. Such an oversight structure is seen as the crucial first step in reversing what is considered as the inevitable decline of the catchment waterways.

Over the last year, the Commission, through the Peel Regional Leaders Forum, has devoted considerable time to this matter, and has led detailed and far reaching discussions on this vital topic with both practitioners and government. This has led to the preparation of a discussion paper on an appropriate governance model for the estuary and the catchment including a State Government election commitment to contribute funds towards further science research.

Additionally the Commission has supported the Peel Harvey Catchment Council's efforts to have the Peel-Harvey recognised as a separate NRM (natural resource management) region.

How our community thought we performed in this outcome area

Outcome	2012 Client Satisfaction	2013 Client Satisfaction
The Peel's natural environment will be responsibly managed to protect its diversity for current and future generations.	80.4%	79.8%

SIGNIFICANT ISSUES AND TRENDS

Peel has a rapidly growing population with an annual average growth rate of 4.5% for the past five years (to 2011). This growth is significantly higher than for Western Australia, which experienced an annual growth rate of 2.7% for the same period. Peel has 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 2012 was 118,057; the majority (65%) of that population is located within the City of Mandurah. The fastest growing local government area in the region is the Shire of Serpentine Jarrahdale, whose population grew by 8% (to 19,958) between June 2011 and June 2012.

Peel has an economy based on mining, manufacturing and construction and in 2010-11 Peel provided 4.9% (\$10.7 billion) of Western Australia's gross regional product. 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.

The Peel Region continues to experience higher than state average levels of unemployment. In December 2012, there were 49,961 people in Peel's labour force and the unemployment rate was 5.5% as compared to Western Australia at 4.3%. Within the region there are significant geographic variations in the municipal unemployment rates – from 6.3% in Mandurah to 2.7% in Serpentine Jarrahdale.

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. The Peel Development Commission is actively addressing these challenges which include further developing the economy to create employment and creating education and training pathways to develop the occupational skill sets for the region's workforce to compete for those jobs.

Peel is also experiencing significant environmental challenges around the catchment and estuary. The Commission has worked actively with the Peel Harvey Catchment Council and State Government agencies to examine effective governance models to address the problems. A business case is currently being prepared in conjunction with the Department of Regional Development to fund a range of activities including the establishment of a Peel Harvey Estuary and Waterways Committee to ensure proper monitoring and coordination is conducted.

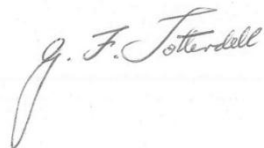
Social issues were highlighted in the *Peel Away the Mask II* report on social conditions in the Peel Region. The report noted that the Peel Region has a higher rate of reported drug-related offences than for Western Australia and also that levels of domestic violence in Peel are among the highest in the state. Lack of affordable housing continues to be an issue in the Peel Region. The Commission is liaising with key stakeholder groups including the Peel Harvey Community Group and the Western Australian Council of Social Services to monitor and ensure the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area.

Significant developments include the commencement of the Peel Regional Investment Blueprint, a strategic document that will provide a collaborative roadmap for the region into the future. The Commission has also worked unremittingly to support and improve the region's economy through a range of initiatives including skills development, water supply, education and agriculture. The environment remains a key concern, in particular the water quality of the Peel-Harvey catchment, and the Commission has been instrumental in exploring options for a more effective governance arrangement of the catchment.

DISCLOSURES AND LEGAL COMPLIANCE

CERTIFICATE OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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 2013 and the financial position as at 30 June 2013. 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
6 September 2013



Mellisa Teede
Chief Executive Officer
6 September 2013



Christine Abbott
Manager Corporate Services
6 September 2013

AUDITOR GENERAL REPORTS



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

PEEL DEVELOPMENT COMMISSION

Report on the Financial Statements

I have audited the accounts and financial statements of the Peel Development Commission. The financial statements comprise the Statement of Financial Position as at 30 June 2013, 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 2013 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 2013.

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 2013.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Peel Development Commission for the year ended 30 June 2013.

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 2013.

