

# Peel Development Commission

## Annual Report 2014-15



PROGRESSIVE | PROSPEROUS | DYNAMIC

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It can be downloaded at [www.peel.wa.gov.au](http://www.peel.wa.gov.au)

# About this Annual Report

Welcome to our Annual Report that presents clear and concise information on the operational, financial and service performance of Peel Development Commission for the 2014 to 2015 financial year.

This report provides an insight into the services delivered to the Peel region of Western Australia over the past 12 months. It highlights the achievements of the Commission and recognises and addresses the challenges and opportunities facing us into the future.

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.

This Annual Report is available in alternative formats upon request.

Enquiries and feedback may be directed to:

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# Statement of Compliance

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

In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Peel Development Commission for the financial year ended 30 June 2015.

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*;
- *Disability Services Act 1993*;
- *Equal Opportunity Act 1984*;
- *Freedom of Information Act 1992*;
- *Industrial Relations Act 1979*;
- *Minimum Conditions of Employment Act 1993*;
- *Occupational Health and Safety Act 1984*;
- *Public Sector Management Act 1994*;
- *Salaries and Allowances Act 1975*;
- *State Records Act 2000*;
- *Public Interest Disclosure Act 2003*; and
- *Royalties for Regions Act 2009*.

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.



Paul Fitzpatrick  
Chairman  
September 2015



Norman Baker  
Acting Chief Executive officer  
September 2015



## Chairman's Report

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During the past 12 months the Peel Development Commission (Commission) has worked closely with its stakeholders in continuing to refine the draft Peel Regional Investment Blueprint (Blueprint) to form a shared view of the future vision for the Peel.

The Blueprint sets clear objectives and strategies to address the challenges that Peel, as one of the fastest growing regions of the State, will continue to face. It is conservatively projected that by 2031 the region's population will increase from 128,798 (as at December 2014) to 188,400.

Initiatives outlined in the Blueprint will direct the formulation of the Commission's strategic and business plans which respond to the projected growth and identified development priorities of the region.

A number of legacy projects described in the Blueprint have begun development with progress being made on the Peel Business Park Nambeelup, Peel Water Initiative and Peel Food Zone. These three transformational projects combine to form the Peel Peri-urban Strategic Economic and Environmental Initiative and are poised to transform the economy of the Peel into the future whilst also having a positive effect on key environmental assets.

The Peel region is well placed to attract new investment with its close proximity to the metropolitan area, export markets and transport corridors. Discussions have continued with potential investors in both the agriculture and commerce sectors to relocate and/or establish new enterprises to Peel.

Staff worked in partnership with proponents to prepare a number of successful Royalties for Regions business cases during the period gaining significant investment for the Peel.

During the period the Commission administered \$1 million Regional Grants Scheme Grants and \$370,000 Peel Community Chest Fund grants both funded by Royalties for Regions to successful local applicants.

We have continued to support the protection of the region's catchment and waterways through the Peel Harvey Estuary Management Committee.

The Commission has led the development of a Peel Workforce Development Plan in conjunction with the Peel Workforce Development Alliance to ensure strategies are in place to enable our population to fulfil the employment opportunities of the future.

Promotion of the region is a major focus of what we do. We have continued to form strong relationships with our stakeholders, including private investors, the five local authorities, government agencies and peak bodies. These established alliances will ensure we take a holistic approach to the region's economic, social and environmental development.

A number of successful events were facilitated by the Commission during the year including:

- In July 2014 Hon Kim Hames, Deputy Premier; Minister for Health; Tourism launched the Peel Investment Series over breakfast at Mandurah Quay Resort;
- Western Australian Regional Development Trust toured the region in October 2014 visiting a number of farms and agri-businesses that are undertaking innovative and sustainable practices;

## This year in review

- Launch of the draft Peel Regional Investment Blueprint by the Hon Colin Holt, Minister for Housing , Racing, Gaming representing Minister Redman, Minister for Regional Development; Lands at the CEDA State of the Regions event in November 2014;

Photo courtesy of Energy Images



- In February 2015 the Commission hosted a luncheon attended by Hon Kim Hames, Deputy Premier; Minister for Health; Tourism and key local stakeholders to undertake a roundtable discussion about the plans for tourism in the Peel region and other key projects; and
- In March 2015 Hon Terry Redman, Minister for Regional Development; Lands attended the Peel Unearthed breakfast at the Millbrook Winery in Jarrahdale. The breakfast engaged representatives from Commonwealth, State, and Local Governments with industry representatives for an informative and engaging discussion around the importance of the food and agriculture industry in the Peel region, including the opportunities for future trade and investment.



The aim of the Peel Development Commission is to grow the region through facilitating a greater diversity of industries and commerce. Along with this, our objective is always to facilitate an increase in education and training opportunities that lead to jobs in those industries, to strategically position Peel as a “progressive, prosperous and dynamic region”. Through the activities outlined in this report the Commission has progressed towards achievement of its objectives.

I would like to express my thanks to fellow Board members and staff for their work and commitment throughout the year. It is my pleasure to welcome new Board members commencing in the second half of 2015.

Additionally, I offer my thanks to the Minister for Regional Development Hon Terry Redman MLA and his staff for their ongoing support.

We look forward to another successful year ahead.

A handwritten signature in black ink, appearing to read 'Paul Fitzpatrick'.

Paul Fitzpatrick  
Chairman



## Executive Summary

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The Peel Development Commission has progressed a number of strategies and initiatives in collaboration with stakeholders over the period to realise our aim of making Peel an even better place to live, work and invest.

In Byford we worked with the Shire of Serpentine-Jarrahdale and Byford & District Country Club to receive Royalties for Regions funding to contribute to the Clubs relocation, freeing up critical land in the Byford town centre enabling future development by commercial interest.

The City of Mandurah secured \$8.8million in Royalties for Regions funding to contribute to replacement of the 62 year old traffic bridge. This investment will enable the replacement bridge to have additional recreational facilities such as fishing platforms.

Officers continued to work with Shire of Boddington on the Boddington Growth Plan developed as major focus of the Supertown program.

In Waroona, through the Royalties for Regions Regional Grant Scheme, the Waroona Lions Club secured \$49,500 for the restoration of the Animal Nursery and the Shire of Waroona secured \$80,000 for their restoration of the Town Hall that was originally constructed in 1932.

Release of the Western Australian Planning Commission's draft South Metropolitan Peel Sub-regional Planning Framework generated discussion with the Shire of Murray and City of Mandurah about long term plans for the region. Commission staff contributed to the Local Government Authorities joint submission to the WA Planning Commission in response released draft.

A continued focus on the environment has been facilitated through the development and promotion of innovative and sustainable

agricultural practices in partnership with the Peel Harvey Catchment Council.

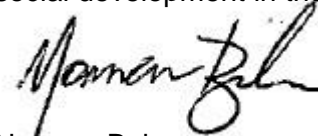
In progressing with the development of the Blueprint six transformational legacy project concepts have been developed in consultation with stakeholders:

1. Peel Peri-urban Strategic Economic and Environmental Initiative (incorporating Peel Business Park Nambelup, Peel Food Zone and Peel Water Initiative)
2. Peel Hospitality, Tourism and Events Training Centre
3. Peel Tourism Economic Development Strategy
4. Peel Industry Innovation Precinct
5. Peel Secure Housing and Employment Support Services
6. Murray Regional Equestrian Centre

These projects will be progressed through feasibility studies and business case development over a three year timeframe and will be a major focus of the Commission's activities during this period.

Ongoing communication with regional stakeholders has been a focus area over the past twelve months with the Commission launching a refurbished website, developed a fortnightly e-newsletter and hosting a Peel Business Investment Series.

The Commission will continue to engage its regional stakeholders in 2015-2016 to create sustainable positive impacts on economic and social development in the Region.



Norman Baker  
Acting Chief Executive Officer

# This year in review

## Highlights

|  |   |  |
|--|---|--|
| <p>Successful Royalties for Regions business case for Byford Town Centre Transformation, freeing up critical land for development in Byford.</p>           | <p>Six transformational legacy project concepts aimed at transforming the Peel developed in consultation with stakeholders.</p>                   | <p>Business case submitted for Dwellingup Village Stage 2 to provide housing options for ageing residents in Dwellingup.</p>   |
| <p>\$1 million of Regional Grants Scheme funding administered to 10 successful applicants.</p>   | <p>Successful Royalties for Regions business case for Boddington Recreation Centre developed in conjunction with the Shire of Boddington.</p>     | <p>Peel Development Commission Disability Access and Inclusion Plan 2015 - 2020 published.</p>   |
| <p>\$370,000 Peel Community Chest Fund Grants administered to 25 successful applicants.</p>  | <p>Successful Royalties for Regions business case developed for Mandurah Traffic Bridge Replacement in conjunction with the City of Mandurah.</p> | <p>The WA Regional Development Trust toured the Peel visiting farms and Agri-businesses that demonstrate innovative and sustainable practices.</p>                   |
| <p>Draft Peel Regional Investment Blueprint launched for feedback at the Future of the Peel Committee for Economic Development Australia (CEDA) event.</p> | <p>Business cases for Peel Business Park Nambeelup, Peel Water Initiative, and Peel Food Zone under development.</p>                              | <p>Three successful Peel Business Investment Series events held at locations around the Peel focussing on discussion of key economic opportunities for the Peel.</p> |
| <p>Peel Workforce Development Centre announced.</p>  | <p>Ageing in the Peel Working Group established with a focus on enabling ageing in place in all Peel communities.</p>                             | <p>Peel Regional Workforce Development Plan finalised.</p>   |

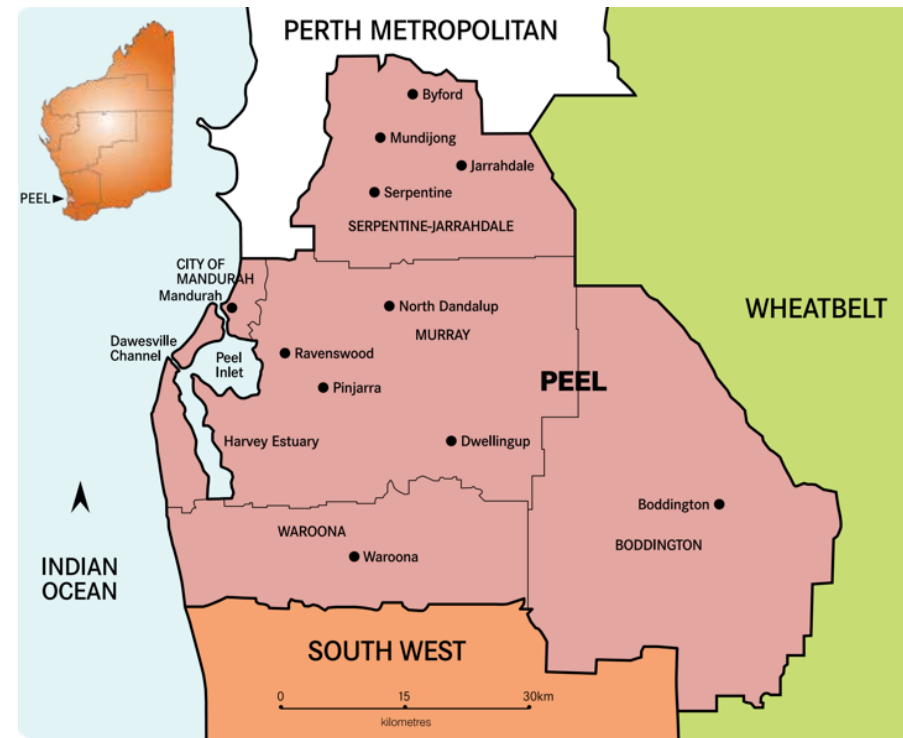
## Overview of Peel

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

## Growing population

The Peel is on a trajectory for strong growth in the first half of the 21<sup>st</sup> century. It is estimated that by 2031 the population will grow to 188,400<sup>1</sup> and will rival the South West as Western Australia's most populous region outside of Perth. The Peel spans the divide between the Perth metropolitan region and regional Western Australia and forms a key strategic component of the State's urban expansion and economic development plans.

It is evident from the growth projections that strong consideration needs to be given to establishing a robust and sustainable economy in the Peel to provide significantly more employment, beyond those jobs expected to be supported by the local population. As the population expands, there is increasing pressure to ensure that job creation is maximised and that economic and social infrastructure services are available and commensurate with those in the metropolitan area.



## Diverse landscape

Peel's landscape is diverse with urban, agricultural and horticultural land, a forested escarpment and 50 kilometres of coastline. The Peel is a popular daytrip destination from Perth and offers a variety of attractions including beautiful beaches and many inland attractions.

<sup>1</sup> *Directions 2031 and Beyond: Metropolitan Planning Beyond the Horizon*

# About the Peel

## Strong economy

The Peel's economy is strong and diverse. It is dominated by mineral processing and the area has large reserves of bauxite, gold and mineral sands and two alumina refineries, at Pinjarra and Wagerup. Gold mining is strongest at Boddington, which has Australia's largest producing gold mine. The region is complemented by stable manufacturing and construction service industries, agriculture, tourism and retail trade.

## Our people

Over the last 10 years the Peel has been the fastest growing region in Western Australia, with a population of 128,798<sup>2</sup> which is diverse in terms of geographical distribution and age. The majority of the Peel's population is located in the City of Mandurah (64%), followed by Shires of Serpentine-Jarrahdale (18%), Murray (13%), Waroona (3%) and Boddington (2%).

Census data from 2011 indicates that 17.6% of the population is aged 65 years and over, compared to the State level of 12.1%. This is contrasted by a youth population which is under-represented in the region at 12.3%, compared to the State level of 13.7%.

*Living in the Regions 2013* research found that life in the Peel is characterised by lifestyle, happiness and general well-being, the cleanliness of the environment, access to quality shopping, retail opportunities and high quality communications and internet access.



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<sup>2</sup> ABS ERP 2014

## About us

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### Who we are

The Peel Development Commission is a statutory authority of the West Australian Government, with a board of management selected from the community and local governments, and by Ministerial appointment.

The Commission was enacted in 1994 under the *Regional Development Commissions Act 1993*, and is one of nine legislated Commissions, each serving a different region of Western Australia.

### What we do

Our purpose is to coordinate and promote the economic and social development of the Peel. We work to make Peel an even better place to live, work and invest by partnering with government, communities, business and industry to identify and support projects that benefit the region.

### Enabling legislation

Specific objectives of the Commission, as set out in the *Regional Development Commissions Act 1993*, 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
- Provide information and advice to promote business development
- 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

- Generally take steps to encourage, promote, facilitate and monitor the economic development of the Peel

For the purposes of achieving those objects, the Commission:

- Promotes the Peel region
- Facilitates coordination between relevant statutory bodies and State government agencies
- Cooperates with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community
- Identifies opportunities for investment in the region and encourages that investment
- Identifies infrastructure needs, and encourages the provision of that infrastructure
- Cooperates 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.



## How we work

To realise our aim of making Peel an even better place to live, work and invest we develop and support strategies and initiatives that align with the themes of the draft Peel Regional Investment Blueprint:

- Thriving industries
- Agriculture and food innovation
- Tourism development
- Capable people
- Strong and resilient communities

We work in collaboration with other agencies, industry, local government and the community to achieve objectives under each priority area.

In carrying out our work, staff and board members adopt the following value system.

## Our vision

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

## Our mission

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

## Our values

**Sustainability** – our work is focused on meeting the needs of current and future generations through integration of economic prosperity, social advancement and environmental protection.

**Transparency** – we are open and accountable through honest and transparent communication with all stakeholders.

**Accountability** – we are responsible, professional and accountable in our actions and behaviours. We honour our commitments.

**Respect** – we build trust through our integrity and our actions and demonstrate our respect for our stakeholders and partners through all our actions.

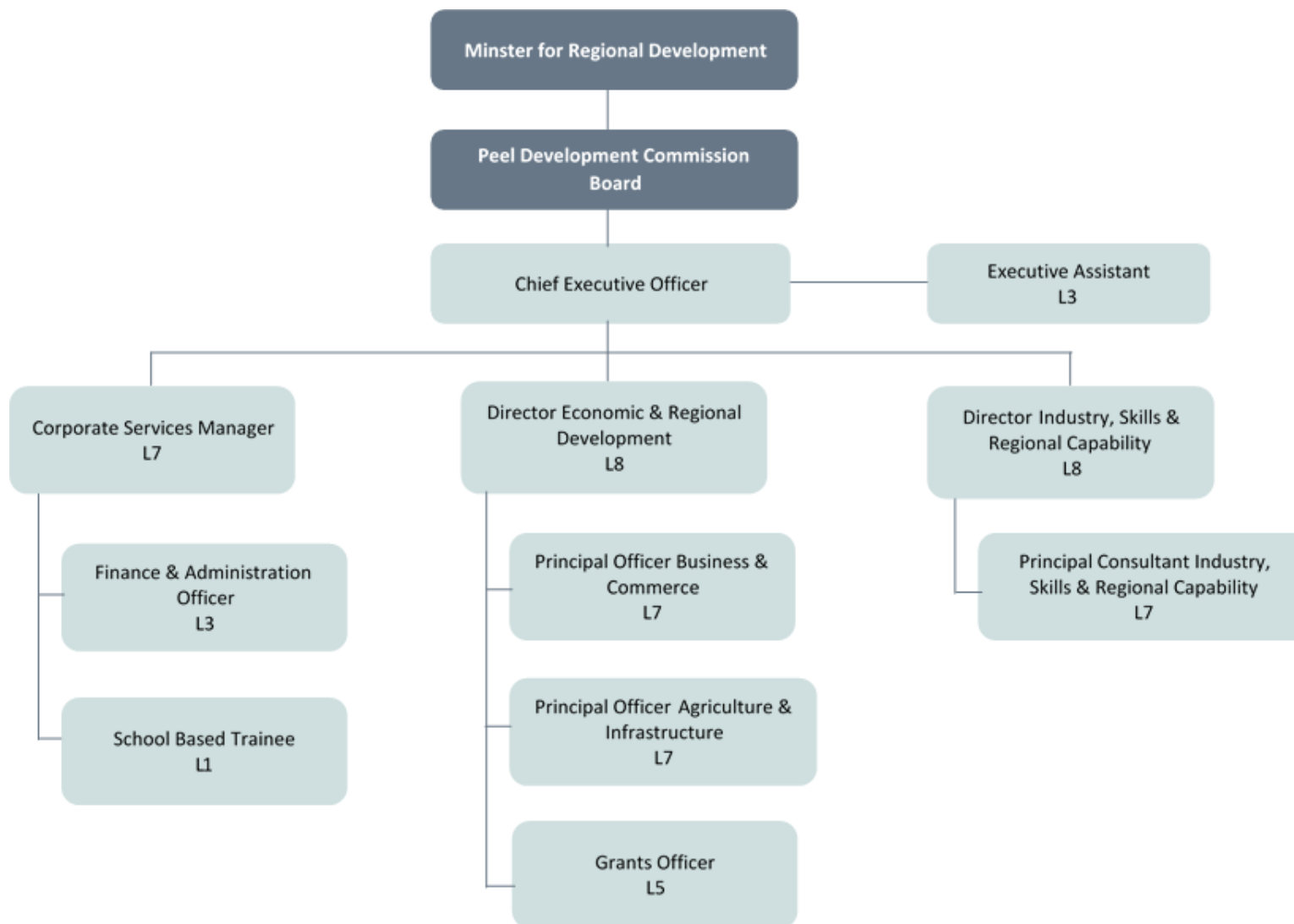
**Innovation** – we value and learn from the past to build the future. We actively seek opportunities to advance the Peel region.