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 2013 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
12 September 2013

FINANCIAL STATEMENTS

Statement of Comprehensive Income For the year ended 30 June 2013

	Note	2013 \$	2012 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	1,128,779	1,072,472
Supplies and services	7	260,158	352,704
Depreciation and amortisation expense	8	20,431	9,977
Accommodation expenses	9	167,815	161,960
Grants and subsidies	10	1,904,060	3,794,247
Other expenses	11	43,639	32,467
Total cost of services		3,524,882	5,423,827
Income			
<i>Revenue</i>			
Other revenue	12	13,885	8,489
Total revenue		13,885	8,489
Total income other than income from State Government		13,885	8,489
NET COST OF SERVICES		3,510,997	5,415,338
Income from State Government			
Service appropriation	13	1,379,000	1,609,000
Resources received free of charge		6,081	4,852
Royalties for Regions Fund		2,339,341	700,000
Total income from State Government		3,724,422	2,313,852
SURPLUS/(DEFICIT) FOR THE PERIOD		213,425	(3,101,486)
OTHER COMPREHENSIVE INCOME			
			-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		213,425	(3,101,486)

Refer also to note 31 '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 2013

	Note	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	22	1,104,558	1
Restricted cash and cash equivalents	14, 22	1,397,297	2,272,571
Receivables	15	164,771	165,298
Total Current Assets		2,666,626	2,437,870
Non-Current Assets			
Amounts receivable for services	16	134,000	169,000
Plant and equipment	17	40,903	56,595
Total Non-Current Assets		174,903	225,595
TOTAL ASSETS		2,841,529	2,663,465
LIABILITIES			
Current Liabilities			
Payables	19	51,383	135,118
Provisions	20	227,914	180,714
Total Current Liabilities		279,297	315,832
Non-Current Liabilities			
Provisions	20	22,674	21,500
Total Non-Current Liabilities		22,674	21,500
TOTAL LIABILITIES		301,971	337,332
NET ASSETS		2,539,558	2,326,133
EQUITY			
Contributed Equity	21	137,770	137,770
Accumulated surplus/(deficiency)		2,401,788	2,188,363
TOTAL EQUITY		2,539,558	2,326,133

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 2013

	Note	Contributed equity	Reserves	Accumulated surplus/(deficit)	Total equity
Balance at 1 July 2011	21	137,770	-	5,289,849	5,427,619
Suplus/(deficit)				-3,101,486	-3,101,486
Other comprehensive income				-	-
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
Balance as at 1 July 2012		137,770	-	2,188,363	2,326,133
Suplus/(deficit)				213,425	213,425
Other comprehensive income					
Total comprehensive income for the year		-	-	213,425	213,425
Balance at 30 June 2013		137,770	-	2,401,788	2,539,558

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 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM/(TO) STATE GOVERNMENT			
Service appropriations		1,414,000	1,603,000
Holding account drawdowns		-	-
Royalties for Regions Fund		2,339,341	700,000
Net Cash provided by State Government		3,753,341	2,303,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,149,784)	(1,088,784)
Supplies and services		(423,476)	(486,121)
Grants and subsidies		(1,916,633)	(3,944,840)
GST payments on purchases		(185,149)	(437,032)
Other payments		(43,639)	(32,467)
Receipts			
Other revenue		2,644	5,207
GST receipts on sales		2,663	4,335
GST receipts from taxation authority		194,050	381,927
Net cash provided by/(used in) operating activities	22	(3,519,324)	(5,597,775)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(4,734)	(29,042)
Net cash provided by/(used in) investing activities		(4,734)	(29,042)
Net increase/(decrease) in cash and cash equivalents			
		229,283	(3,323,817)
Cash and cash equivalents at the beginning of period			
		2,272,572	5,596,389
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	22	2,501,855	2,272,572

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 2013

Note 1. Australian Accounting Standards General

The Commission's financial statements for the year ended 30 June 2013 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 2013.

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
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(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.

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

(i) Leases

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

(j) Financial instruments

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

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

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - 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.

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 2012 that impacted on the Commission.

AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of items of Other Comprehensive Income (AASB1,5,7,101,120,121,132,133,134,1039 & 1049)
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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). 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>AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures amended the mandatory application date of this Standard to 1 January 2015. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
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>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
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>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 12	<p><i>Disclosure of Interests in Other Entities</i> This Standard supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
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 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>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014

AASB 1053	<p><i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
AASB 1055	<p><i>Budgetary Reporting</i></p> <p>This Standard specified the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the GGS.</p> <p>The Commission will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	1 Jul 2014
AASB 2010-2	<p><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></p> <p>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.</p>	1 Jul 2013
AASB 2010-7	<p><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></p> <p>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.</p>	1 Jan 2015
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>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.</p>	1 Jul 2013
AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>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.</p>	1 Jul 2013
AASB 2011-7	<p><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></p> <p>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>. For not-for-profit entities it applies to annual reporting period beginning on or after 1 January 2014. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

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.