**Equity** – we are focused on the long term development of the Peel region, valuing its diversity. We are committed to ensuring our decisions and actions are fair, equitable and ethical



## Organisational Structure

Strong governance and organisational structure assist us in delivering positive outcomes for the region. We are led by the Minister for Regional Development, a board of management and an executive team.



## Our Minister



Peel Development Commission reports to the Hon Terry Redman MLA, Minister for Regional Development; Lands; Minister Assisting the Minister for State Development. The Minister has the power to direct the Commission, either generally or with respect to a particular matter, on the exercise and

performance of its powers, functions and duties under the *Regional Development Commissions Act 1993*. The Commission must give effect to such directions. The Commission provides the regional link between government policy and planning and regional aspirations and needs.

## Our Board

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

### Board Profiles

The Board welcomed new members in October 2014 with the following membership being consistent for the period October 2014 to June 2015.

#### *Paul Fitzpatrick, Chairperson*

Mr Fitzpatrick is a descendant of the early settlers of the Peel region. He is a graduate of the UWA Advanced School of Management Program and the Australian Institute of Company Directors. He co-founded the international award winning 'smart house' technology, the Smart Company of Australia in 1993. In 2001 Mr Fitzpatrick was elected to the Waroona Shire Council, serving 2 of his 7 years as Shire President. During this period he developed 'lifestyle olive farms'. He is currently a member of the Peel Planning Commission and is President of the Mandurah Country Club.



#### *Dr Sue Fyfe, Deputy Chairperson*

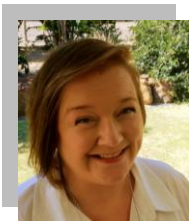
Dr Fyfe is Adjunct Professor of Health Sciences at Curtin University. She has lived in Dwellingup since 1995 and has been an active member of the community. She is chair of the Forest Heritage Centre and a member of Dwellingup Community Compact. Professionally she has an extensive background as a teacher and research academic in health.



## Governance

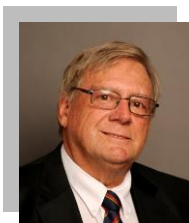
### *Joanne, Abbiss*

Ms Abbiss has been a resident of the Peel region for over 30 years and currently resides in Keysbrook. She is the Chief Executive Officer of the City of Kwinana and previously held the position of Chief Executive Officer of the Shire of Serpentine-Jarrahdale for 7 years. Ms Abbiss holds a Bachelor of Science and is currently studying a Bachelor of Laws at Notre Dame University. She runs her own policy and strategy development business, is a training consultant for the Western Australian Local Government Association and a tutor with the Curtin Law School.



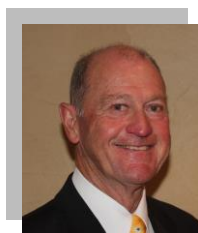
### *Cr John Allert*

Cr Allert has a Bachelor of English and a Master of Commerce, and has also undertaken doctoral studies in Indigenous Economic Development. He is a Fellow and past President of the Public Relations Institute of Australia and has been a resident of Boddington for 14 years, and was elected to Council in 2009. He is currently the Shire President. He is involved in the community, holding membership on several committees including Chairman of the Hotham Way Tourist Route Committee.



### *Tony Edwards*

Mr Edwards is a resident of Mandurah, holds a Diploma in Accounting and is a UWA Management Program Graduate. His past fellowships include the Australian Institute of Company Directors and the Australian Society of



Certified Practising Accountants. Prior to his retirement Mr Edwards was Chief Financial Officer and Company Secretary of United Farmers Cooperative Company Ltd, a position he held for 5 years, and previously 14 years as Finance Director of Joyce Corporation Ltd.

### *Christine Germain*

Cr Germain is currently the Shire President of the Shire of Waroona. Christine has been a Justice of the Peace since 1983, has strong links with the equine industry in the region and has had various roles throughout the community.

### *David Napoli*

Mr Napoli offers a broad exposure to a range of industries and government. He left CSIRO to join Alcoa in 1980 as part of the team developing the Wagerup Refinery and Willowdale mine where he worked until joining the Executive of Challenge Bank. He has been a member of a number of committees and has a strong connection with the region since arriving in WA and owning a farm in Dwellingup.



### *Donald Pember*

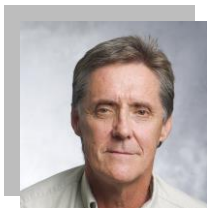
Cr Pember is currently a Councillor with the City of Mandurah with a career in banking, health and aged care services. He has worked many rural and regional centres throughout Western Australia in a range of occupations and different skills bases.



## Governance

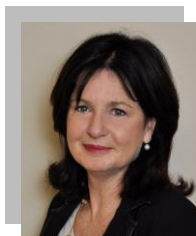
### **Andrew Taggart**

Professor Andrew Taggart is currently Acting Vice Chancellor at Murdoch University. In his substantive role as Pro Vice Chancellor he is responsible for engagement, (partnerships, collaborations, co-investment) with the wider Murdoch community including local and state governments and all levels of business and industry.



### **Mellisa Teede, Chief Executive Officer**

Ms Teede is Chief Executive Officer of the Peel Development Commission and is a member of the Board in an ex officio capacity. Ms Teede recently held the position of Managing Director of the Goldfields Institute of Technology and has worked extensively with peak industry and regional bodies including the State Training Board, Regional Development Commissions, Chambers of Commerce and Industry and Chambers of Minerals and Energy. Ms Teede has a strong background in the education and training sectors as well as having solid connections in the resources sector



Outgoing members who participated on the Board for the period July to October 2014 included:

- Geoff Totterdell, Chairperson
- Mark Jeffery
- Elizabeth Hoek
- Wally Barrett

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

| Board Member                   | Attendance | Term Expiry             |
|--------------------------------|------------|-------------------------|
| Paul Fitzpatrick Chairperson   | 5          | 30/06/2017              |
| Sue Fyfe, Deputy Chairperson   | 4          | 30/06/2017              |
| Tony Edwards                   | 4          | 30/06/2015              |
| Don Pember                     | 3          | 30/06/2017              |
| Andrew Taggart                 | 3          | 30/06/2016              |
| Christine Germain              | 3          | 30/06/2017              |
| David Napoli                   | 4          | 30/06/2016              |
| Joanne Abbiss                  | 4          | 30/06/2015              |
| John Allert                    | 3          | 30/06/2015              |
| Mellisa Teede                  | 3          | CEO / Ex officio        |
| Adam Denniss                   | 2          | Acting CEO / Ex officio |
| Geoff Totterdell – Chairperson | 1          | 30/06/2014              |
| Mark Jeffery                   | 0          | 30/06/2014              |
| Elizabeth Hoek                 | 1          | 30/06/2014              |
| Wally Barrett                  | 1          | 30/06/2014              |

## Performance Management Framework

### Relationship to Government Goals

The Peel Development Commission's guiding framework is the *Regional Development Commissions Act 1993* and the Government's strategic framework.

The Commission's outcomes align with the government goal of a stronger focus on the regions.

### Outcomes based management framework

*Government goal: stronger focus on regions*

A greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in regional and remote areas.

| Desired outcome                                   | Effectiveness indicator   | Services  | Efficiency indicator                  |
|---|---|---|---------------------------------------|
| The development and promotion of the Peel region. | Client satisfaction with the contribution to the region's economic base | Facilitation and coordination<br>Advice and information | Average cost per unit of service hour |

### Changes to Outcome Based Management Framework

The Peel Development Commission's outcome based management framework did not change during the 2014 to 2015 reporting period.

### Strategic objectives

Peel Development Commission has undergone many strategic changes during the past 12 months with a major focus being the completion of the draft Regional Investment Blueprint. The Blueprint will form the basis for the development of the new strategic plan during the second half of 2015. The plan will outline the objectives and strategies required to take the Commission and the Peel region into the future.

For this period the Commission will report against the objectives of the Peel Development Commission 2009 to 2014 Strategic Plan which is currently under review:

- Objective 1** Government decision making takes account of Peel issues.
- Objective 2** The Peel has an evolving, adaptive and diverse economy with increased job opportunities for all members of the community.
- Objective 3** Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel.
- Objective 4** Peel communities are educated, productive, healthy, safe and supported.
- Objective 5** The Peel environment is better understood and managed.

## Shared Responsibilities with Other Agencies

The Resource Agreement between the Peel Development Commission, Minister for Regional Development, the Chief Executive Officer and the Chairman and the Treasurer (2014-15) does not specify any major cross-agency or whole-of-government responsibilities.

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



## Report on Operations

### Actual Results versus Budget Targets

#### Summary of Financial Targets

Further details are provided in the Financial Statements section of this report.

| Financial item   | 2014-15<br>Target <sup>(1)</sup><br>\$000 | 2014-15<br>Actual<br>\$000 | Variation<br>\$000 | Reason for significant variation <sup>(2)</sup>  |
|--|---|----------------------------|--------------------|--|
| Total expenses<br>(sourced from Statement of Comprehensive Income)               | 2,082                                     | 3,321                      | 1,239              | Actual expenses have increased due to additional grant payments made from the regional Grants Scheme and Community Chest Fund.       |
| Net Cost of Services<br>(sourced from Statement of Comprehensive Income)         | 2,052                                     | 3,318                      | 1,262              | In addition to the variation above the Commission did not generate the anticipated level of income from discretionary activities.    |
| Total equity<br>(sourced from Statement of Financial Position)                   | 1,545                                     | 1,165                      | (370)              | Equity has reduced due to payments made from the Regional Grants Scheme for 2012-13 and the return of unspent funds to the Treasury. |
| Net increase / (decrease) in cash held<br>(sourced from Statement of Cash Flows) | (233)                                     | (492)                      | (259)              | Cash has reduced due to the return of unspent funds to the Treasury.   |
| Approved full time equivalent (FTE) staff level                                  | 10  | 10                         | 0                  |  |

(1) As specified in the 2014-15 Budget Statements.

(2) Further explanations are contained in Note 26 'Explanatory Statement' to the Financial Statements

# Agency Performance

## Summary of Key Performance Indicators

Further details are provided in the Financial Statements section of this report.

### *Peel Development Commission's Desired Outcome: Development and promotion of the Peel region*

| Indicators   | 2014-15<br>Target | 2014-15<br>Actual | Variation <sup>(a)</sup> | Reason for significant variation   |
|--|-------------------|-------------------|--------------------------|--|
| <b><i>Effectiveness Indicator</i></b><br>Client satisfaction with the contribution to the Region's economic base                                     | 90%               | 86.4%             | N/A                      |  |
| <b><i>Efficiency Indicators</i></b><br>Service 1: Facilitate and coordinate regional development activities<br>Average cost per unit of service hour | \$113             | \$100             | (\$13)                   | The unit cost has decreased due to lower costs and higher productive hours being achieved. |
| Service 2: Provide advice and information on regional development activities or matters<br>Average cost per unit of service hour                     | \$71              | \$63              | (\$8)                    | The unit cost has decreased due to lower costs and higher productive hours being achieved. |

(a) Variances are reported if greater than 10% of target.

## Achievement against Strategic Directions

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

#### Client feedback

| Goals   | 2012-13 Satisfaction | 2013-14 Satisfaction | 2014-15 Satisfaction |
|---|----------------------|----------------------|----------------------|
| Peel region's needs have been effectively represented in government decision making | 70.8%                | 73.5%                | 71.4%                |

Source: Perth Market Research Client Survey July 2015

#### Overview of initiatives

The Commission has undertaken a number of initiatives during the reporting period to ensure the provision of strategic advice to government which best positions the Peel for the future.

The Peel Development Commission Board Chairman represents the interests of the Peel at Regional Development Council and Southern Investment Initiative Advisory Council meetings to ensure that projects for the Peel are prioritised and progressed.

In October 2014, the Commission Board Chairman hosted a visit and tour of the Peel region by the Western Australian Regional Development Trust. The group toured a number of farms and agri-business sites with the tour highlighting a number of innovations and sustainability practices being employed by many agricultural enterprises in the Peel.

Guest speakers from relevant government agencies are invited on an as needs basis to present information at Commission Board meetings to gain input on strategies and initiatives. During the period the Board met with Eric Lumsden, Chairman WA Planning Commission; Frank Marra, CEO of Landcorp; Peter Cooke, Board Member Landcorp; and Rob Delane, Director General Department of Food and Agriculture WA.

Commission Chief Executive Officer, Mellisa Teede, presented at the Future of the Peel Region CEDA conference on the 12 November 2014. The conference was aimed at exploring the future of industries, services and infrastructure in the Peel region with Mellisa presenting a vision for Peel based upon the research and consultation undertaken to develop the draft Peel Regional Investment Blueprint (Blueprint).

Input into key government plans for the Peel has been a key activity for staff. Responses to the draft Department of Planning Nambeelup Industrial Area District Structure Plan and Perth and Peel @ 3.5 million have been prepared during the period. In developing responses Commission staff evaluate the draft documentation, consult with key stakeholders in the region and present feedback required to ensure the best interests of the Peel.

During the period Commission staff represented the interests of the Peel on a number of local committees:

- Mandurah Enterprise Centre Management Committee
- Mandurah and Peel Tourism Organisation
- Peel Community Development Group
- Department of Premier and Cabinet State Steering Committee, Peel Harvey Estuary Management Committee
- Peel Homelessness Network
- Peel Regional Leaders Forum
- Peel Planners Group
- Peel Workforce Development Alliance
- Peel Harvey Catchment Council
- Peel Sport and Recreation Network

## *Project in Focus - Peel Regional Investment Blueprint*

Peel Development Commission has been developing the Peel Regional Investment Blueprint since the beginning of 2013.

In developing the Blueprint, the Commission has undertaken a two-stage process.

Stage one involved preparation of a report articulating the Peel's current strategic framework, focusing on its strategic direction, enablers and key drivers.

The stage one report identified a set of initiatives aimed at shaping the Peel's future planning and investment priorities over the next 20 to 30 years. Regional Development Australia Peel, Peel Development Commission and the five local government authorities within the region endorsed these high-level strategic initiatives, which also formed the basis of Commonwealth regional development plans for the Peel.

Stage two built upon the key findings of stage one to further develop the goals and strategies and identify initiatives for progression over the next four years. This was achieved by drawing on the expertise and insights of various government, industry community and commercial stakeholders.

More than 200 individual stakeholders were consulted during stages one and two of the Blueprint development process.

Following approval of the draft Blueprint by the Hon Terry Redman MLA it was released for public comment by the Hon Colin Holt representing Minister Redman in front of 200 delegates at the CEDA *State of the Regions Event* on Wednesday 12 November 2014.

The draft Blueprint describes the Peel's vision to be recognised as a progressive prosperous and dynamic region and provides a roadmap for its achievement. It focuses on a number of

transformation strategies and initiatives around the following four themes:

- Thriving industry
- Agriculture and food innovation
- Capable people
- Strong and resilient communities

The draft Blueprint was open for public comment from 12 November 2014 to 30 January 2015. 18 formal submissions were received. An additional four responses were received from people who made use of the survey tool provided on the website.

Full and summary versions of the draft Blueprint are still available on [www.peel.wa.gov.au](http://www.peel.wa.gov.au) and community groups are still being encouraged to provide comment.

The Commission also continues to consult with its stakeholders and will provide further opportunity for comment prior to finalisation of the Blueprint.

The draft Blueprint was provided to the Regional Development Trust (Trust) in November 2014. A meeting with the Trust identified that the Blueprint needs to be highly strategic and that the Peel is best placed to grow its economy and create jobs.

Feedback from key stakeholders has resulted in a fifth theme, tourism development, being added since the draft was published. The diagram over page outlines the five themes and focus areas.

The Commission will work in partnership with the Trust to finalise the Blueprint to ensure that it delivers the regional bigger picture for the State.

The Blueprint will be completed by December 2015.