ASB 2011-10	<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>	1 Jan 2013
	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.	
AASB 2011-11	<i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i>	1 Jul 2013
	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.	
AASB 2012-1	<i>Amendments to Australian Accounting Standards – Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i>	1 Jul 2013
	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.	
AASB 2012-2	<i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i>	1 Jan 2013
	This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. There is no financial impact.	
AASB 2012-3	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i>	1 Jan 2014
	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.	
AASB 2012-5	<i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]</i>	1 Jan 2013
	This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.	
AASB 2012-6	<i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]</i>	1 Jan 2013
	This Standard amends the mandatory effective date of AASB 9 <i>Financial Instruments</i> to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.	

AASB 2012-7	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101& 127]</i>	1 Jul 2013
	This Standard adds to or amends the Australian Accounting Standards to provide further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general financial statement. There is no financial impact.	
AASB 2012-10	<i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, & 2011-7 and Int 12]</i>	1 Jan 2013
	This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity’s previous accounting for its involvement with other entities are required and the timing of such adjustments.	
	The Standard was issued in December 2012. The Department has not yet determined the application or the potential impact of the Standard.	
AASB 2012-11	<i>Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, 2, 8, 10, 107, 128, 133, 134 & 2011-4]</i>	1 Jul 2013
	This Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). These corrections ensure that the Standards reflect decisions of the AASB regarding the Tier 2 requirements.	
	This Standard also extends the relief from consolidation and the equity method (in the new Consolidation and Joint Arrangements Standards) to entities complying with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.	

Note 6. Employee benefits expense

	2013	2012
	\$	\$
Wages and salaries ^(a)	1,009,393	972,232
Superannuation - defined contribution plans ^(b)	92,513	83,054
Other employee related expenses ^(c)	26,873	17,186
	1,128,779	1,072,472

(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

	2013	2012
	\$	\$
Communication	12,622	18,589
Consultants & contractors	182,285	244,519
Consumables	32,998	27,914
Vehicle lease costs	17,602	26,898
Other expenses	14,651	34,784
	260,158	352,704

Note 8. Depreciation

	2013	2012
	\$	\$
<u>Depreciation</u>		
Computing hardware	13,137	2,683
Furniture, fixtures & fittings	1,436	1,436
Office equipment	2,621	2,621
Communication equipment	3,237	3,237
Total Depreciation	20,431	9,977

Note 9. Accommodation expenses

	2013	2012
	\$	\$
Lease rentals	154,270	145,424
Cleaning	13,545	16,536
	167,815	161,960

Note 10. Grants and subsidies

	2013	2012
	\$	\$
<u>Recurrent</u>		
Boddington Gold Mine Expansion - Social Infrastructure Package	1,597,385	75,652
Royalties for Regions - Regional Grants Scheme	203,763	3,433,849
Royalties for Regions - Support to Regional Groupings of Local Governments	54,421	106,091
Other Project Related Grants	-	178,655
Royalties for Regions – Blueprint	48,491	-
	1,904,060	3,794,247

Note 11. Other expenses

	2013	2012
	\$	\$
Audit Fees	29,600	26,000
Other	14,039	6,467
	43,639	32,467

Note 12. Other revenue

	2013	2012
	\$	\$
Recoups - unacquitted grants and subsidies	7,502	-
Recoups - other (a)	6,356	3,072
Miscellaneous (b)	27	5,417
	13,885	8,489

(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 13. Income from State Government

	2013	2012
	\$	\$
Appropriation received during the year:		
Service appropriations ^(a)	1,379,000	1,609,000
	1,379,000	1,609,000

Resources received free of charge from other State Government Agencies during the period^(b)

Determined on the basis of the following estimates provided by agencies:

DTF - Building Management and Works	6,081	4,852
	6,081	4,852

Grants received from Government agencies

Royalties for Regions Fund:

- Regional Community Services Fund ^(c)	2,153,377	500,000
- Country Local Government Fund ^(c)	185,964	200,000-
	2,339,341	700,000
	3,724,422	2,313,852

(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 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

	2013	2012
	\$	\$
<u>Current</u>		
Royalties for Regions Fund ^(a)	751,897	29,786
Boddington Gold Social Infrastructure Package ^(b)	645,400	2,242,785
	<u>1,397,297</u>	<u>2,272,571</u>

- (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.