## Draft Blueprint Themes and Focus Areas



### **THRIVING INDUSTRY**

- 1.1** New and expanded market opportunities
- 1.2** Integrated network of prosperous regional communities
- 1.3** Equine

### **AGRICULTURE & FOOD INNOVATION**

- 2.1** Innovative and sustainable agriculture and food practices
- 2.2** Peri urban food zone

### **TOURISM DEVELOPMENT**

- 3.1** Tourism growth through investment
- 3.2** Network of natural adventures

### **CAPABLE PEOPLE**

- 4.1** Boosting productivity
- 4.2** Pathways to employment
- 4.3** Employment

### **STRONG & RESILIENT COMMUNITIES**

- 5.1** Secure housing
- 5.2** Age friendly communities
- 5.3** Targeted services
- 5.4** Sport and recreation
- 5.5** Arts and Culture

# Agency Performance

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

### Client Feedback

| Goals  | 2012-13 Satisfaction | 2013-14 Satisfaction | 2014-15 Satisfaction |
|--|----------------------|----------------------|----------------------|
| Peel's economy is strong, prosperous and diverse now and into the future | 66.7%                | 63.4%                | 64.2%                |

Source: Perth Market Research Client Survey July 2015

### Overview of initiatives

Developing and broadening the economic base of the Peel and maximising job creation are key objectives of the Peel Development Commission. The Commission's approach to stimulating economic development is broad and includes activities such as promotion of economic opportunities, facilitating strategic partnerships, developing economic strategies and encouraging emerging industries.

#### Boddington Supertown

The Boddington Growth Plan, which was developed as major focus of the Supertown program, has been implemented since its approval by the Western Australian Planning Commission. Grants totalling \$2.45 million from Supertowns funding were allocated to Boddington for two projects.

The Ranford water project funding of \$1.25 million is to assist with the construction costs of a pipeline to provide additional water to enable land sub-division in Ranford for rural residential growth. The

project is progressing, in partnership with the Water Corporation and is due for completion in late 2016.

Economic development funding of \$1.2 million has enabled a number of initiatives to proceed with the residual funds being applied to the ongoing engagement of an Economic Development Officer. The project is due to conclude at the end of June 2016. This project will ensure that ongoing initiatives, such as the establishment of the Boddington Visitor Centre will be successfully concluded.

#### Small Business Centre

Mandurah Enterprise Centre continued to successfully deliver services to new and existing small businesses in the Peel region through the Small Business Centre Program funded through the Small Business Development Corporation.

Commission staff have been actively involved with the Centre supporting initiatives and activities that grow business and the economy. The Centre also manages the Small Business Incubator to support growth of small businesses in and around Mandurah.

#### Tourism

The Commission is represented on the Board of MAPTO which operates as a local tourism organisation for the Peel, facilitating and undertaking marketing and product development.

Facilitation of meetings between MAPTO and the Peel Chamber of Commerce (Peel tourism) was a role undertaken by the Commission to ensure support and direction for a consolidated



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approach to marketing the region through signage on the Forrest highway aimed at encouraging travellers to exit the highway and visit Peel towns and attractions.

In February 2015 the Commission hosted a luncheon attended by Hon Kim Hames, Minister for Tourism and key local stakeholders to undertake a roundtable discussion about the plans for tourism in the Peel region and other key projects. During this meeting the Minister expressed his desire to see tourism strengthened in the Blueprint. As a result the Peel Development Commission is undertaking a project to develop a Peel Tourism Economic Development Strategy to compliment the regions existing sales and marketing plans.

## Peel Business Investment Series

This series of events provided the Commission with an opportunity to engage with key stakeholders around the opportunities for investment in the Peel. The purpose of the events was to attract investor attention and focus into the Peel region.

The CEDA Conference, (Future of the Peel in the State of the Regions Series) was an element of the series as was the event held at Mandurah Quays at which the Commission highlighted the early stages of the Peel Business Park Nambelup concept and opportunities for aviation investment in the Peel.

A very successful Breakfast Forum, focussing upon agriculture and food, was facilitated by the Commission at the Millbrook Winery. Guest speakers at the event included the Minister for Regional Development, the Hon Terry Redman MLA and industry innovators and leaders who presented to an industry audience of over 100 people.

## *Blueprint initiatives*

By 2050, the Peel is expected to be one of the most populated regions outside of Perth with a projected population of 310,000. To support a population of this size, the Peel needs to build an economy that incorporates many industries, adopts an innovative approach to business and has a highly skilled and high performing workforce.

During the 2014-2015 reporting period the Commission in consultation with its stakeholders identified a number of projects aligned to the draft Blueprint) that will transform the region by 2050:

1. Peel Peri-urban Strategic Economic and Environmental Initiative (incorporating Peel Business Park Nambelup, Peel Food Zone and Peel Water Initiative)
2. Peel Hospitality, Tourism and Events Training Centre
3. Peel Tourism Economic Development Strategy
4. Peel Industry Innovation Precinct
5. Peel Secure Housing and Employment Support Services
6. Murray Regional Equestrian Centre

The following provides an overview of projects progressed with stakeholders during the period.

## Peri-urban Strategic Economic and Environmental Initiative

The Commission has been working with the Shire of Murray, Landcorp and Department of Planning over a number of years to develop the *Peel Business Park Nambelup*, a transformational project aimed at producing region wide benefits in the form of investment, employment, infrastructure, industries and long term prosperity. During 2014 – 2015 this project was combined with interrelated initiatives being the *Peel Food Zone* and *Peel Water*

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*Initiative* under the one banner of Peel Economic and Infrastructure Legacy projects and sought an external contractor to:

- review current legacy project concept papers, business cases, overarching plans, feasibility studies and economic impact assessments aimed at identifying and analysing gaps in the evidence provided;
- prepare three new business cases using the Royalties for Regions Program 2014-2015 business case template;
- prepare a cost benefit analysis for each legacy project, and
- formulate (a) a detailed economic narrative identifying the synergies between projects and their benefits to the region, and (b) create a graphic representation of each legacy project and how each integrates with the other to deliver social, economic and environmental benefits for the Peel.

The Commission engaged Pracsys Economics through a request for quote process to undertake the above activities. Pracsys has been working very closely with the Commission and a wide range of stakeholders to deliver the required project outcomes.

A project steering committee comprising representatives from City of Mandurah, Shire of Murray, Shire of Serpentine-Jarrahdale, Departments of Water, Planning, Agriculture and Food WA, Commerce and Regional Development, Landcorp and Peel Harvey Catchment Council has been established to provide advice and guidance to Pracsys and the Commission.

A key message of the work undertaken to date is that as individual projects, the Business Park, the Peel Food Zone and the Peel Water Initiative would contribute to the economic growth of the region. However, collectively and under the single banner of the Peri-urban Strategic Economic and Environmental Initiative these

three projects present the highest value opportunity to transform the Peel and create an environment conducive to living, working and investing in 21st century Western Australia.

Development of business cases for the three projects is expected to be completed by September 2015.

## Peel Hospitality, Tourism and Events Training Centre

The Commission has developed a concept paper proposing the establishment of a state of the art Hospitality, Tourism and Events Training Centre in Mandurah to:

- improve access to industry-standard training for local people;
- build human capability and capacity to ensure an ongoing supply of skilled workers in the Peel; and
- assist in transforming the Peel into an active and vibrant tourism destination.

The Centre would provide the region with a world class Centre of Excellence linked with local industry that develops the calibre of the region's hospitality and tourism workforce.

Research, feasibility and progression of this concept to a business case will be a focus of the Commission over the next twelve months.

## Peel Tourism Economic Development Strategy

The aim of this project is to develop a regional economic development infrastructure strategy for the Peel. The Commission has engaged an external contractor to undertake this two stage process with stage one consisting of analysis of existing tourism strategies for the Peel and the identification of gaps. Significant

# Agency Performance

engagement and consultation in stage two, with key stakeholders including Peel local governments and the tourism industry, will culminate with the development of a regional tourism economic development strategy. The strategy will focus opportunities for enabling infrastructure, identified in an Infrastructure Development Plan, to be established within priority locations of the region to deliver strong positive impacts upon the economy. Stage two of the project will also result in development of business cases for the two highest priority transformational infrastructure projects, using the Royalties for Regions Program business case template. Overseeing the project is the Peel Tourism Economic Development Strategy Project Steering Committee which is comprised of key tourism and regional stakeholders. This project is due for completion in November 2015.

## Peel Industry Innovation Precinct

The Commission has developed a concept paper proposing the establishment of an Industry Innovation Precinct in Advanced Manufacturing at the Peel Business Park Nambelup Industrial site. This project will require a lead agency to take on the role of a 'focal firm' with the ability and networks to draw in other SME's locally, nationally and internationally to form clusters. It is anticipated that the precinct will be at the forefront of commercialisation of industry applied research and patents; the development of hard and soft infrastructure including high end technology; and the development of required workforce skills and competencies.

Development of the precinct is proposed to take a phased approach with phase one involving the development of a feasibility study and creating industry forums. It is anticipated that this phase will commence in the next twelve months.

## Peel Secure Housing and Employment Support Services

On Friday 6 March 2015, an Affordable and Secure Housing Roundtable was convened to determine and agree on key regional priorities for infrastructure development that would support the region's most at risk community members to access and maintain engagement in education, training and employment. The Roundtable was planned by Peel Community Development Group and attended by representatives from key service providers, community organisations, and government representatives.

The participants were unanimous in agreeing that there was a critical need for affordable, secure and permanent housing and supported a *housing first*-type principle which confirms that housing is the critical success factor allowing people to re-engage in education and work. The Roundtable participants agreed that housing and targeted employment support services need to be strengthened in Mandurah for the following target groups:

- families experiencing homelessness.
- young people at risk of or who have disengaged from the education and training system with limited ability to access employment.

Following this workshop the Commission developed a concept paper outlining the requirement to undertake a secure housing and employment support gap analysis and business case development.

This project will be progressed in the second half of 2015 in conjunction with the Peel Community Development Group and a project steering committee comprising key stakeholders in the region.

## Murray Regional Equestrian Centre

Commission staff have been working with the Shire of Murray to establish a 'state of the art' multi-functional Murray Regional Equestrian Centre in the Shire of Murray at Coolup.

Acknowledging that long term planning is underway at a State level that will most likely affect the Peel equine industry, a Steering Committee has been formed with all equine codes in the Peel region represented to guide the analysis of the industry in the Peel and the development of the Peel Equine Industry Development Plan. This strategic approach is expected to confirm and summarise the economic and social importance of the equine industry to the Peel and provide the way forward to sourcing financial resources to realise significant growth and support its sustainability. This work will continue through to the end of 2015.

## *Project in focus – Peel Unearthed*

On Tuesday 31<sup>st</sup> March, representatives from Commonwealth, State and local governments, as well as private sector and community groups gathered at the picturesque Millbrook Winery for a morning of informative and engaging discussions around the important role of the food and agriculture industry in the Peel region.

The morning began with a *Welcome to Country*, conducted by local Peel aboriginal elder George Walley, which included a performance on the didgeridoo as part of the ceremony. Guests were then invited upstairs to the main dining, where they were greeted by the magnificent vista of the surrounding fields and vineyards, and tables laden with an assortment of local produce.

The Peel Development Commission Chairman, Mr Paul Fitzpatrick, addressed the audience, welcoming them to the breakfast and spoke of his own and his family's personal experiences in the Peel region's agriculture industry, where they had been active members of the community for over a century. Mr Fitzpatrick then invited the first of the morning's three speakers, Hon. Terry Redman, to the podium where he discussed Western Australia's development across multiple areas including the food and agriculture sectors. He also discussed the strategic advantages that Western Australia, and particularly regional WA, possessed going into the near future, in relation to the ability of the state to meet both domestic and international demand for food security.

As guests and speakers enjoyed the fine assortment of food on offer, the Commission's Chief Executive Officer, Mellisa Teede, informed the audience of the great importance of the agriculture sector in the Peel region, as well as the opportunities available to both current Peel residents and potential investors, interested in the areas of agribusiness and sustainable supplies of water and energy. She closed her presentation by highlighting the need for strong career and education pathways that would help guide the younger residents of the Peel into employment in the region.

The event's final speaker, Mr Peter Fogarty, engaged with the audience, capturing their imagination and showcasing how food and agriculture had evolved in the Peel region, and the necessity for this trend to continue. Although, he listed the numerous advantages the Peel offered, specifically showcasing our strong and direct links to Asia, Mr Fogarty also spoke of the limitations of Western Australia as a whole, warning that overcommitting ourselves to foreign customers would ultimately be detrimental to the local population.

The morning was brought to a close by Mr Fitzpatrick, who thanked Minister Redman, Mr Fogarty and Mrs Teede, on behalf of the Commission and audience, for their informative presentations. In the weeks that have followed, feedback and responses from those who attended the event has been positive, with many commenting on the ability of the speakers to discuss one of the most important aspects of life in the Peel region, in clear and concise detail.

# Agency Performance

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

### Client Feedback

| Goals  | 2012-13 Satisfaction | 2013-14 Satisfaction | 2014-15 Satisfaction |
|--|----------------------|----------------------|----------------------|
| Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel | 73.1%                | 70.3%                | 72.1%                |

Source: Perth Market Research Client Survey July 2015

### Overview of initiatives

The Commission has a commitment to ensuring that Peel's future population will be provided for by applying a coordinated approach to planning and the delivery of infrastructure. A number of initiatives explained in the previous section also align closely with this objective.

The Commission managed two Royalties for Regions grants processes during the period to enable projects which facilitate community and economic infrastructure, these are detailed in the Project in Focus section of this strategic direction.

#### Peel regional recreation and sporting facilities

Constructive consultations on the long term planning for a regional sport and recreation facility in the Shire of Murray were facilitated by the Department of Sport and Recreation in May 2015. The Commission actively participated in the discussions and resulting workshop which explored the next steps in progressing this regional investment in infrastructure. Key participating stakeholders included

the Shire of Murray, City of Mandurah and the Department of Sport and Recreation. Future discussions will involve the Department of Planning and the WA Planning Commission (which owns the land) and establishing lead roles.

#### *Development of infrastructure projects*

The Commission continued to work closely with Royalties for Regions proponents in exploring a range of initiatives to develop future Peel projects. The following provides an overview of successful initiatives during the period.

#### Boddington Recreation and Community Centre (Stage One)

The Peel Development Commission was instrumental in the Shire of Boddington's successful bid to attract Royalties for Regions funding for a new Boddington Recreation and Community Centre. Funding of \$2.5m was approved for Stage One of the project for construction of two indoor multi-purpose courts with associated store rooms, foyer area, public toilets and an external roof over the drop off area.

The business case which was developed to support the grant application for \$2.5m identified that the balance of the project cost would be funded through an approved grant of \$610,000 from the Department of Sport and Recreation, a loan by the Shire of Boddington of \$1.0m, Shire Building Reserve funds of \$0.5m and \$23,000 in donations by the community.

The project is progressing steadily with development and approval of funding flowing from an extensive ten-year process of needs assessment, options analysis and testing, concept planning,



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community consultation and detailed design development and approval by the Shire. The project aligns with several of the Royalties for Regions policy objectives, it has been identified as the second highest priority project in the Shire of Boddington SuperTowns Growth Plan.

Specific and measurable outcomes anticipated from the new indoor recreation and community centre are:

- Improved physical activity levels of local residents of all ages, especially children, who are highly represented in the district;
- Increased recreation and community opportunities for residents;
- Improvement of young children's development; and
- Improved social capital by the creation of a meeting place for the community.

## Mandurah Traffic Bridge

The Commission worked closely with the City of Mandurah to secure \$8.8 million from the State Government's Royalties for Regions program to contribute to the \$51.8 million project to replace Mandurah's 62 year old traffic bridge. The Royalties for Regions investment will enable the replacement bridge to have additional features such as a higher clearance for bigger boats to pass under and recreational facilities such as fishing platforms.

## Byford Town Centre Transformation

The Commission supported Byford and Districts Country Club and the Shire of Serpentine-Jarrahdale in developing a successful Royalties for Regions Business Case to relocate the Byford and Districts Country Club to enable transformation of the Byford town centre. The Club's relocation freed up critical land in the Byford town centre to enable future development by commercial interests.

Economic benefits associated with the relocation were generated along with employment and training opportunities for local residents. The approved Royalties for Regions funding of \$600,000 contributed to the \$5.68 million project ensuring viability of the Club and enabling retail investment in Byford.

## Dwellingup Village Stage 2

Commission staff worked with the Shire of Murray and Dwellingup Community Village Incorporated to develop a Royalties for Regions business case for the construction of Stage Two of the Dwellingup Community Village (the Village).

Stage 1 is an active hub for community activities and provides a focal point for the residential component of the Village. Stage 2 is the design and construction of seven purpose built universal access dwellings for ageing Dwellingup residents.

This project will result in:

- increased housing options for Dwellingup residents as they age;
- access by ageing residents to family, friends, support networks and services within Dwellingup;
- availability of existing housing to accommodate potential new Dwellingup residents;
- increased local labour force available to nearby industries; and
- ongoing sustainability and viability of enterprises and government services through continued expenditure by ageing residents and the attraction of new residents to this tree change community.

Funding approval of \$2.5 million was gained in July 2015.

## *Project in Focus – Facilitation of community grants*

The Peel Regional Grants Scheme (PRGS) and the Peel Community Chest Fund (PCCF) were officially opened for applications in late October 2014 with widespread advertising, targeted contracts and website notices.

Funds were distributed equally across the nine development commissions and resulted in the Peel Development Commission having \$1million available for the PRGS and \$370,000 available through the PCCF.

The PRGS was an application based scheme whereby applications for funding above \$20,000 and up to \$300,000 were called, applications assessed against agreed guidelines and grants allocated through a formal process with state wide timeframes, guidelines and funding agreements. Applications for grants in excess of \$150,000 were required to submit a Business Case to support the application. All grants were then approved by Cabinet.

The PCCF was also an application based scheme with state wide guidelines and timeframes; however it was a 'rolling scheme' whereby applications can be lodged at any time and funding allocated progressively until the funds for the year were exhausted. The Minister for Regional Development approved these grants of up to \$20,000.

Both the PRGS and PCCF were oversubscribed requiring careful consideration and assessment of applications against the publicised guidelines.

Processing of the applications to the PRGS and PCCF by the Executive of the Commission resulted in recommendations being

made to a grants sub-committee, for their consideration and decision. The Board of the Commission made funding recommendations to the Minister for Regional Development on both the PRGS and the PCCF.

Projects funded by the PRGS and PCCF are detailed in tables on the following pages.

### Pinjarra Community Garden

The Pinjarra Community Garden was just one of the 25 successful applications for funding under the Royalties for Regions Peel Community Chest Fund, for an amount totalling \$16,880.

The gardens are intended to promote education, training and a healthy lifestyle for a sustainable future within the community and surrounds. The motto and vision of the Community Garden is 'sow together, grow together'.

The funding awarded will be utilised to fence the Community Garden to illustrate the garden is underway, while rendering it secure.

The garden will offer plots for a diverse range of people within the community and will include a plot for children, raised plots for seniors and disabled gardeners; while focussing overall to promote education, training and a healthy lifestyle for a sustainable future. Invitations will also be extended to qualified gardeners to present and share their knowledge and experience. Social interaction for all ages will be offered through numerous events and day-to-day gardening experiences, and it's hoped that the aesthetic appeal will

enhance and support regional tourism and produce markets already underway in Pinjarra. The garden intends to inspire and encourage enthusiasm and education around the benefits of growing your own produce and organic food.

Complimentary State Government funding, through Minister for Local Government, the Hon Tony Simpson, announced 19 organisations to maintain or start community gardens as part of the second round of the Government's Community Gardens Program, of which the Pinjarra Community Garden was also successful in attracting \$20,000 for the initial set up of the garden.

These funds will be channelled towards the initial setup of an irrigation system, development and building of pathways, creation of concrete soil bays and lids for existing soak wells. Funds will also be used to erect shaded community areas, purchase specialised garden beds, along with soil and fertilisers for the first stage of the allotment style garden beds; and erect a community wheel garden and gazebo. The balance of funds for the Pinjarra Community Garden will be used to undertake community workshops, website development, advertising and printing of workshop materials. We look forward to seeing the progress and development of the Pinjarra Community Garden as a result of these grants.

# Agency Performance

## Regional Grants Scheme Grants

In June 2015 Regional Development Minister Terry Redman announced 10 projects across the Peel region to benefit from the 2014-2015 State Government's Regional Grants Scheme. The list of projects is shown below.

| Project  | Organisation                                    | Amount<br>(Exc. GST) |
|--|---|----------------------|
| Cloud based video conferencing facilities  | Mandurah Enterprise Centre Management Committee | \$30,000             |
| Restoration of Shed for Animal Nursery   | Lions Club of Waroona                           | \$49,500             |
| Peel Health Campus – Inter professional clinical school facility Feasibility Study | Curtin University of Technology                 | \$52,500             |
| Supplementary Irrigation Water Supply  | South Halls Head Primary School                 | \$65,000             |
| Upgrade Waroona Town Hall  | Shire of Waroona                                | \$80,000             |
| Redevelopment of Fairbridge High Ropes Recreation Facility                         | Fairbridge WA Inc.                              | \$143,100            |
| Boddington Visitors Centre   | Shire of Boddington                             | \$100,000            |
| Mandurah Community Services Centre   | St Vincent de Paul Society WA Inc.              | \$140,000            |
| Forest Heritage Centre Upgrade   | Forest Heritage Centre                          | \$149,900            |
| Yarburgurt Public Art Project  | City of Mandurah                                | \$190,000            |
| <b>Total</b>   |   | <b>\$1,000,000</b>   |

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## Community Chest Fund Grants

During 2014-2015 a total of 25 applicants were successful in attracting funding through the Royalties for Regionals - Peel Community Chest Fund. A broad range of projects have been supported across the Peel region with the \$370,000 that was available through the fund during the period.

| Project   | Organisation                                  | Amount<br>(Exc. GST) |
|---|---|----------------------|
| Rural Living Expo 2015  | Shire of Boddington                           | \$18,574             |
| Fringe World Arts Show  | Mandurah Performing Arts Centre               | \$20,000             |
| Mandurah Match Cup Yacht Racing   | Mandurah Offshore Fishing and Sailing Club    | \$20,000             |
| Shades for Bowling Green  | Dudley Park Bowling Club                      | \$18,500             |
| Economic Development Study of Waroona                                     | Shire of Waroona                              | \$20,000             |
| Waroona Waste Disposal and Weighbridge Enhancement Study                  | Shire of Waroona                              | \$20,000             |
| Back to Nature – Aquaponics System  | Ocean Road Primary School                     | \$14,347             |
| Anytime Adventures Destination Guide Re-print                             | Mandurah and Peel Tourism Organisation        | \$12,000             |
| Month of Sundays – Art and Music  | Shire of Murray                               | \$9,500              |
| HWEDA Strategic and Economic Development Planning Project                 | Hotham-Williams Economic Development Alliance | \$10,000             |
| Preliminary Work Stage 2 Dwellingup Community Village                     | Dwellingup Community Village Inc              | \$20,000             |
| Wheelchair accessible path to a Bird Hide at Samphire Cove Nature Reserve | Canoe Trail Friends Mandurah                  | \$2,440              |
| Thermal blankets for Boddington Swimming Pool                             | Shire of Boddington                           | \$20,000             |
| Improving will making and financial administration                        | Public Trustee                                | \$20,000             |
| 15kw Electronic Solar Panel System  | Dudley Park Bowling Club                      | \$11,999             |

## Agency Performance

| Project  | Organisation  | Amount<br>(Exc. GST) |
|--|---|----------------------|
| Fairbridge CARE School – registration and curriculum development                         | Fairbridge Western Australia Inc                                      | \$10,240             |
| Concept and master plan for Dwellingup tourism   | Dwellingup Community Compact Inc                                      | \$20,000             |
| Junior Goals Galore, providing new goals   | Mandurah City Football Club   | \$7,280              |
| Pinjarra Community Gardens Fencing   | Pinjarra Community Garden   | \$16,880             |
| <i>Bridges out of Poverty</i> – community collaboration for children in the Peel region. | Dudley Park Primary School P & C                                      | \$11,844             |
| Bindjareb Yorgas Health Program and the Deadly Koolinga Chef Program                     | Murray Districts Aboriginal Association                               | \$15,792             |
| Food and Farm Fest   | Landcare SJ on behalf of Serpentine Jarrahdale Food and Farm Alliance | \$16,585             |
| James Service Anchor Rejuvenation Project  | The Bunbury Diocesan Trustees, Anglican Parish of Mandurah            | \$6,960              |
| The Noongar to Zoo Education Programme   | Peel Zoo Foundation   | \$19,343             |
| iZRA's Creative Vocational Workshop  | Coodanup College  | \$7,500              |
| <b>Total</b>   |   | <b>\$369,784</b>     |



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

### Client Response

| Goals   | 2012-13 Satisfaction | 2013-14 Satisfaction | 2014-15 Satisfaction |
|---|----------------------|----------------------|----------------------|
| All communities in the Peel will have healthy, safe, enjoyable and supportive environments to live and work, with access to high quality education and social services. | 63.4%                | 62.5%                | 64.6%                |

Source: Perth Market Research Client Survey July 2015

### Overview of initiatives

Ensuring communities in the Peel are educated, productive, healthy, safe and supported is a key component of the work of the Commission. This is highlighted in the draft Peel Regional Investment Blueprint with focus areas of Strong and Resilient Communities and Capable People. Strategies and initiatives for these focus areas were developed over the period in consultation with key stakeholders. The Blueprint calls for a dramatic uplift in education and training to ensure the people of the Peel are ready to capitalise on the opportunity and prosperity that economic growth can bring. In an area challenged by higher than average unemployment and significant pockets of social disadvantage this approach promises to deliver inter-generational benefits, lifting family aspirations and capacity, and improving the ability of workers to flex and grow to suit changing industry and economic demands.

The following provides an overview of key activities undertaken against this strategic direction during the period.

### Peel Workforce Development Centre

During November 2015 the Commission developed a Royalties for Regions business case in conjunction with the Department of Training and Workforce Development to seek funding over a four year period to establish and provide a Workforce Development Centre for the Peel. The establishment of a Workforce Development Centre is a priority issue for the Peel community with the Peel currently being the only non-metropolitan region without such a Centre.

The proposed Peel Workforce Development Centre will provide accessible, local services to support individuals of any age to make education, training and occupations choices and to manage their careers. The Centre will complement existing employment and training support services in the region and work closely with local providers to deliver facilitated referrals and a seamless service for clients.

The Centre will provide tangible social and economic benefits for the local community through provision of career advice and support, based on opportunities in the region. This will deliver the following outcomes:

- build regional and rural human capacity and capability;

# Agency Performance

- increase participation in the workforce, particularly among the under-employed, disengaged and under-represented groups in the community;
- improve facilitated referrals for all residents as a result of strong partnerships and collaboration with local services; and
- ensure residents better utilise their talents and skills, thereby leading to increased economic competitiveness and growth.

The success of this application was confirmed on 9 July 2015 with a joint announcement by the Minister for Regional Development and the Minister for Training and Workforce Development.

## Ageing in the Peel

On 13 June 2014, stakeholder consultations were conducted with representatives from a wide range of Peel aged care services to inform the State Government sponsored project, Ageing in the Bush, the objective of which is to identify aged care models for regional Western Australia that enable residents to age in their own community.

The project is aimed at providing quality information to the State Government that will:

1. inform infrastructure, services and governance models;
2. build on existing assets;
3. clarify roles and responsibilities;
4. guide sound investment; and
5. recognise specific Aboriginal needs.

As a result of the consultations, it was agreed that a working party should be established to identify opportunities for a coordinated and

collaborative approach to ageing people's service delivery and infrastructure development in the Peel.

The Ageing in the Peel Working Group was established and terms of reference developed which determined the purpose of the group as ensuring the identification of strategies to enable ageing in place within all communities in the Peel region. This will be achieved by:

1. confirming the breadth of service providers, their role and responsibilities;
2. identifying current infrastructure and services;
3. identifying best practice models for ageing in regional locations;
4. consulting with service providers, service users, local government and other key stakeholders across the region to identify key infrastructure and service provision requirements;
5. recommending innovative solutions to address the tyranny of distance and which ensures a coordinated approach to service delivery within the Peel; and
6. collaborating with service providers, local government and other key stakeholders to identify strategic priorities for the Peel region.

The working group is comprised of members from Local Government Authorities, State Government departments, and local service providers. During the period the Group has met on three occasions to review preliminary findings from the Ageing in the Bush project, review models of age friendly communities, discuss housing opportunities with Department of Housing representatives, discuss current initiatives in relation to age friendly communities in the Peel and identify issues affecting the ability of residents to age in place in the region.

# Agency Performance

## Peel Regional Children's Services Plan

In 2015 Commission staff have supported Child Australia with the development of the Peel Regional Children's Services Plan. Development of the plan was funded through the Regional Community Child Care Development Fund administered by the Department of Local Government and Communities and funded through the Royalties for Regions program.

The Peel Regional Children's Services Plan proposes a way towards developing a sustainable education and care sector, focusing towards community managed services, through ways that support the viability of all education and care and early childhood services to provide ongoing quality care in the region.

Five key focus areas have been identified for developing children's services in Peel:

- Workforce Development
- Workforce Enhancement
- Australian Early Development Census indicators
- Building Children's Services, Education and Care Sector Profile and Capacity for a sustainable future
- Local Government's Strategic Planning

The Commission worked closely with Child Australia to ensure this plan reflected the objectives of both the Peel Regional Investment Blueprint and the Peel Regional Workforce Development Plan 2015 - 2018.

## E newsletter

A new initiative for the Commission evolved during the period which focuses on communicating the achievements of the Peel to key

stakeholders. The Commission developed and distributed a fortnightly e-newsletter which includes highlights of the Commission's work and promotes success stories and events from all communities within the region.

## Development of local communities

The Commission continued its strong relationship with the five local government authorities in its area during the period. Ensuring integration of economic, environmental and social development across the Peel is an integral part of the Commission's role.

The Commission Chief Executive Officer continues to engage with the Peel Regional Leaders Forum to ensure communication and alignment of priorities and initiatives.

Representatives from Local Governments are included on Commission steering committees and working groups as appropriate.

Particularly the Commission continues to work with the Shire of Boddington on their SuperTown strategies and will in the coming period work closely with the City of Mandurah to develop a Regional Centre Growth Plan.

The Commission also participated in workshops with the City of Mandurah, Shire of Murray and City of Rockingham to develop their joint response to the draft South Metropolitan Peel Sub-regional Planning Framework.

## *Project in Focus - Peel Workforce Development Alliance and Peel Workforce Development Plan 2015 - 2018*

The Peel Workforce Development Alliance was formed in 2013 as a strategic body to provide leadership and oversight for the development and implementation of a Peel Regional Workforce Development Plan. The Peel Development Commission Chief Executive Officer chairs the Alliance and leads its activities in partnership with Department of Training and Workforce Development. The Alliance has an emphasis on supporting training development in industries and occupations that are emerging, in high growth and / or experiencing a shortage of skilled workers. This involves the creation and facilitation of partnerships with multiple stakeholders including industry, government and service providers to develop targeted programs to address the skill requirements of the region. Alliance membership includes representation from the vocational education and training sector, university sector, local businesses, and relevant State government agencies.

During the reporting period key activities of the Alliance were focussed on the development of the Peel Regional Workforce Development Plan 2015 - 2018 which is due to be launched in August 2015.

The overall aim of the plan is to identify the current and future skills and workforce development needs of the Peel and develop strategies to ensure they can be addressed.

The plan particularly focuses on best case and best practice examples and strategies in relation to workforce development.

The plan sits within the context of *Skilling WA – A workforce development plan for Western Australia* and the Peel Regional Investment Blueprint.

In aligning with these documents the plan involves a number of core considerations:

- an assessment of the region's economic and demographic profile;
- an examination of existing capacity and capability of the workforce;
- an assessment of the factors affecting the supply of labour; and
- extensive consultation with a wide range of stakeholders.

A key component of the plan is the development of a series of targeted priority actions. These actions will provide practical solutions to a number of complex workforce development challenges for the Peel region. Extensive stakeholder consultation has taken place to help shape and validate these priority actions. Through this process a range of stakeholders have committed to being responsible for specific priority actions.

The plan is due to be formally released by the Minister for Training and Workforce Development in August 2015. Following the launch the Alliance will reconvene to begin the process of implementation planning.

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

### Client Response

| Goals  | 2012-13 Satisfaction | 2013-14 Satisfaction | 2014-15 Satisfaction |
|--|----------------------|----------------------|----------------------|
| The Peel's natural environment will be responsibly managed to protect its diversity for current and future generations | 79.8%                | 76.9%                | 77.9%                |

Source: Perth Market Research Client Survey July 2015

The Peel Development Commission is committed to promoting and improving the natural environment through leadership and participation in effective partnerships between industry, community and Government. This includes a focus on ensuring economic development within the region does not have a negative effect on the natural assets of the region.

#### Peel Harvey Estuary Management Committee

Commission staff work closely with the Peel Harvey Catchment Council and the Peel Harvey Estuary Management Committee to support initiatives which protect and rehabilitate the Catchment.

Monitoring and research of the Peel Harvey catchment area over the past five years by the Peel Harvey Catchment Council indicates that the catchment's natural assets are all in a state of decline – particularly water quality in the lower reaches of the major rivers, native vegetation, watercourse condition and the state of the estuary.

The major new threats to the management of the Peel Region's natural assets are the continued rapid growth and urbanisation in the region and climate change.

Whilst the Western Australian Planning Commission recently released Perth and Peel @3.5 Million recognises the need to address the urban growth needs of the Perth and Peel regions and take into consideration the need to protect the natural ecosystems, it does not address the specific challenges faced by the Peel Harvey catchment. The Peel Harvey estuary together with the inter-dunal Clifton and Preston lakes, and the Goergerup and Black river lakes make up a registered Ramsar site which entails international obligations. Together with the fact that the Peel region sits at the centre of the South west Biodiversity Hotspot means that there is high value biodiversity which needs protection. With most of the least constrained coastal land already urbanised, future urban development will need to deal with significantly constrained land. The imperative lies with greater coordination between land use planning and environmental management.

#### Strategic Assessment for Perth and Peel Regions (SAPPR)

The Commission has been keeping a keen eye on the SAPPR process with a view to understanding and recognising the key environmental imperatives in the Peel Regional Investment Blueprint and ensuring planned economic activities are in alignment with the SAPPR outcomes.



# Agency Performance

## Peel Water Initiative

Commission staff have been working closely with the Peel Harvey Catchment Council and Pracsys Economics in the development of the Peel Water Initiative business case.