Note 15. Receivables

	2013	2012
	\$	\$
<u>Current</u>		
Receivables	1,320	440
GST Receivable	149,698	161,466
	<u>151,018</u>	<u>161,906</u>
Loans and advances		
Other debtors	13,753	3,392
Total Current	<u>164,771</u>	<u>165,298</u>

Note 16. Amounts receivable for services (Holding Account)

	2013	2012
	\$	\$
Non-Current	134,000	169,000
	<u>134,000</u>	<u>169,000</u>

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

	2013	2012
	\$	\$
<u>Communication equipment</u>		
At cost	16,183	16,183
Accumulated depreciation	(6,744)	(3,507)
	<u>9,439</u>	<u>12,676</u>
<u>Computing hardware</u>		
At cost	61,725	56,986
Accumulated depreciation	(41,081)	(27,944)
	<u>20,644</u>	<u>29,042</u>
<u>Furniture fixtures and fittings</u>		
At cost	14,864	14,864
Accumulated depreciation	(7,084)	(5,648)
	<u>7,780</u>	<u>9,216</u>
<u>Office equipment</u>		
At cost	13,103	13,103
Accumulated depreciation	(10,063)	(7,442)
	<u>3,040</u>	<u>5,661</u>
	<u>40,903</u>	<u>56,595</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:

	Communication equipment	Computing hardware	Furniture fixture and fittings	Office equipment	Total
2013	\$	\$	\$	\$	\$
Carrying amount at start of year	12,676	29,042	9,216	5,661	56,595
Additions**	-	4,739	-	-	4,739
Depreciation	(3,237)	(13,137)	(1,436)	(2,621)	(20,431)
Carrying amount at end of year	9,439	20,644	7,780	3,040	40,903

** The figure related to prior year capitalised computing hardware cost base.

	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	12,676	29,042	9,216	5,661	56,595

Note 18. Impairment of assets

There were no indications of impairment to plant and equipment, or intangible assets at 30 June 2013.

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 2013 have either been classified as assets held for sale or written-off.

Note 19. Payables

	2013	2012
	\$	\$
<u>Current</u>		
Trade payables	0	12,772
Other payables	0	3,075
Accrued expenses	17,149	97,571
Accrued salaries	34,234	21,700
Total current	51,383	135,118

Note 20. Provisions

	2013	2012
	\$	\$
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave ^(a)	66,264	74,513
Long service leave ^(b)	157,553	97,297
Purchased Leave scheme	3,064	8,102
	226,881	179,912
<i>Other provisions</i>		
Employment on-costs ^(c)	1,033	802
	1,033	8,904
	227,914	180,714
<u>Non-current</u>	2013	2012
<i>Employee benefits provision</i>	\$	\$
Long service leave ^(b)	22,571	21,401
	22,571	21,401
<i>Other provisions</i>		
Employment on-costs ^(c)	103	99
	103	99
	22,674	21,500

- (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:

	2013	2012
	\$	\$
Within 12 months of the end of the reporting period	47,813	48,287
More than 12 months after the reporting period	18,451	26,226
	66,264	74,513

- (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:

	2013	2012
	\$	\$
Within 12 months of the end of the reporting period	58,389	20,139
More than 12 months after the reporting period	121,735	98,559
	180,124	118,698

- (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

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

	2013	2012
	\$	\$
<u>Employment on-cost provision</u>		
Carrying amount at start of period	901	1,081
Additional provisions recognised	235	(180)
Carrying amount at end of period	1,136	901

Note 21. Equity

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

Contributed Equity

	2013	2012
	\$	\$
Balance at start of period	137,770	137,770
Balance at end of period	<u><u>137,770</u></u>	<u><u>137,770</u></u>

Accumulated surplus/(deficit)

	2013	2012
	\$	\$
Balance at start of period	2,188,363	5,289,849
Result for the period	213,425	(3,101,486)
Income and expense recognised directly to equity	-	-
Balance at end of period	<u><u>2,401,788</u></u>	<u><u>2,188,363</u></u>
Total Equity at end of period	<u><u>2,539,558</u></u>	<u><u>2,326,133</u></u>

Note 22. Notes to the Statement of Cash Flows

Reconciliation of cash

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

	2013	2012
	\$	\$
Cash and cash equivalents	1,104,558	1
Restricted cash and cash equivalents (refer to note 14)	1,397,297	2,272,571
	<u><u>2,501,855</u></u>	<u><u>2,272,572</u></u>