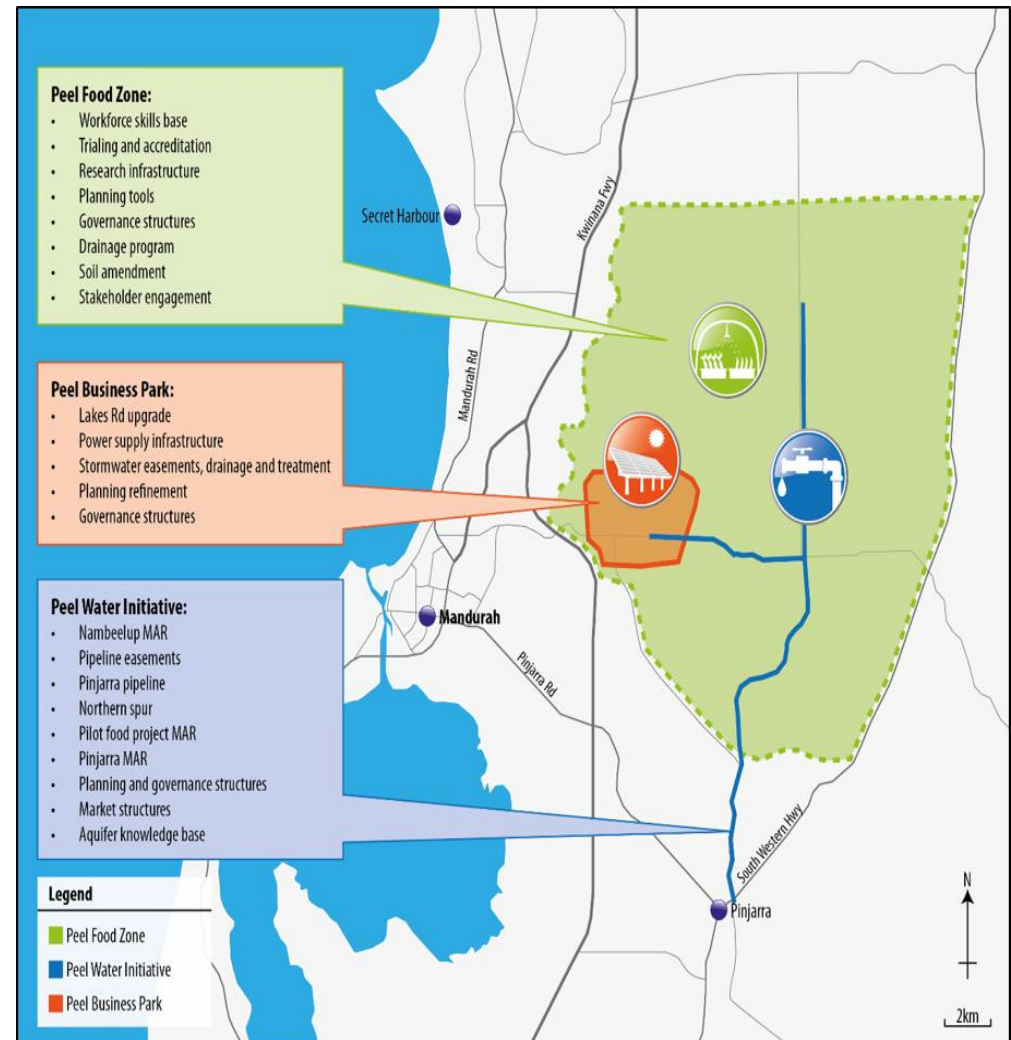
The business case seeks funding from the Royalties for Regions program for the development of long term seasonally independent sources and supply of water for development in the region, and the associated interventions and treatment processes that will contribute to the reduction of nutrient loading within the region.

The Peel Water Initiative is a key component of the Peel Peri-urban Strategic Economic and Environmental Initiative and has a vision to:

*“collect and treat waste-water and stormwater from the Peel Business Park Nambelup and other sources such as drains for use for industrial and agricultural purposes, facilitating improved economic, social and environmental outcomes for the Nambelup sub-catchment”*

## Guide for Investors and Growers

During the period the Commission participated in a working group that established a “Guide for Investors and Growers” who want to invest in the Peel region, particularly in horticulture. This guide is specific in its intentions to assist in the reduction of nutrient flows into the Peel Harvey Estuary. Together with this guide, the working group is currently developing model local planning policy for the possible adoption by the Peel Local Government Authorities.





# Agency Performance

## Project in focus – Peel Food Zone

A key focus of project officers over the past year has been on investigating more sustainable and innovative practices for intensive horticultural production including above ground methods such as glasshouses to significantly increase production rates for the future.

This preliminary work has been transformed during the period to the concept of development of a Peel Food Zone which will connect with the Peel Business Park Nambeelup and Peel Water Initiative to transform the economy of the Peel.

The vision for the Peel Food Zone is to form an integral component of transformative change in the Peel Region through more efficiently and effectively using the natural assets of the land for highly productive agricultural land uses for domestic and export purposes, and facilitating the development of associated industries nearby in the Peel Business Park Nambeelup.

This project has the potential to develop a world-class research hub and food production zone and play a significant role in supporting the State's strategic objectives. The Peel Food Zone will be suitable for investment in highly productive agricultural land uses and the development of innovative energy and environmental solutions. In addition, there is opportunity to produce value-added food products at the nearby Peel Business Park Nambeelup, boosting productivity of the Peel Region and supporting the development of export-oriented industries that meet market needs over the next century.

The project is expected to assist in meeting the following strategic imperatives:

- Support the diversification of the State's economy away from an overreliance on cyclical commodity exports through production of high quality, value-added agricultural produce and products for export markets.
- Support the improvement of the State's competitiveness through increases in productivity and local value-add activities by more efficiently and effectively using rural land within the Nambeelup locality for more intensive agricultural production.
- Improve the State's future fiscal sustainability by more efficiently utilising existing resources (including infrastructure and waste products) through developing underutilised existing rural land for more productive agricultural uses.
- Improve the performance of Perth and Peel's urban systems to ensure that significant population growth can be supported whilst maintaining a high standard of living through providing a regionally significant quantity of new strategic (not population-driven) jobs in the Peel Region to support the existing and future resident population.
- Improve the natural capital of critical State natural assets through improving the water quality of runoff from the Nambeelup sub-catchment into the Peel estuary.

A Royalties for Regions business case for this project is currently being prepared, due for finalisation in late 2015.

# Disclosures and Legal Compliance

## Auditor General Reports

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## 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 2015, 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 2015 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.

# Disclosures and Legal Compliance

## **Report on Controls**

I have audited the controls exercised by the Peel Development Commission during the year ended 30 June 2015.

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 2015.

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

I have audited the key performance indicators of the Peel Development Commission for the year ended 30 June 2015.

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.

# Disclosures and Legal Compliance

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 2015.

## **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 2015 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE  
DEPUTY AUDITOR GENERAL  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
14 September 2015



# Disclosures and Legal Compliance

## Certification of Key Performance Indicators

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I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Peel Development Commission's performance, and fairly represent the performance of the Commission for the financial year ended 30 June 2015.



Paul Fitzpatrick  
Chairman  
September 2015



Norman Baker  
Acting Chief Executive Officer  
September 2015

# Disclosures and Legal Compliance

## Additional key performance indicator information

### Overall Effectiveness Indicators

The effectiveness of the Commission in achieving its outcomes is determined by undertaking an annual client survey. In 2014-2015 the Commission engaged an external market research consultant to conduct the annual client survey to measure its performance against the Resource Agreement targets.

In the survey period, an online survey was conducted and formed the primary methodology utilising email and telephone follow ups to encourage sufficient responses to ensure statistical reliability. 135 survey recipients were contacted with a high response rate of 113 (83.7%) completed surveys obtained. Survey respondents comprised the Commission's clients of local governments,

Commonwealth and State government agencies and private organisations.

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

This year, the score for satisfaction with the Commission's contribution to the economic base (86.4%) has increased slightly compared to the score achieved in 2013-2014 but is lower than the target set.

| Desired outcome: Development and promotion of the Peel region           | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual | 2014-15<br>Target | 2014-15<br>Actual |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Client satisfaction with the contribution to the region's economic base | 87.0%             | 86.0%             | 87.0%             | 85.9%             | 90%               | 86.4%             |

Source: Perth Market Research



# Disclosures and Legal Compliance

## Efficiency Indicators

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

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

### *Service 1 – Facilitation and Coordination*

*Service Description: Facilitate and coordinate regional development activities*

The variance from target to actual for 2014-15 of a decrease of \$13 is due to lower costs and higher productive hours being achieved.

The increase from 2013-14 to 2014-15 can be attributed to vacancies in the staffing structure during the 2013-14 period.

### *Service 2 – Advice and Information*

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

The variance from target to actual for 2014-15 of a decrease of \$8 is due to lower costs and higher productive hours being achieved.

The increase from 2013-14 to 2014-15 can be attributed to vacancies in the staffing structure during the 2013-14 period.

| Efficiency Indicator – average cost per unit of service per hour | 2010-11 Actual | 2011-12 Actual | 2012-13 | 2013-14 | 2014-15 Target | 2014-15 Actual | Variance |
|--|----------------|----------------|---------|---------|----------------|----------------|----------|
| Service 1 Facilitation and coordination                          | \$72           | \$85           | \$82    | \$94    | \$113          | \$100          | (\$13)   |
| Service 2 Advice and information                                 | \$45           | \$54           | \$52    | \$59    | \$71           | \$63           | (\$8)    |

# Disclosures and Legal Compliance

## Certification of Financial Statements

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### For the year ended 30 June 2015

The accompanying financial statements of the Peel Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2015 and the financial position as at 30 June 2015.

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.



Paul Fitzpatrick  
Chairman  
September 2015



Norman Baker  
Acting Chief Executive Officer  
September 2015



Victor Smith  
Chief Finance Officer  
September 2015

# Disclosures and Legal Compliance

## Financial Statements

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### Statement of Comprehensive Income

For the year ended 30 June 2015

|   | Note | 2015<br>\$       | 2014<br>\$       |
|---|------|------------------|------------------|
| <b>COST OF SERVICES</b>                                     |      |                  |                  |
| <b>Expenses</b>   |      |                  |                  |
| Employee benefits expense                                   | 6.   | 1,303,613        | 1,396,503        |
| Supplies and services                                       | 7.   | 634,450          | 569,176          |
| Depreciation expense  | 8.   | 19,712           | 18,874           |
| Accommodation expenses                                      | 9.   | 168,638          | 188,875          |
| Grants and Subsidies  | 10.  | 1,154,184        | 815,722          |
| Other expenses  | 11.  | 38,774           | 39,992           |
| <b>Total cost of services</b>                               |      | <b>3,319,371</b> | <b>3,029,142</b> |
| <b>Income</b>   |      |                  |                  |
| <i>Revenue</i>  |      |                  |                  |
| Other revenue   | 12.  | 2,727            | 5,573            |
| <b>Total Revenue</b>  |      | <b>2,727</b>     | <b>5,573</b>     |
| <b>Total income other than income from State Government</b> |      | <b>2,727</b>     | <b>5,573</b>     |
| <b>NET COST OF SERVICES</b>                                 |      | <b>3,316,644</b> | <b>3,023,569</b> |
| <b>Income from State Government</b>                         |      |                  |                  |
| Service Appropriation                                       | 13.  | 219,000          | 467,000          |
| Resources received free of charge                           | 13.  | 8,507            | 7,809            |
| Royalties for Regions Fund                                  | 13.  | 2,740,556        | 1,680,500        |
| <b>Total income from State Government</b>                   |      | <b>2,968,063</b> | <b>2,155,309</b> |
| <b>DEFICIT FOR THE PERIOD</b>                               |      | <b>(348,581)</b> | <b>(868,260)</b> |
| <b>Total other comprehensive income</b>                     |      | <b>(19,548)</b>  | <b>-</b>         |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>            |      | <b>(368,129)</b> | <b>(868,260)</b> |

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

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

# Disclosures and Legal Compliance

## Statement of Financial Position

As at 30 June 2015

|                                      | Note | 2015<br>\$       | 2014<br>\$       |
|--------------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                        |      |                  |                  |
| <b>Current Assets</b>                |      |                  |                  |
| Cash and cash equivalents            | 22.  | 1,056,876        | 1,055,876        |
| Restricted cash and cash equivalents | 14.  | 184,780          | 633,281          |
| Receivables                          | 15.  | 115,099          | 53,169           |
| <b>Total Current Assets</b>          |      | <b>1,356,755</b> | <b>1,742,326</b> |
| <b>Non-Current Assets</b>            |      |                  |                  |
| Restricted cash and cash equivalents | 14.  | 0                | 45,143           |
| Amounts receivable for services      | 16.  | 134,000          | 134,000          |
| Property, Plant and equipment        | 17.  | 16,599           | 36,309           |
| <b>Total Non-Current Assets</b>      |      | <b>150,599</b>   | <b>215,452</b>   |
| <b>TOTAL ASSETS</b>                  |      | <b>1,507,354</b> | <b>1,957,778</b> |
| <b>LIABILITIES</b>                   |      |                  |                  |
| <b>Current Liabilities</b>           |      |                  |                  |
| Payables                             | 19.  | 43,280           | 29,306           |
| Provisions                           | 20.  | 267,222          | 235,533          |
| <b>Total Current Liabilities</b>     |      | <b>310,502</b>   | <b>264,839</b>   |
| <b>Non-Current Liabilities</b>       |      |                  |                  |
| Provisions                           | 20.  | 31,455           | 21,640           |
| <b>Total Non-Current Liabilities</b> |      | <b>31,455</b>    | <b>21,640</b>    |
| <b>TOTAL LIABILITIES</b>             |      | <b>341,957</b>   | <b>286,479</b>   |
| <b>NET ASSETS</b>                    |      | <b>1,165,397</b> | <b>1,671,299</b> |
| <b>EQUITY</b>                        |      |                  |                  |
| Contributed Equity                   | 21.  | 0                | 137,770          |
| Accumulated surplus/(deficit)        | 21.  | 1,165,397        | 1,533,529        |
| <b>TOTAL EQUITY</b>                  |      | <b>1,165,397</b> | <b>1,671,299</b> |

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

# Disclosures and Legal Compliance

## Statement of Changes in Equity

For the year ended 30 June 2015

|  | Note | Contributed equity | Reserves | Accumulated surplus/(deficit) | Total equity     |
|--|------|--------------------|----------|-------------------------------|------------------|
|  |      | \$                 | \$       | \$                            | \$               |
| <b>Balance at 1 July 2013</b>                    | 21.  | 137,770            |          | 2,401,786                     | 2,539,556        |
| Surplus/(Deficit)                                |      |                    |          | (868,260)                     | (868,260)        |
| Other Comprehensive income                       |      |                    |          |                               | 0                |
| Total comprehensive income for the period        |      | 137,770            | 0        | 1,533,526                     | 1,671,296        |
| <b>Balance at 30 June 2014</b>                   |      | <b>137,770</b>     | <b>0</b> | <b>1,533,526</b>              | <b>1,671,296</b> |
| <b>Balance at 1 July 2014</b>                    |      | 137,770            | 0        | 1,533,526                     | 1,671,296        |
| Surplus/(Deficit)                                |      | (157,318)          |          | (348,581)                     | (505,899)        |
| Other Comprehensive income                       |      |                    |          |                               | 0                |
| Total comprehensive income for the period        |      | (19,548)           | 0        | 1,184,945                     | 1,165,397        |
| Transfer of Debit Balance to Accumulated Surplus |      | 19,548             |          | (19,548)                      | 0                |
| <b>Balance at 30 June 2015</b>                   |      | <b>0</b>           | <b>0</b> | <b>1,165,397</b>              | <b>1,165,397</b> |

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

# Disclosures and Legal Compliance

## Statement of Cash Flows

For the year ended 30 June 2015

|  | Note | 2015<br>\$         | 2014<br>\$         |
|--|------|--------------------|--------------------|
| <b>CASH FLOWS FROM STATE GOVERNMENT</b>                    |      |                    |                    |
| Service appropriation                                      |      | 219,000            | 467,000            |
| Royalties for Regions Fund                                 |      | 2,740,556          | 1,680,500          |
| <b>Net cash provided by State Government</b>               | 13.  | <b>2,959,556</b>   | <b>2,147,500</b>   |
| Utilised as follows:                                       |      |                    |                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |      |                    |                    |
| <b>Payments</b>  |      |                    |                    |
| Employee benefits  |      | (1,244,225)        | (1,405,479)        |
| Supplies and services                                      |      | (638,384)          | (575,690)          |
| Accommodation Expenses                                     |      | (160,131)          | (181,066)          |
| Grants and Subsidies                                       |      | (1,154,184)        | (815,722)          |
| Other Payments   |      | (196,092)          | (39,992)           |
| GST payments on purchases                                  |      | (152,591)          | (157,747)          |
| GST payments to ATO  |      | (282)              | 0                  |
| <b>Receipts</b>  |      |                    |                    |
| Receipts from services                                     |      | 3,085              | 15,375             |
| GST receipts on sales                                      |      | 305                | 320                |
| GST receipts from taxation authority                       |      | 90,299             | 259,226            |
| <b>Net cash provided by/(used in) operating activities</b> | 22.  | <b>(3,452,200)</b> | <b>(2,900,775)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |      |                    |                    |
| <b>Payments</b>  |      |                    |                    |
| Purchase of non-current assets                             |      | 0                  | (14,280)           |
| <b>Net cash provided by/(used in) investing activities</b> |      | <b>0</b>           | <b>(14,280)</b>    |
| Net increase/(decrease) in cash and cash equivalents       |      | (492,644)          | (767,555)          |
| Cash and cash equivalents at the beginning of the period   |      | 1,734,300          | 2,501,855          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>  | 22.  | <b>1,241,656</b>   | <b>1,734,300</b>   |

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



# Disclosures and Legal Compliance

## Notes to the Financial Statements

For the year ended 30 June 2015

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

#### **General**

The Commission's financial statements for the year ended 30 June 2015 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

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

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. By virtue of a limited exemption, the Commission has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*.

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

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

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

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

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

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

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

# Disclosures and Legal Compliance

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 the Peel Development Commission.

### Mission

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

### Services

The Commission provides the following services:

#### *Service 1: Facilitation and Coordination*

Facilitate and coordinate regional development activities.

#### *Service 2: Advice and Information*

Provide advice and information on regional development activities or matters.

## **(d) Contributed equity**

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

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

# Disclosures and Legal Compliance

## (e) Income

### Revenue recognition

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

#### *Service appropriations*

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

#### *Net Appropriation Determination*

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Commission. In accordance with the determination specified in the 2013-14 Budget Statements, the Commission retained \$2,727 in 2015 (\$5,573 in 2014) from the following:

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

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

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

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

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

### Gains

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

# Disclosures and Legal Compliance

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

### Capitalisation/expensing of assets

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

### Initial recognition and measurement

All items of plant and equipment are initially recognised at cost.

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

### Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land, buildings and infrastructure and historical cost for all other property, plant and equipment. Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

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

### Depreciation

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

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

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

## **(g) Intangible assets**

### Capitalisation/expensing of assets

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

# Disclosures and Legal Compliance

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.

## Computer software

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

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

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

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

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

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

## **(i) Leases**

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

# Disclosures and Legal Compliance

## **(j) Financial instruments**

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

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

Financial instruments have been disaggregated into the following classes:

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

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

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

## **(k) Cash and cash equivalents**

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

## **(l) Accrued salaries**

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

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

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

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



# Disclosures and Legal Compliance

## **(n) Receivables**

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

## **(o) Payables**

Payables are recognised when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

## **(p) Provisions**

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

### Provisions - employee benefits

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

#### *Annual leave*

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

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

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

#### *Long service leave*

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

# Disclosures and Legal Compliance

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

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

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

## *Deferred leave*

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

## *Purchased leave*

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

## *Superannuation*

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

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

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

# Disclosures and Legal Compliance

The Commission makes contributions to GESB or other fund providers on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Commission's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

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

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

## Provisions – other

### *Employment on-costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

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

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

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

Assets and services received free of charge or for nominal cost that the Commission would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. 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.

# Disclosures and Legal Compliance

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

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

### Operating lease commitments

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

## **Note 4. Key sources of estimation uncertainty**

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

### Long Service Leave

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

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

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

The Commission has applied the following Australian Accounting Standards effective, or adopted, for annual reporting periods beginning on or after 1 July 2014 that impacted on the Commission.

#### *Int 21 Levies*

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

#### *AASB 10 Consolidated Financial Statements*

This Standard, issued in August 2011, supersedes AASB 127 *Consolidated and Separate Financial Statements* and Int 112 *Consolidation – Special Purpose Entities*, introducing a number of changes to accounting treatments.

The adoption of the new Standard has no financial impact for the Commission as it does not impact accounting for related bodies and the Commission has no interests in other entities.

# Disclosures and Legal Compliance

## AASB 11 *Joint Arrangements*

This Standard, issued in August 2011, supersedes AASB 131 *Interests in Joint Ventures*, introduces new principles for determining the type of joint arrangements that exist, which are more aligned to the actual rights and obligations of the parties to the arrangement.

There is no financial impact for the Commission as the new standard continues to require the recognition of the Commission's share of assets and share of liabilities for the unincorporated joint operation.

## AASB 12 *Disclosure of Interests in Other Entities*

This Standard, issued in August 2011, supersedes disclosure requirements in AASB 127 *Consolidated and Separate Financial Statements*, AASB 128 *Investments in Associates* and AASB 131 *Interests in Joint Ventures*. There is no financial impact.

## AASB 127 *Separate Financial Statements*

This Standard, issued in August 2011, supersedes AASB 127 *Consolidated and Separate Financial Statements* removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. There is no financial impact.

## AASB 128 *Investments in Associates and Joint Ventures*

This Standard supersedes AASB 128 *Investments in Associates*, introducing a number of clarifications for the accounting treatments of changed ownership interest.

The adoption of the new Standard has no financial impact for the Commission as it does not hold investments in associates and joint ventures.

## AASB 1031 *Materiality*

This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.

# Disclosures and Legal Compliance

## *AASB 1055 Budgetary Reporting*

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

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

This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*. There is no financial impact for the Commission.

## *AASB 2012-3 Amendment to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]*

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 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*

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

## *AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]*

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

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

# Disclosures and Legal Compliance

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

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

Part B of this omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014. It has no financial impact.

## *AASB 2014-1 Amendments to Australian Accounting Standards*

Part A of this Standard consists primarily of clarifications to Accounting Standards and has no financial impact for the Commission.

Part B of this Standard has no financial impact as the Commission contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.

Part C of this Standard has no financial impact as it removes references to AASB 1031 *Materiality* from a number of Accounting Standards.

## *AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*

This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has 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* or by an exemption from TI 1101. By virtue of a limited exemption, the Commission has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Where applicable, the Commission plans to apply the following Australian Accounting Standards from their application date.



# Disclosures and Legal Compliance

|             |   | <b>Operative for<br/>reporting periods<br/>beginning on/after</b> |
|-------------|---|---|
| AASB 9      | <p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and AASB 2014-1 Amendments to Australian Accounting Standards. The Authority has not yet determined the application or the potential impact of the Standard.</p>  | 1 Jan 2018  |
| AASB 15     | <p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Commission has not yet determined the application or the potential impact of the Standard.</p>  | 1 Jan 2017  |
| 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 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 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.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.</p>          | 1 Jan 2018  |
| AASB 2013-9 | <p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.</i></p> <p>Part C of this omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Commission has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.</p> | 1 Jan 2015  |

# Disclosures and Legal Compliance

|             |  |            |
|-------------|--|------------|
| AASB 2014-1 | <i>Amendments to Australian Accounting Standards</i>   | 1 Jan 2015 |
|             | Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Commission to determine the application or potential impact of the Standard.   |            |
| AASB 2014-3 | <i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 &amp; 11]</i>  | 1 Jan 2016 |
|             | The Commission establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard  |            |
| AASB 2014-4 | <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 &amp; 138]</i>   | 1 Jan 2016 |
|             | The adoption of this Standard has no financial impact for the Commission as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.   |            |
| AASB 2014-5 | <i>Amendments to Australian Accounting Standards arising from AASB 15</i>  | 1 Jan 2017 |
|             | This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Commission has not yet determined the application or the potential impact of the Standard.   |            |
| AASB 2014-7 | <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>   | 1 Jan 2018 |
|             | This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.  |            |
| AASB 2014-8 | <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 &amp; 2010)]</i>   | 1 Jan 2015 |
|             | This Standard makes amendments to AASB 9 <i>Financial Instruments</i> (December 2009) and AASB 9 <i>Financial Instruments</i> (December 2010), arising from the issuance of AASB 9 <i>Financial Instruments</i> in December 2014. The Commission has not yet determined the application or the potential impact of the Standard. |            |

# Disclosures and Legal Compliance

|                     |   |            |
|---------------------|---|------------|
| <i>AASB 2014-9</i>  | <i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 &amp; 128]</i>   | 1 Jan 2016 |
|                     | <p>This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Commission has not yet determined the application or the potential impact of the Standard.</p>  |            |
| <i>AASB 2014-10</i> | <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; 128]</i>  | 1 Jan 2016 |
|                     | <p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Commission has not yet determined the application or the potential impact of the Standard.</p>   |            |
| <i>AASB 2015-1</i>  | <i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 &amp; 140]</i>  | 1 Jan 2016 |
|                     | <p>These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. The Commission has not yet determined the application or the potential impact of the Standard.</p>   |            |
| <i>AASB 2015-2</i>  | <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 &amp; 1049]</i>  | 1 Jan 2016 |
|                     | <p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p> |            |
| <i>AASB 2015-3</i>  | <i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i>   | 1 Jul 2015 |
|                     | <p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.</p>  |            |

# Disclosures and Legal Compliance

AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]* 1 Jul 2016

The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

## Note 6. *Employee benefits expense*

|  | 2015             | 2014             |
|--|------------------|------------------|
|  | \$               | \$               |
| Wages and salaries <sup>(a)</sup>                          | 1,169,895        | 1,236,272        |
| Superannuation - defined contribution plans <sup>(b)</sup> | 125,614          | 103,158          |
| Other related expenses                                     | 8,104            | 57,073           |
|  | <b>1,303,613</b> | <b>1,396,503</b> |

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

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

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

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

## Note 7. *Supplies and services*

|                             | 2015           | 2014           |
|-----------------------------|----------------|----------------|
|                             | \$             | \$             |
| Communications              | 23,002         | 32,674         |
| Consultants and contractors | 513,616        | 446,981        |
| Consumables                 | 43,216         | 54,099         |
| Vehicle Lease Costs         | 4,142          | 8,801          |
| Travel                      | 7,559          | 2,363          |
| Other                       | 42,915         | 24,258         |
|                             | <b>634,450</b> | <b>569,176</b> |

## Note 8. *Depreciation expense*

|                                 | 2015          | 2014          |
|---------------------------------|---------------|---------------|
|                                 | \$            | \$            |
| <u>Depreciation</u>             |               |               |
| Office equipment                | 896           | 2,145         |
| Communication Equipment         | 3,237         | 3,237         |
| Computer hardware               | 14,143        | 12,056        |
| Furniture fixtures and fittings | 1,436         | 1,436         |
| <b>Total depreciation</b>       | <b>19,712</b> | <b>18,874</b> |

# Disclosures and Legal Compliance

**Note 9. Accommodation expenses**

|              | <b>2015</b>    | <b>2014</b>    |
|--------------|----------------|----------------|
|              | <b>\$</b>      | <b>\$</b>      |
| Lease Rental | 154,399        | 177,797        |
| Cleaning     | 14,239         | 11,078         |
|              | <b>168,638</b> | <b>188,875</b> |

**Note 10. Grants & Subsidies**

|  | <b>2015</b>      | <b>2014</b>    |
|--|------------------|----------------|
|  | <b>\$</b>        | <b>\$</b>      |
| Grants and Subsidies   | 1,154,184        | 815,722        |
| <u>Recurrent</u>   |                  |                |
| Boddington Gold Mine Expansion - Social infrastructure Package             | 0                | 645,400        |
| Royalties for Regions - Regional Grants Scheme                             | 784,400          | 62,021         |
| Royalties for Regions - Support to Regional Groupings of Local Governments | 0                | 32,145         |
| Royalties for Regions - Blueprint  | 0                | 76,156         |
| Royalties for Regions – Community Chest Fund                               | 369,784          | 0              |
|  | <b>1,154,184</b> | <b>815,722</b> |

**Note 11. Other expenses**

|                                   | <b>2015</b>   | <b>2014</b>   |
|-----------------------------------|---------------|---------------|
|                                   | <b>\$</b>     | <b>\$</b>     |
| Audit Fee                         | 34,400        | 31,000        |
| Insurance - Workers' Compensation | 3,568         | 3,222         |
| Other expenses <sup>(a)</sup>     | 806           | 5,770         |
|                                   | <b>38,774</b> | <b>39,992</b> |

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

**Note 12. Other revenue**

|                     | <b>2015</b>  | <b>2014</b>  |
|---------------------|--------------|--------------|
|                     | <b>\$</b>    | <b>\$</b>    |
| Recoups – other (a) | 2,727        | 5,573        |
|                     | <b>2,727</b> | <b>5,573</b> |

a) Includes recoups for the use of office space, consumables, salary overpayments and income from the Peel Unearthed event.

# Disclosures and Legal Compliance

## Note 13. Income from State Government

|   | 2015<br>\$       | 2014<br>\$       |
|---|------------------|------------------|
| Appropriation received during the period:   |                  |                  |
| Service appropriation <sup>(a)</sup>  | 219,000          | 467,000          |
|   | <b>219,000</b>   | <b>467,000</b>   |
| Resources received free of charge from other State Government agencies during the year <sup>(b)</sup> |                  |                  |
| Department of Finance – Building and Management Works   | 8,507            | 7,809            |
|   | <b>8,507</b>     | <b>7,809</b>     |
| Royalties for Regions Fund:   |                  |                  |
| Regional Community Services   | 1,162,556        | 147,500          |
| Regional and State-wide   | 1,578,000        | 1,533,000        |
|   | <b>2,740,556</b> | <b>1,680,500</b> |
|   | <b>2,968,063</b> | <b>2,155,309</b> |

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

## Note 14. Restricted cash and cash equivalents

|  | 2015<br>\$     | 2014<br>\$     |
|--|----------------|----------------|
| <u>Current</u>                                   |                |                |
| Royalties for Regions Fund <sup>(a)</sup>        | 139,637        | 633,281        |
| Accrued salaries suspense account <sup>(b)</sup> | 45,143         |                |
|  | <b>184,780</b> | <b>633,281</b> |
| <u>Non-current</u>                               |                |                |
| Accrued salaries suspense account <sup>(b)</sup> |                | 45,143         |
|  | <b>0</b>       | <b>45,143</b>  |

- (a) Unspent funds are committed to projects and programs in WA regional areas.
- (b) Funds held in the suspense account used only for the purpose of meeting the 27<sup>th</sup> pay in a financial year that occurs every 11 years.



# Disclosures and Legal Compliance

## Peel Development Commission

### Note 15. Receivables

|                      | 2015<br>\$     | 2014<br>\$    |
|----------------------|----------------|---------------|
| <u>Current</u>       |                |               |
| Receivables          | 4,909          | 5,271         |
| GST Receivable       | 110,190        | 47,898        |
| <b>Total current</b> | <b>115,099</b> | <b>53,169</b> |

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

|                          | 2015<br>\$     | 2014<br>\$     |
|--------------------------|----------------|----------------|
| Non-Current              | 134,000        | 134,000        |
| <b>Total non-current</b> | <b>134,000</b> | <b>134,000</b> |

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

### Note 17. Property, plant and equipment

|  | 2015<br>\$    | 2014<br>\$    |
|--|---------------|---------------|
| <u>Office equipment</u>                    |               |               |
| At cost                                    | 13,103        | 13,103        |
| Accumulated depreciation                   | (13,103)      | (12,208)      |
|  | 0             | 895           |
| <u>Communication equipment</u>             |               |               |
| At cost                                    | 16,183        | 16,183        |
| Accumulated depreciation                   | (13,216)      | (9,981)       |
|  | 2,967         | 6,202         |
| <u>Furniture fixtures and fittings</u>     |               |               |
| At cost                                    | 14,864        | 14,864        |
| Accumulated depreciation                   | (9,957)       | (8,520)       |
|  | 4,907         | 6,344         |
| <u>Computer Hardware</u>                   |               |               |
| At cost                                    | 76,005        | 76,005        |
| Accumulated depreciation                   | (67,280)      | (53,137)      |
|  | 8,725         | 22,868        |
| <b>Total Property, Plant and Equipment</b> | <b>16,599</b> | <b>36,309</b> |

All Property, Plant and Equipment is measured at cost.

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

|                                  | Office<br>Equipment | Communication<br>Equipment | Furniture<br>Fixtures<br>& Fittings | Computer<br>Hardware | Total         |
|----------------------------------|---------------------|----------------------------|-------------------------------------|----------------------|---------------|
|                                  | \$                  | \$                         | \$                                  | \$                   | \$            |
| <b>2014</b>                      |                     |                            |                                     |                      |               |
| Carrying amount at start of year | 3,040               | 9,439                      | 7,780                               | 20,644               | 40,903        |
| Additions                        |                     |                            |                                     | 14,280               | 14,280        |
| Disposals                        |                     |                            |                                     |                      | 0             |
| Depreciation                     | (2,145)             | (3,237)                    | (1,436)                             | (12,056)             | (18,874)      |
| Carrying amount at end of year   | <b>895</b>          | <b>6,202</b>               | <b>6,344</b>                        | <b>22,868</b>        | <b>36,309</b> |
| <b>2015</b>                      |                     |                            |                                     |                      |               |
| Carrying amount at start of year | 895                 | 6,202                      | 6,344                               | 22,868               | 36,309        |
| Additions                        |                     |                            |                                     |                      | 0             |
| Disposals                        |                     |                            |                                     |                      | 0             |
| Depreciation                     | (895)               | (3,235)                    | (1,437)                             | (14,143)             | (19,710)      |
| Carrying amount at end of year   | <b>0</b>            | <b>2,967</b>               | <b>4,907</b>                        | <b>8,725</b>         | <b>16,599</b> |

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

There were no indications of impairment to plant and equipment, and intangible assets at 30 June 2015.

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 2015 have either been classified as assets held for sale or written-off.

## **Note 19. Payables**

|                      | 2015          | 2014          |
|----------------------|---------------|---------------|
|                      | \$            | \$            |
| <u>Current</u>       |               |               |
| Accrued salaries     | 36,557        | 18,674        |
| Accrued expense      | 0             | 8,609         |
| Other payables       | 6,723         | 2,023         |
| <b>Total current</b> | <b>43,280</b> | <b>29,306</b> |

# Disclosures and Legal Compliance

## Note 20. Provisions

|                                    | 2015<br>\$            | 2014<br>\$            |
|------------------------------------|-----------------------|-----------------------|
| <b>Current</b>                     |                       |                       |
| <i>Employee benefits provision</i> |                       |                       |
| Annual leave <sup>(a)</sup>        | 76,691                | 66,520                |
| Long service leave <sup>(b)</sup>  | 188,778               | 167,215               |
| Purchased leave <sup>(c)</sup>     | (132)                 | 146                   |
|                                    | <u>265,337</u>        | <u>233,881</u>        |
| <i>Other provisions</i>            |                       |                       |
| Employment on-costs <sup>(d)</sup> | 1,885                 | 1,652                 |
|                                    | <u>1,885</u>          | <u>1,652</u>          |
|                                    | <b><u>267,222</u></b> | <b><u>235,533</u></b> |
| <b>Non-current</b>                 |                       |                       |
| <i>Employee benefits provision</i> |                       |                       |
| Long service leave <sup>(b)</sup>  | 31,229                | 21,484                |
|                                    | <u>31,229</u>         | <u>21,484</u>         |
| <i>Other provisions</i>            |                       |                       |
| Employment on-costs <sup>(d)</sup> | 226                   | 155                   |
|                                    | <u>226</u>            | <u>155</u>            |
|                                    | <b><u>31,455</u></b>  | <b><u>21,639</u></b>  |

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

|   | 2015<br>\$    | 2014<br>\$    |
|---|---------------|---------------|
| Within 12 months of the end of the reporting period       | 65,596        | 55,413        |
| More than 12 months after the end of the reporting period | 11,095        | 11,107        |
|   | <u>76,691</u> | <u>66,520</u> |

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

|   | 2015<br>\$     | 2014<br>\$     |
|---|----------------|----------------|
| Within 12 months of the end of the reporting period       | 117,749        | 85,468         |
| More than 12 months after the end of the reporting period | 102,258        | 103,231        |
|   | <u>220,007</u> | <u>188,699</u> |

## Disclosures and Legal Compliance

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

|   | 2015         | 2014       |
|---|--------------|------------|
|   | \$           | \$         |
| Within 12 months of the end of the reporting period | (132)        | 146        |
|   | <b>(132)</b> | <b>146</b> |

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

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

### Movements in other provisions

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

|   | 2015         | 2014         |
|---|--------------|--------------|
|   | \$           | \$           |
| Employment on-cost provision            |              |              |
| Carrying amount at start of period      | 1,807        | 1,136        |
| Additional provisions recognised        | 304          | 671          |
| <b>Carrying amount at end of period</b> | <b>2,111</b> | <b>1,807</b> |

### Note 21. Equity

The Western Australian 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

|  | 2015             | 2014           |
|--|------------------|----------------|
|  | \$               | \$             |
| Balance at start of period                       | 137,770          | 137,770        |
| <u>Distributions to owners</u>                   |                  |                |
| Transfers to DRD                                 | (157,318)        | 0              |
| <b>Total distributions to owners</b>             | <b>(157,318)</b> | <b>0</b>       |
| Transfer of Debit Balance to Accumulated Surplus | 19,548           | 0              |
| <b>Balance at end of period</b>                  | <b>0</b>         | <b>137,770</b> |

#### Accumulated surplus / (deficit)

|  |                  |                  |
|--|------------------|------------------|
| Balance at start of period                       | 1,533,526        | 2,401,789        |
| Result for the period                            | (348,581)        | (868,260)        |
| Transfer of Debit Balance to Accumulated Surplus | (19,548)         | 0                |
| <b>Balance at end of period</b>                  | <b>1,165,397</b> | <b>1,533,529</b> |
| <b>Total Equity at end of period</b>             | <b>1,165,397</b> | <b>1,671,299</b> |

# Disclosures and Legal Compliance

## 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:

|  | 2015             | 2014             |
|--|------------------|------------------|
|  | \$               | \$               |
| Cash and cash equivalents  | 1,056,876        | 1,055,876        |
| Restricted cash and cash equivalents (refer to note 14 'Restricted cash and cash equivalents') | 184,780          | 678,424          |
|  | <b>1,241,656</b> | <b>1,734,300</b> |

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

|  | 2015               | 2014               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| Net cost of services                                       | (3,316,644)        | (3,023,569)        |
| <u>Non-cash items:</u>                                     |                    |                    |
| Depreciation expense                                       | 19,712             | 18,874             |
| Bad debts expense  |                    |                    |
| Resources received free of charge                          | 8,507              | 7,809              |
| <u>(Increase)/decrease in assets:</u>                      |                    |                    |
| Current receivables <sup>(a)</sup>                         | 358                | 9,804              |
| <u>Increase/(decrease) in liabilities:</u>                 |                    |                    |
| Current payables <sup>(a)</sup>                            | 13,949             | (22,077)           |
| Other payables   | (157,318)          |                    |
| Current provisions   | 31,689             | 7,619              |
| Non-current provisions                                     | 9,815              | (1,035)            |
| Net GST receipts/(payments) <sup>(b)</sup>                 | (62,268)           | 101,800            |
| Change in GST in receivables/payables <sup>(c)</sup>       |                    |                    |
| <b>Net cash provided by/(used in) operating activities</b> | <b>(3,452,200)</b> | <b>(2,900,775)</b> |

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

(b) This is the net GST paid/received, i.e. cash transaction.