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

	2013	2012
	\$	\$
Net cost of services	(3,510,997)	(5,415,338)
<u>Non-cash items:</u>		
Depreciation and amortisation expense	20,431	9,977
Resources received free of charge	6,081	4,852

<u>(Increase)/decrease in assets:</u>		
Current receivables ^(a)	(11,241)	(3,282)
<u>Increase/(decrease) in liabilities:</u>		
Current payables ^(a)	(83,740)	(111,342)
Current provisions	47,200	(32,670)
Non-current provisions	1,174	1,003
Net GST receipts/(payments) ^(b)	11,564	(50,770)
Change in GST in receivables/payables ^(c)	204	(205)
Net cash provided by/(used in) operating activities	(3,519,324)	(5,597,775)

- (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 23. Commitments

Lease Commitments

The commitments below are inclusive of GST where relevant.

Non-cancellable operating lease commitments

	2013	2012
	\$	\$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	69,520	80,428
Later than 1 year and not later than 5 years	-	6,792
	69,520	87,220

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 2014.

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

	2013	2012
	\$	\$
Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	838,808	442,119
Later than 1 year and not later than 5 years	0	191,785
	838,808	633,904

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

Note 24. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at the end of June 2013.

Note 25. 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 26. Explanatory Statement

This statement provides details of any significant variations between estimates and actual results for 2013 and between actual results for 2012 and 2013. Significant variations are considered to be those greater than 10% or \$50,000.

Significant variances between estimated and actual results for the financial year.

	2013	2013	Variation
	Estimate	Actual	
	\$	\$	\$
<u>Expenses</u>			
Supplies and services	201,000	260,158	59,158
Grants and subsidies	2,231,000	1,904,060	(326,940)
Other expenses	133,000	43,639	(89,361)
<u>Income</u>			
Service appropriation	1,638,000	1,379,000	(259,000)

Supplies and services

Items previously budgeted as other expenses have been reclassified.

Grants and subsidies

Variation due to the timing of grant payments.

Other expenses

Items previously budgeted as other expenses have been reclassified.

Service appropriation

A reduced appropriation to the Full Time Equivalent ceiling to 13 FTE's to 10.

Significant variances between actual results for 2012 and 2013

	2013	2012	Variation
	Actual	Actual	
	\$	\$	\$
<u>Income</u>			
Service appropriation	1,379,000	1,609,000	(230,000)
Royalties for Regions Fund	2,339,341	700,000	1,639,341
<u>Expenses</u>			
Supplies and services	260,158	352,704	(92,546)
Grants and subsidies	1,904,060	3,794,247	(1,890,187)

Service appropriation

The variance is attributable to lower appropriation received due to Department of Treasury capping the allocated FTE's to the Commission to 10 FTE's

Royalties for Regions Fund

The variance is mainly attributable to reimbursement received from the Department of Regional Development for use of operational funds in 2012 to make project milestone payments.

Supplies and services

The variance is due to lower cost under the new IT service contract. Further, the 2012 figures capture costs associated with regional branding project, no such cost in 2013.

Grants and subsidies

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

Note 27. Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

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

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

	2013	2012
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	1,104,558	1
Restricted cash and cash equivalents	1,397,297	2,272,571
Loans and receivables ^(a)	149,073	172,832
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	51,383	135,118

^(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	\$	\$	\$	\$	\$	
2013								
Cash and cash equivalents	1,104,558	1,104,558	-	-	-	-	-	-
Restricted cash and cash equivalents	1,397,297	1,397,297	-	-	-	-	-	-
Receivables ^(a)	15,073	9,481	-	-	318	5,274	-	-
Amounts receivable for services	134,000	134,000	-	-	-	-	-	-
	2,650,928	2,645,336	-	-	318	5,274	-	-
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	-	-

^(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 \$
2013											
<u>Financial Assets</u>											
Cash and cash equivalents		1,104,558	-	-	1,104,558	1,104,558	1,104,588	-	-	-	-
Restricted cash and cash equivalents		1,397,297	-	-	1,397,297	1,397,297	1,397,297	-	-	-	-
Receivables ^(a)		15,073	-	-	15,073	15,073	15,073	-	-	-	-
Amounts receivable for services		134,000	-	-	134,000	134,000	-	-	-	-	134,000
		2,650,928	-	-	2,650,928	2,650,928	2,516,928	-	-	-	134,000
<u>Financial Liabilities</u>											
Payables		51,383	-	-	51,383	51,383	51,383	-	-	-	-
		51,383	-	-	51,383	51,383	51,383	-	-	-	-

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

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

	<u>Interest rate exposure</u>					<u>Maturity Dates</u>					
	Weighted Average effective interest rate %	Carrying Amount \$	Fixed interest rate \$	Variable interest rate \$	Non- Interest Bearing \$	Nominal Amount \$	Up to 1 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 sensitivity analysis

None of the Commission's financial assets and liabilities at the end of the reporting period is 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.