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

# Disclosures and Legal Compliance

## **Note 23. Commitments**

|  | 2015           | 2014           |
|--|----------------|----------------|
|  | \$             | \$             |
| Commitments for minimum lease payments are payable as follows: |                |                |
| Within 1 year  | 97,765         | 96,724         |
| Later than 1 year and not later than 5 years                   | 24,642         | 115,344        |
| More than 5 years  | 0              | 0              |
|  | <u>122,407</u> | <u>212,068</u> |

The commitments below are inclusive of GST where relevant.

Other expenditure commitments contracted for at the end of the reporting period but not recognized as liabilities, are payable as follows:

|  | 2015          | 2014     |
|--|---------------|----------|
|  | \$            | \$       |
| Within 1 year                                | 22,000        | 0        |
| Later than 1 year and not later than 5 years | 0             | 0        |
|  | <u>22,000</u> | <u>0</u> |

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

There are no contingent liabilities or contingent assets as at 30 June 2015.

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

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

## **Note 26. Explanatory statement**

This statement provides details of any significant variations between estimates and actual results for 2015 and between actual results for 2014 and 2015. Significant variations are considered to be greater than 10% or \$10m.



# Disclosures and Legal Compliance

## Income Statement

|  | 2015<br>Budget | 2015<br>Actual | 2014<br>Actual | Variance<br>Budget<br>2015 to<br>Actual<br>2015 | Note | Variance<br>Actual<br>2015 to<br>Actual<br>2014 | Note |
|--|----------------|----------------|----------------|---|------|---|------|
|  | \$000's        | \$000's        | \$000's        | \$000's   |      | \$000's   |      |
| <u>Expenses</u>  |                |                |                |   |      |   |      |
| Employee benefits  | 1,304          | 1,304          | 1,397          | 0   |      | (93)  |      |
| Grants and Subsidies   | 0              | 1,154          | 816            | (1,154)   | 1    | 338   | 1    |
| Supplies and services  | 529            | 634            | 569            | (105)   | 2    | 65  | 2    |
| Accommodation  | 193            | 169            | 189            | 24  | 3    | (20)  | 3    |
| Depreciation & Amortisation  | 15             | 20             | 19             | (5)   | 4    | 1   |      |
| Other expenses   | 41             | 40             | 40             | 1   |      | 0   |      |
| <b>Total Cost of Services</b>                                      | <b>2,082</b>   | <b>3,321</b>   | <b>3,030</b>   | <b>(1,239)</b>                                  |      | <b>291</b>                                      |      |
| <u>Income</u>  |                |                |                |   |      |   |      |
| Other Revenue  | 30             | 3              | 6              | 27  | 5    | (3)   | 5    |
| Income from State<br>Government                                    |                |                |                |   |      |   |      |
| Service Appropriations   | 219            | 219            | 467            | 0   |      | (248)   | 6    |
| Resources Provided Free of<br>Charge                               | 6              | 9              | 8              | (3)   | 7    | 1   | 7    |
| Royalties for Regions Fund<br>Regional & State Wide<br>Initiatives | 0              | 1,163          | 148            | (1,163)   | 8    | 1,015   | 8    |
|  | 1,579          | 1,578          | 1,533          | 1   |      | 45  |      |
| <b>Total Income</b>  | <b>1,834</b>   | <b>2,972</b>   | <b>2,162</b>   | <b>(1,138)</b>                                  |      | <b>810</b>                                      |      |
| <b>Surplus/Deficiency for the<br/>Period</b>                       | <b>(248)</b>   | <b>(349)</b>   | <b>(868)</b>   | <b>101</b>                                      |      | <b>519</b>                                      |      |

### Notes:

- As disclosed in Note 10 above the increase in Grants & Subsidies is due to new funding for the 2015 Regional Grants Scheme (\$555,556) and the Community Chest Fund (370,000).
- Temporary staff were employed during 2014/15 and were funded from the administrative element of the Regional Grant Scheme and the Capacity Building funding included within the Blueprint Development funding.
- Leasing costs for the accommodation were lower than expected in 2014/15.
- The budget did not include depreciation on the server purchased in 2013/14.
- The Commission did not generate as much income from commercial activities in 2014/15.
- Additional service appropriation was received as funding towards the severance payments made under the Enhanced Voluntary Severance Scheme in 2013/14.
- Charges from the Department of Finance were higher than expected in 2014/15.
- Additional funding was received from Royalties for Regions in 2014/15 in respect of the Regional Grant Scheme, Community Chest Fund and the Blueprint.

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## Statement of Financial Position

|                                       | 2015<br>Budget | 2015<br>Actual | 2014<br>Actual | Variance<br>Budget<br>2015 to<br>Actual<br>2015 | Note | Variance<br>Actual<br>2015 to<br>Actual<br>2014 | Note |
|---------------------------------------|----------------|----------------|----------------|---|------|---|------|
|                                       | \$000's        | \$000's        | \$000's        | \$000's   |      | \$000's   |      |
| <u>Current Assets</u>                 |                |                |                |   |      |   |      |
| Cash                                  | 985            | 1,057          | 1,056          | (72)  |      | 1   |      |
| Restricted Cash                       | 450            | 185            | 633            | 265   | 1    | (448)   | 1    |
| Receivables                           | 168            | 114            | 53             | 54  | 2    | 61  | 2    |
| <b>Total Current Assets</b>           | <b>1,603</b>   | <b>1,356</b>   | <b>1,742</b>   | <b>247</b>                                      |      | <b>(386)</b>                                    |      |
| <u>Non-Current Assets</u>             |                |                |                |   |      |   |      |
| Holding Account Receivables           | 134            | 134            | 134            | 0   |      | 0   |      |
| Property Plant & Equipment            | 8              | 17             | 36             | (9)   | 3    | (19)  | 3    |
| Restricted Cash                       | 0              | 0              | 45             | 0   |      | (45)  | 4    |
| <b>Total Non-Current Assets</b>       | <b>142</b>     | <b>151</b>     | <b>215</b>     | <b>(9)</b>                                      |      | <b>(64)</b>                                     |      |
| <b>Total Assets</b>                   | <b>1,745</b>   | <b>1,507</b>   | <b>1,957</b>   | <b>238</b>                                      |      | <b>(450)</b>                                    |      |
| <u>Current Liabilities</u>            |                |                |                |   |      |   |      |
| Payables                              | 54             | 43             | 29             | 11  | 5    | 14  | 5    |
| Provisions                            | 123            | 268            | 236            | (145)   | 6    | 32  | 6    |
| <b>Total Current Liabilities</b>      | <b>177</b>     | <b>311</b>     | <b>265</b>     | <b>(134)</b>                                    |      | <b>46</b>                                       |      |
| <u>Non-Current Liabilities</u>        |                |                |                |   |      |   |      |
| Employee Provisions                   | 23             | 31             | 22             | (8)   | 7    | 9   | 7    |
| <b>Total Liabilities</b>              | <b>200</b>     | <b>342</b>     | <b>287</b>     | <b>(142)</b>                                    |      | <b>55</b>                                       |      |
| <u>Equity</u>                         |                |                |                |   |      |   |      |
| Contributed Equity                    | 138            | 0              | 138            | 138   | 8    | (138)   | 8    |
| Accumulated Surplus/(Deficit)         | 1,407          | 1,165          | 1,534          | 242   | 9    | (369)   | 9    |
| <b>Total Equity</b>                   | <b>1,545</b>   | <b>1,165</b>   | <b>1,672</b>   | <b>380</b>                                      |      | <b>(507)</b>                                    |      |
| <b>Total Liabilities &amp; Equity</b> | <b>1,745</b>   | <b>1,507</b>   | <b>1,959</b>   | <b>238</b>                                      |      | <b>(452)</b>                                    |      |

### Notes:

1. Expenditure on projects has reduced the level of restricted cash but the expenditure has not occurred as quickly as anticipated in the budget.
2. Significant GST payments were made as part of the Regional Grant Scheme and appear as a debtor as they remain receivable from the ATO at the end of the year.
3. The budget did not anticipate the purchase of a new server. Depreciation has reduced the value of property plant and equipment from 2014 to 2015.
4. The provision to accommodate the extra fortnightly pay due in 2015/16 is classed as current in 2014/15 as it will be payable within 12 months.

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5. Accrued salaries were higher in 2014/15 than 2013/14. Other accruals were lower than budgeted because of improved processing of invoices in 2014/15.
6. The budget anticipated a higher use of long service leave than actually taken in 2014/15. The annual leave and long service leave liabilities increased from 2014 to 2015.
7. The non-current element of the employee long service leave provision has increased in 2014/15.
8. Contributed equity has reduced because funds were returned to Treasury in 2014/15.
9. The budget anticipated a reduction in Consolidated Funds that did not occur in 2014/15. The retained surplus has reduced from 2013/14 by the deficit reported for 2014/15. The deficit arose from the payment of a Regional Grant Scheme payment from the funding retained from 2012/13.

### Statement of Cash Flows

|   | 2015<br>Budget | 2015<br>Actual | 2014<br>Actual | Variance<br>Budget<br>2015 to<br>Actual<br>2015 | Note | Variance<br>Actual<br>2015 to<br>Actual<br>2014 | Note |
|---|----------------|----------------|----------------|---|------|---|------|
|   | \$000's        | \$000's        | \$000's        | \$000's   |      | \$000's   |      |
| <u>Cash Flows from State Government</u>     |                |                |                |   |      |   |      |
| Service Appropriations                      | 219            | 219            | 467            | 0   |      | (248)   | 1    |
| Royalties for Regions Fund                  | 1,579          | 2,741          | 1,681          | (1,162)   | 2    | 1,060   | 2    |
| <b>Net Cash from State Government</b>       | <b>1,798</b>   | <b>2,960</b>   | <b>2,148</b>   | <b>(1,162)</b>                                  |      | <b>812</b>                                      |      |
| <u>Cash Flows from Operating Activities</u> |                |                |                |   |      |   |      |
| Payments                                    |                |                |                |   |      |   |      |
| Employee Benefits                           | (1,282)        | (1,244)        | (1,405)        | (38)  |      | 161   | 3    |
| Grants & Subsidies                          |                | (1,154)        | (816)          | 1,154   | 2    | (338)   | 2    |
| Supplies & Services                         | (459)          | (638)          | (576)          | 179   | 4    | (62)  | 4    |
| Accommodation                               | (149)          | (160)          | (181)          | 11  |      | 21  | 5    |
| Other Payments                              | (521)          | (350)          | (198)          | (171)   | 6    | (152)   | 6    |
| Receipts                                    |                |                |                |   |      |   |      |
| GST Receipts                                | 380            | 91             | 260            | 289   | 7    | (169)   | 7    |
| Other Receipts                              |                | 3              | 15             | (3)   | 8    | (12)  | 8    |
| <b>Net Cash from Operating Activities</b>   | <b>(2,031)</b> | <b>(3,452)</b> | <b>(2,901)</b> | <b>1,421</b>                                    |      | <b>(551)</b>                                    |      |
| <u>Cash Flows from Investing Activities</u> |                |                |                |   |      |   |      |
| Purchase of Non-Current Assets              | 0              | 0              | (14)           | 0   |      | 14  | 9    |
| <b>Net Cash from Investing Activities</b>   | <b>0</b>       | <b>0</b>       | <b>(14)</b>    | <b>0</b>  |      | <b>14</b>                                       |      |
| <b>Net Increase/(Decrease) in Cash</b>      | <b>(233)</b>   | <b>(492)</b>   | <b>(767)</b>   | <b>259</b>                                      |      | <b>275</b>                                      |      |
| Cash Assets at Start of Period              | 1,668          | 1,734          | 2,502          | (66)  |      | (768)   | 10   |
| Net Cash Transferred to Other Agencies      | 0              | 0              | 0              | 0   |      | 0   |      |
| <b>Cash Assets at End of Period</b>         | <b>1,435</b>   | <b>1,242</b>   | <b>1,735</b>   | <b>193</b>                                      |      | <b>(493)</b>                                    |      |

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## Notes:

1. Additional service appropriation was received as funding towards the severance payments made under the Enhanced Voluntary Severance Scheme in 2013/14.
2. As disclosed in Note 10 above the increase in Grants & Subsidies is due to new funding for the 2015 Regional Grants Scheme (\$555,556) and the Community Chest Fund (370,000).
3. The decrease in employee benefits is predominantly due to severance payments made during 2013/14 under the Enhanced Voluntary Severance Scheme.
4. Supplies and Services expenditure is higher than budgeted because of project expenditure incurred as a result of the increased Royalties for Regions funding.
5. Leasing costs for the accommodation were lower in 2014/15.
6. Most of the budget variation results from a different profile for assumed GST payments to that actually paid in 2014/15. The variation in actuals is mainly the result of repayments of unspent grant funding in 2014/15.
7. GST receipts in 2013/14 were higher as a result of significant grant payments made during the year and the resultant reclaim of GST paid.
8. The Commission did not generate as much income from commercial activities in 2014/15.
9. A new server was purchased in 2013/14.
10. Cash has reduced because of the use of Restricted Cash to fund ongoing 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 asset is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 27 (c) 'Financial instrument disclosures' and Note 15 'Receivables'.

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

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## Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due.

The Commission is exposed to liquidity risk through its trading in the normal course of business.