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

Remuneration of members of 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:

\$	2013	2012
0 – 10,000	12	14
10,001 – 20,000	-	-
20,001 – 30,000	-	1
30,001 – 40,000	1	-
Base remuneration and superannuation	65,216	46,178
Annual leave and long service leave accruals	-	-
Other benefits	-	-
Total remuneration of members of the accountable Authority	65,216	46,178

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

Remuneration of senior officers

\$	2013	2012
70,001 – 80,000	-	-
80,001 – 90,000	-	-
90,001 – 100,000	-	-
100,001 – 110,000	-	-
110,001 – 120,000	1	-
120,001 – 130,000	-	-
130,001 – 140,000	-	-
140,001 – 150,000	-	-
150,001 – 160,000	-	-
160,001 – 170,000	-	1
170,001 – 180,000	1	-
180,001 – 190,000	-	-
Base remuneration and superannuation	283,309	148,339
Annual leave and long service leave accruals	11,734	11,942
Other benefits	-	-
Total remuneration of member of the accountable authority	295,043	160,281

Note 29. Remuneration of auditor

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

	2013	2012
	\$	\$
Auditing the accounts, financial statements and key performance indicators	29,000	27,700

Note 30. *Supplementary financial information*

There has been no write-offs, losses through theft, default and other causes or any of public property.

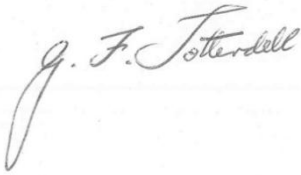
Note 31. Schedule of income and expenses by service

	Facilitation & Coordination		Information & Advice		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
COST OF SERVICES						
<u>Expenses</u>						
Employee benefit expense	1,015,901	965,225	112,878	107,247	1,128,779	1,072,472
Supplies and services	234,142	317,434	26,016	35,270	260,158	352,704
Depreciation and amortisation expense	18,388	8,979	2,043	998	20,431	9,977
Accommodation expenses	151,034	145,764	16,781	16,196	167,851	161,960
Grants and subsidies	1,713,654	3,414,822	190,406	379,425	1,904,060	3,794,247
Other expenses	39,275	29,220	4,364	3,247	43,639	32,467
Total cost of services	3,172,394	4,881,444	352,488	542,383	3,524,882	5,423,827
<u>Income</u>						
Other revenue	12,497	7,640	1,388	849	13,885	8,489
Total income other than income from State Government	12,497	7,640	1,388	849	13,885	8,489
NET COST OF SERVICES	3,159,897	4,873,804	351,100	541,534	3,510,997	5,415,338
INCOME FROM STATE GOVERNMENT						
Service appropriation	1,241,100	1,448,100	137,900	160,900	1,379,000	1,609,000
Resources received free of charge	5,473	4,367	608	485	6,081	4,852
Royalties for Regions Fund	2,105,407	630,000	233,934	70,000	2,339,341	700,000
Total income from State Government	3,351,980	2,082,467	372,442	231,385	3,724,422	2,313,852
Surplus/(deficit) for the period	192,083	(2,791,337)	21,342	(310,149)	213,425	(3,101,486)

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 2013

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 2013.



Geoff Totterdell
Chairman
6 September 2013



Mellisa Teede
Chief Executive Officer
6 September 2013



Christine Abbott
Manager Corporate Services
6 September 2013

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 2012-13 the Commission engaged an independent market research consultancy to undertake its Client Survey.

The Commission provided a database of 152 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 Asset Research.

A total of 120 surveys were completed – a response rate of 79%. 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 the two preceding years is included for comparison purposes.

Outcome: Development and Promotion of the Peel Region	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2012-13 Target
Client satisfaction with the contribution to the Region's economic base	84%	86%	87%	86%	87%	90%

Satisfaction levels were slightly increased in 2013 in comparison with previous years, and these 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.

	2008-09 (a)	2009-10 (a)	2010-2011 (a)	2011-12 (a)	2012-13 (a)
1. Facilitation and coordination	\$75	\$75	\$72	\$85	\$82
2. Information and advice	\$46	\$46	\$45	\$54	\$52

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

	2012-13 Actual	2012-13 Target	Variance
1. Facilitation and coordination	\$82	\$79	\$3
2. Information and advice	\$52	\$48	\$4

2. *The variation between the actual and target cost per unit of service hour between 2012-13 is contributed by:*
 - a) *A drop in FTE numbers in the latter part of the financial year*
 - b) *Grant and Subsidies expenditure in 2013 was 50% lower than in 2012 due to a majority of projects being acquitted in the later year*

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 and publications.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Staff Profile

	As at 30 June 2012	As at 30 June 2013
Full time permanent	6	3
Part time permanent	3	3
Full time contract	2	3
Part time contract	1	2
Total (FTE)	12	11

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 2012-2013, employees were collectively involved in 180 hours of training and development courses at a cost of \$10,912.

GOVERNANCE DISCLOSURES

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 or had any interests in existing or proposed contracts with the Commission and members or with all officers.

The Commission has administered 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.

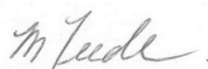
Peel Development Commission continues to regularly review and update internal policies to ensure currency with Public Sector Commission updates.

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)

The Peel Development Commission has, in its administration, complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics, and the Code of Conduct. The applications made for breach of standards review and the corresponding outcomes for the reporting period are as follows:

Compliance issues	Significant action taken to monitor and ensure compliance
<i>Public Sector Standards (PSS)</i> <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.
<i>WA Code of Ethics</i> <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.
<i>Peel Development Commission Code of Conduct</i> <i>Nil breach claims or reports</i>	Code of Conduct is accessible on the Commission's shared drive and hard copies are available to staff and board members (signed off on induction). Code of Conduct is part of all inductions for board and staff members.



Mellisa Teede
Chief Executive Officer
6 September 2013

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	-
Advertising agency services	\$5560
Market advertising promotion campaigns	\$1230
Total	\$6790

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

AdCorp	\$5560
Rural Press Regional Media (WA)	\$1230

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 2012-2013 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	4	0
Outcome 2	2	2	0
Outcome 3	4	4	0
Outcome 4	2	2	0
Outcome 5	2	0	1
Outcome 6	2	1	0

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

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. Updates to the Record Keeping Plan are done in consultation with the State Records Office.

Records Training is arranged for new staff who take up positions involving record keeping and new staff are trained in the use of the Commission's electronic record keeping program. Other intensive training is provided on an 'as needs' basis.

SUBSTANTIVE EQUALITY POLICY

The Commission has no obligation to implement or report against the Policy Framework for Substantive Equality. However, the Commission's commitment to achieving substantive equality in the Peel Region is evidenced elsewhere within this report.

OFFICE OF SHARED SERVICES

The Office of Shared Services (OSS) provided financial, procurement and human resources services for the Commission until 30 April 2013. At that time these services, with the exception of procurement, were transferred to the Department of Regional Development (previously Department of Regional Development and Lands).

The centralising of these services aims to standardise delivery of administrative services across government. However the Commission continues to employ an officer to undertake the functions of a Chief Financial Officer to work in conjunction with the Department of Regional Development.

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

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

- A strong focus on OSH at induction of new staff;
- Placing OSH as a standing agenda item at all 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 engaged a qualified consultant to conduct an assessment in 2012 of its occupational safety and health management system using the WorkSafe Plan. The assessment found that the Commission's systems were sound with only minor improvements recommended. As a result, the Commission is currently strengthening its occupational safety and health management system and considering the recommendations contained within the report. To date, 3 out of the 5 (60%) recommendations have been completed.

Report of Annual Performance for 2012-2013		
Indicator	Target	Actual
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	100%	N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities	50%	25%

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 (September 2012): presents a selection of interesting facts and figures relating to social, economic and environmental aspects of the Peel Region.
- Peel Away the Mask II: an update of the ground-breaking *Peel Away the Mask* (2001). PATM II provides updated information on strategic economic, social and environment development in 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.
- Peel Pulse: a bi-monthly newsletter that provides detailed information in relation to current community activities and initiatives undertaken by the Peel Development Commission.