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

## Market risk

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

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

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

|  | <b>2015</b> | <b>2014</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| <u>Financial Assets</u>                          |             |             |
| Cash and cash equivalents                        | 1,056,876   | 1,055,876   |
| Restricted cash and cash equivalents             | 184,780     | 678,424     |
| Receivables <sup>(a)</sup>                       | 4,909       | 5,271       |
| <u>Financial Liabilities</u>                     |             |             |
| Financial liabilities measured at amortised cost | 43,280      | 29,306      |

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

## **(c) Financial instrument disclosures**

### Credit risk

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

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

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## Ageing analysis of financial assets

|                                      | Carrying Amount<br>\$ | Not past due and not impaired<br>\$ | Past due but not impaired |                    |                          |                   | More than 5 Years<br>\$ | Impaired financial assets<br>\$ |
|--------------------------------------|-----------------------|-------------------------------------|---------------------------|--------------------|--------------------------|-------------------|-------------------------|---------------------------------|
|                                      |                       |                                     | Up to 1 month<br>\$       | 1 - 3 months<br>\$ | 3 months to 1 year<br>\$ | 1 - 5 Years<br>\$ |                         |                                 |
| <b>2015</b>                          |                       |                                     |                           |                    |                          |                   |                         |                                 |
| Cash and cash equivalents            | 1,056,876             | 1,056,876                           |                           |                    |                          |                   |                         |                                 |
| Restricted cash and cash equivalents | 184,780               | 184,780                             |                           |                    |                          |                   |                         |                                 |
| Receivables <sup>(a)</sup>           | 4,909                 | 4,909                               |                           |                    |                          |                   |                         |                                 |
| Amounts receivable for services      | 134,000               | 134,000                             |                           |                    |                          |                   |                         |                                 |
|                                      | <b>1,380,565</b>      | <b>1,380,565</b>                    | <b>0</b>                  | <b>0</b>           | <b>0</b>                 | <b>0</b>          | <b>0</b>                | <b>0</b>                        |
| <b>2014</b>                          |                       |                                     |                           |                    |                          |                   |                         |                                 |
| Cash and cash equivalents            | 1,055,876             | 1,055,876                           |                           |                    |                          |                   |                         |                                 |
| Restricted cash and cash equivalents | 678,424               | 678,424                             |                           |                    |                          |                   |                         |                                 |
| Receivables <sup>(a)</sup>           | 5,271                 | 5,271                               |                           |                    |                          |                   |                         |                                 |
| Amounts receivable for services      | 134,000               | 134,000                             |                           |                    |                          |                   |                         |                                 |
|                                      | <b>1,873,571</b>      | <b>1,873,571</b>                    | <b>0</b>                  | <b>0</b>           | <b>0</b>                 | <b>0</b>          | <b>0</b>                | <b>0</b>                        |

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

### Liquidity risk and interest rate exposure

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



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

|                                      | Interest Rate Exposure                                    |                          |                                 |                                    |                                   | Nominal<br>Amount<br>\$ | Maturity Dates         |                       |                                |                      |                            |
|--------------------------------------|---|--------------------------|---------------------------------|------------------------------------|-----------------------------------|-------------------------|------------------------|-----------------------|--------------------------------|----------------------|----------------------------|
|                                      | Weighted<br>average<br>effective<br>interest<br>rate<br>% | Carrying<br>Amount<br>\$ | Fixed<br>interest<br>rate<br>\$ | Variable<br>interest<br>rate<br>\$ | Non-<br>interest<br>bearing<br>\$ |                         | Up to 1<br>month<br>\$ | 1 - 3<br>months<br>\$ | 3<br>months<br>to 1 year<br>\$ | 1 - 5<br>Years<br>\$ | More than<br>5 Years<br>\$ |
|                                      | <b>2015</b>   |                          |                                 |                                    |                                   |                         |                        |                       |                                |                      |                            |
| <b>Financial Assets</b>              |   |                          |                                 |                                    |                                   |                         |                        |                       |                                |                      |                            |
| Cash and cash equivalents            |   | 1,056,876                |                                 |                                    | 1,056,876                         | 1,056,876               | 1,056,876              |                       |                                |                      |                            |
| Restricted cash and cash equivalents |   | 184,780                  |                                 |                                    | 184,780                           | 184,780                 | 184,780                |                       |                                |                      |                            |
| Receivables <sup>(a)</sup>           |   | 4,909                    |                                 |                                    | 4,909                             | 4,909                   | 4,909                  |                       |                                |                      |                            |
| Amounts receivable for services      |   | 134,000                  |                                 |                                    | 134,000                           | 134,000                 |                        |                       |                                | 134,000              |                            |
|                                      | <b>0</b>  | <b>1,380,565</b>         | <b>0</b>                        | <b>0</b>                           | <b>1,380,565</b>                  | <b>1,380,565</b>        | <b>1,246,565</b>       | <b>0</b>              | <b>0</b>                       | <b>0</b>             |                            |
| <b>Financial Liabilities</b>         |   |                          |                                 |                                    |                                   |                         |                        |                       |                                |                      |                            |
| Payables                             |   | 43,280                   |                                 |                                    | 43,280                            | 43,280                  | 43,280                 |                       |                                |                      |                            |
|                                      | <b>0</b>  | <b>43,280</b>            | <b>0</b>                        | <b>0</b>                           | <b>43,280</b>                     | <b>43,280</b>           | <b>43,280</b>          | <b>0</b>              | <b>0</b>                       | <b>0</b>             |                            |
| <b>2014</b>                          |   |                          |                                 |                                    |                                   |                         |                        |                       |                                |                      |                            |
| Cash and cash equivalents            |   | 1,055,876                |                                 |                                    | 1,055,876                         | 1,055,876               | 1,055,876              |                       |                                |                      |                            |
| Restricted cash and cash equivalents |   | 678,424                  |                                 |                                    | 678,424                           | 678,424                 | 678,424                |                       |                                |                      |                            |
| Receivables <sup>(a)</sup>           |   | 5,271                    |                                 |                                    | 5,271                             | 5,271                   | 5,271                  |                       |                                |                      |                            |
| Amounts receivable for services      |   | 134,000                  |                                 |                                    | 134,000                           | 134,000                 |                        |                       |                                | 134,000              |                            |
|                                      | <b>0</b>  | <b>1,873,571</b>         | <b>0</b>                        | <b>0</b>                           | <b>1,873,571</b>                  | <b>1,873,571</b>        | <b>1,739,571</b>       | <b>0</b>              | <b>0</b>                       | <b>0</b>             |                            |
| <b>Financial Liabilities</b>         |   |                          |                                 |                                    |                                   |                         |                        |                       |                                |                      |                            |
| Payables                             |   | 29,306                   |                                 |                                    | 29,306                            | 29,306                  | 29,306                 |                       |                                |                      |                            |
|                                      | <b>0</b>  | <b>29,306</b>            | <b>0</b>                        | <b>0</b>                           | <b>29,306</b>                     | <b>29,306</b>           | <b>29,306</b>          | <b>0</b>              | <b>0</b>                       | <b>0</b>             |                            |

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

### Interest rate sensitivity analysis

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

### Fair Values

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

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

### **Remuneration of member of the accountable authority**

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

| \$   | <b>2015</b>   | <b>2014</b>   |
|--|---------------|---------------|
| 0 – 10,000   | 11            | 7             |
| 10,001 – 20,000  | 1             | 1             |
| 20,001 – 30,000  |               | -             |
| 30,001 – 40,000  |               | -             |
| 40,001 – 50,000  | 1             |               |
| 50,001 – 60,000  |               | 1             |
|  | \$            | \$            |
| Base remuneration and superannuation                           | 79,698        | 87,146        |
| Annual leave and long service leave accruals                   | 0             | 0             |
| Other benefits   | 0             | 0             |
| The total remuneration of members of the accountable authority | <u>79,698</u> | <u>87,146</u> |

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

### **Remuneration of senior officers**

| \$   | <b>2015</b>    | <b>2014</b>    |
|--|----------------|----------------|
| 30,001 – 40,000                              | 1              |                |
| 100,001 – 110,000                            |                | 1              |
| 140,001 – 150,000                            |                | 1              |
| 150,001 – 160,000                            | 1              |                |
| 170,001 – 180,000                            | 1              |                |
| 250,001 – 260,000                            | 1              | 1              |
|  | \$             | \$             |
| Base remuneration and superannuation         | 596,149        | 452,356        |
| Annual leave and long service leave accruals | (25,742)       | 38,196         |
| Other benefits                               | 19,457         | 20,300         |
| The total remuneration of senior officers    | <u>589,864</u> | <u>510,852</u> |

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

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## **Note 29. Remuneration of auditor**

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

|  | <b>2015</b>   | <b>2014</b>   |
|--|---------------|---------------|
|  | <b>\$</b>     | <b>\$</b>     |
| Auditing the accounts, financial statements and key performance indicators | 32,000        | 30,000        |
|  | <b>32,000</b> | <b>30,000</b> |

## **Note 30. Supplementary financial information**

### **(a) Write-offs**

During the financial year, no debts were written off.

### **(b) Losses through theft, defaults and other causes**

During the financial year there were no losses incurred through theft, fraud or other causes.

### **(c) Gifts of public property**

During the year the Peel Development Commission made no gifts of public property.

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

|   | Facilitation & Co-ordination |                  | Advice and Information |                 | Total            |                  |
|---|------------------------------|------------------|------------------------|-----------------|------------------|------------------|
|   | 2015<br>\$                   | 2014<br>\$       | 2015<br>\$             | 2014<br>\$      | 2015<br>\$       | 2014<br>\$       |
| <b>COST OF SERVICES</b>                                     |                              |                  |                        |                 |                  |                  |
| <u>Expenses</u>   |                              |                  |                        |                 |                  |                  |
| Employee benefits expense                                   | 1,173,252                    | 1,256,853        | 130,361                | 139,650         | 1,303,613        | 1,396,503        |
| Supplies and services                                       | 571,005                      | 512,258          | 63,445                 | 56,918          | 634,450          | 569,176          |
| Depreciation and amortisation expense                       | 17,741                       | 16,987           | 1,971                  | 1,887           | 19,712           | 18,874           |
| Grants and Subsidies  | 1,038,766                    | 734,150          | 115,418                | 81,572          | 1,154,184        | 815,722          |
| Accommodation expenses                                      | 151,774                      | 169,988          | 16,864                 | 18,888          | 168,638          | 188,876          |
| Other expenses  | 34,897                       | 35,993           | 3,877                  | 3,999           | 38,774           | 39,992           |
| <b>Total cost of services</b>                               | <b>2,987,435</b>             | <b>2,726,229</b> | <b>331,936</b>         | <b>302,914</b>  | <b>3,319,371</b> | <b>3,029,143</b> |
| <u>Income</u>   |                              |                  |                        |                 |                  |                  |
| Other revenue   | 2,454                        | 5,016            | 273                    | 557             | 2,727            | 5,573            |
| <b>Total income other than income from State Government</b> | <b>2,454</b>                 | <b>5,016</b>     | <b>273</b>             | <b>557</b>      | <b>2,727</b>     | <b>5,573</b>     |
| <b>NET COST OF SERVICES</b>                                 | <b>2,984,981</b>             | <b>2,721,213</b> | <b>331,663</b>         | <b>302,357</b>  | <b>3,316,644</b> | <b>3,023,570</b> |
| <u>Income from State Government</u>                         |                              |                  |                        |                 |                  |                  |
| Service appropriation                                       | 197,100                      | 420,300          | 21,900                 | 46,700          | 219,000          | 467,000          |
| Royalties for Regions Fund                                  | 2,466,500                    | 1,512,450        | 274,056                | 168,050         | 2,740,556        | 1,680,500        |
| Resources received free of charge                           | 7,656                        | 7,028            | 851                    | 781             | 8,507            | 7,809            |
| <b>Total income from State Government</b>                   | <b>2,671,256</b>             | <b>1,939,778</b> | <b>296,807</b>         | <b>215,531</b>  | <b>2,968,063</b> | <b>2,155,309</b> |
| <b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>                     | <b>(313,725)</b>             | <b>(781,435)</b> | <b>(34,856)</b>        | <b>(86,826)</b> | <b>(348,581)</b> | <b>(868,261)</b> |

# Disclosures and Legal Compliance

## Ministerial Directives

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No Ministerial directives were received during the reporting period.

## Other Financial Disclosures

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### Pricing policies of services provided

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

### Capital works

No capital projects were undertaken during 2014 – 2015.

## Employment and industrial relations

### Staff Profile

|                     | As at 30 June 2014 | As at 30 June 2015 |
|---------------------|--------------------|--------------------|
| Full time permanent | 2.0                | 6.0                |
| Part time permanent | 0.4                | 0.4                |
| Full time contract  | 7.0                | 2.0                |
| Part time contract  | 1.7                | 1.3                |
| <b>Total (FTE)</b>  | <b>11.1</b>        | <b>9.7</b>         |

### Staff development

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

The Commission has provided opportunities for professional development courses to be undertaken. During the reporting period staff have been provided the opportunity to undertake Certificate IV in Project Management and attend a variety of forums and workshops relevant to their roles.

New staff and Board Members undertake an induction process with key information provided to enable them to commence their duties.

During 2014-2015, employees and Board Members were collectively involved in 48.5 hours of formal training and development activities at a cost of \$855.46.

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

### Workers Compensation

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

## Governance Disclosures

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### Contracts with senior officers

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

## Disclosures and Legal Compliance

### Board and Committee Remuneration

Peel Development Commission Board remuneration for the period is detailed in the table below.

| Board Member                             | Type of remuneration* | Period of membership | Gross amount    |
|--|-----------------------|----------------------|-----------------|
| Paul Fitzpatrick<br>Chairperson          | Stipend               | 12 months            | \$41,098        |
| Sue Fyfe, Deputy<br>Chairperson          | Sitting Fees          | 8 months             | \$7,475         |
| Tony Edwards                             | Sitting Fees          | 12 months            | \$2,814         |
| Don Pember                               | Sitting Fees          | 8 months             | \$1,948         |
| Andrew Taggart                           | Sitting Fees          | 8 months             | \$1,948         |
| Christine Germain                        | Sitting Fees          | 8 months             | \$1,948         |
| David Napoli                             | Sitting Fees          | 8 months             | \$3,044         |
| Joanne Abbiss                            | Sitting Fees          | 12 months            | \$2,654         |
| John Allert                              | Sitting Fees          | 12 months            | \$3,285         |
| Geoff Totterdell<br>Outgoing Chairperson | Stipend               | 4 months             | \$12,016        |
| Mark Jeffery                             | Sitting Fees          | 4 months             | \$56            |
| Elizabeth Hoek                           | Sitting Fees          | 4 months             | \$706           |
| Wally Barrett                            | Sitting Fees          | 4 months             | \$706           |
| <b>Total</b>                             |                       |                      | <b>\$79,698</b> |

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

### Other Legal Requirements

#### Advertising

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

| Type                            | Supplier                            | \$            |
|---------------------------------|-------------------------------------|---------------|
| Media advertising organisations | Adcorp Australia                    | 410           |
|                                 | West Regional Newspapers            | 773           |
|                                 | Australian Business Pages Directory | 195           |
|                                 | Mandurah Mail                       | 333           |
|                                 | Directorylistings.com.au            | 995           |
|                                 | Mandurah Graphics                   | 1,088         |
|                                 | Redtail Graphic Design              | 1,600         |
|                                 | Cork & Cheese                       | 11,000        |
| <b>Total</b>                    |                                     | <b>16,394</b> |

# Disclosures and Legal Compliance

During 2014-2015 the Commission achieved the following against the outcomes:

| Outcome   | # strategies planned | # strategies completed | # strategies progressed through contractors |
|-----------|----------------------|------------------------|---|
| Outcome 1 | 5                    | 3                      | 0   |
| Outcome 2 | 3                    | 1                      | 0   |
| Outcome 3 | 4                    | 3                      | 0   |
| Outcome 4 | 2                    | 2                      | 0   |
| Outcome 5 | 2                    | 1                      | 0   |
| Outcome 6 | 2                    | 2                      | 0   |
| Outcome 7 | 0                    | 0                      | 0   |

During 2015 the Commission undertook a review of its existing plan and developed a plan for the 2015 – 2020 period with the inclusion of Outcome 7 and a revision of goals against all of the outcomes.

In reviewing its existing plan staff identified the following key outcomes achieved during the 2011 – 2015 period:

- Development and use of an accessible events checklist;
- Evaluation of the Commission’s website to ensure it meets contemporary good practice with regards to access;
- Inclusion of information regarding the DAIP and employee responsibilities in the staff induction package; and
- Establishment of processes to advise attendees of meetings at the Commission’s premises of accessibility issues.

## Disability Access and Inclusion Plan Outcomes

Peel Development Commission has a Disability Access and Inclusion Plan designed to ensure all people are considered in all its activities and services. The plan ensures access to Commission activities and events, buildings and facilities and information. It also ensures all people receive the same quality of service and opportunities to participate in activities of the Commission.

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

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

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

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

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

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

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



# Disclosures and Legal Compliance

## Compliance with Public Sector Standards and Ethical Codes

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

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

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

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.

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

Peel Development Commission Code of Conduct  
*Nil breach claims or reports*

- 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.

## Record Keeping Plans

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

The Commission's record keeping systems and processes are regularly reviewed to ensure that they are meeting the Commission's needs and all required compliance. Updates to the Record Keeping Plan are done in consultation with the State Records Office. Our Plan was last reviewed and evaluated in June 2015.

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

## 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

## Disclosures and Legal Compliance

related injury the Commission provides effective claims management and rehabilitation assistance aimed at supporting injured employees through their period of illness or injury and their safe return to work where possible.

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

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

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

The Commission ensures compliance with the injury management requirements of the *Workers Compensation and Injury Management Act 1981* through establishing policies and procedures and providing

training for relevant staff. In the event of a work related injury or illness the Commission is committed to assisting injured workers to return to work as soon as medically appropriate. Whenever possible, suitable duties will be arranged internally having regard for the injured worker's medical capabilities.

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

|  | Target<br>2014-15       | Actual<br>2014-15 |
|--|-------------------------|-------------------|
| Number of fatalities   | 0                       | 0                 |
| Lost time injury/diseases (LTI-D) incidence rate   | 0                       | 0                 |
| Lost time injury severity rate   | 0                       | 0                 |
| Percentage of injury   |                         | n/a               |
| Percentage of managers trained in occupational safety, health and injury management responsibilities | Greater or equal to 50% | 25%               |

## Significant Issues Affecting the Peel

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The Peel region is continuing to grow at a fast pace with the overall estimated resident population as of 2014 being 128,798. This figure shows a high annual growth rate of 3.4% on the previous 12 month population figures.

All of the local government areas in the Peel region have experienced population growth from 2013 to 2014 with the largest increase of 6.8% in the Shire of Serpentine-Jarrahdale (total population 22,698); followed by Shire of Waroona with an increase of 3.6% (total population 4,001); Shire of Murray with an increase of 3.5% (total population 16,875); City of Mandurah with an increase of 2.4% (total population 82,701); and Shire of Boddington with an increase of 2.1% (total population 2,523).

There is a pressing need for strategically located industrial land to be released with demand for a large scale business park that will accommodate the growing economic and employment aspirations of the region. The development of the Peel Business Park Nambelup is expected to yield 21,200 new jobs by 2050.

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

The labour force in the Peel region at December 2014 was 61,662 and has grown over the past twelve months in proportion to population growth. There has been a slight increase in unemployment rates over the twelve month period with an unemployment rate in the Peel of 6.7 per cent, compared to Western Australia of 5.2 per cent.

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

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

Population growth presents a challenge with the demand for suitable affordable accommodation, particularly as ageing and retirees are the largest demographic group in the Peel. The region will need to further diversify its housing options to ensure that there are appropriate choices for the 60+ age bracket who are often looking to down-size their homes. Peel Development Commission has established an Ageing in the Peel Working Group to identify strategies to enable ageing in place within all communities in the Peel in collaboration with relevant stakeholders.

In the past decade, the supply of land has frequently been at levels beyond the demand created by population growth. There is an urgent need for appropriate transitional and affordable housing. On census night 2011, the Australian Bureau of Statistics reported 208 people registered as homeless in Mandurah. Management changes not allowing residents to permanently reside in some caravan parks has highlighted the need to further investigate long term accommodation options.

## Significant Issues

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

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

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

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

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