



PEEL
Development
Commission

Peel Development Commission Annual Report

2016-17

PEEL



PROGRESSIVE | PROSPEROUS | DYNAMIC

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 2016 to 2017 financial year.

This report provides information about the services delivered to the Peel region of Western Australia over the past 12 months. It highlights the achievements of the Commission and sets out how we are addressing the challenges and opportunities that face us now and in 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 Alannah MacTiernan MLC

Minister for Regional Development; Agriculture and Food;
Minister Assisting the Minister for State Development, Jobs and Trade


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 2017*.

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
August 2017



Andrew Ward
Chief Executive Officer
August 2017

THE YEAR IN REVIEW

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CHAIRMAN'S REPORT



PAUL FITZPATRICK

On 1 July 2017, a new era began for the Peel Development Commission. Our stated vision, that the Peel is a progressive, prosperous and dynamic region with a culture of care, is now aligned with the State Government's refreshed approach to regional development.

The government's enhancements to the state's public sector mean we are now a part of the Department of Primary Industries and Regional Development. This new portfolio was formed through the amalgamation of the Departments of Agriculture and Food, Fisheries, Regional Development and the nine Regional Development Commissions.

Through this change, the State Government will create a collaborative department focused on whole-of-government objectives and deliver services in a more efficient and effective way. The Peel Development Commission retains its identity with the same board, location and contact details, and continues to play a significant role in the regional development sector by working across all levels of federal, state and local government.

We embrace the stewardship, regional advocacy and future focus opportunity presented by this amalgamation which I believe will modernise the portfolio and build capacity overall in the public sector. Regional issues will continue to be highly significant to the State Government's new 'whole of government' approach. By integration, we will be able to leverage our local regional capabilities and interests of our local stakeholders and, I believe, be a part of something bigger and broader. We will influence debate centrally, and be aligned with a common agenda which is co-operatively designed and locally-owned.

The Commission's stated purpose – connecting communities, the environment and industry to generate innovative solutions and promote sustainable economic and social development – will be enhanced by being a part of the new portfolio. Our core values of leadership, collaboration, integrity and innovation, which we demonstrate in the interactions with our

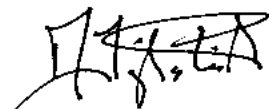
communities will enable us to make decisions for the future, not just for today.

The past year has been extremely significant for the Commission. The highlights and successes, which include significant regional achievements and key industry infrastructure development, are detailed within this Annual Report.

We have implemented the *Peel Regional Investment Blueprint's* priority programs and projects for 2016-17 and reviewed these objectively against our revised Strategic Plan 2016-19. Currently, 25 of the 84 initiatives identified in the Blueprint are underway, and 17 concept briefs and six business cases, developed in partnership with proponents, have been completed. Through our game-changing Transform Peel program, we are building the Peel's capacity for economic growth and regional jobs, and we have proudly supported 'Three Summers', the local feature film which was the first chosen for the WA Regional Film Fund .

Thanks to our highly committed board members, staff and stakeholders and to CEO Andrew Ward who has made such a valued contribution since joining the Commission in September 2016.

We are celebrating and shaping change. I am pleased to commend to you this 2017 Annual Report.



Paul Fitzpatrick
Chairman
August 2017

Blueprint



25 of 84

INITIATIVES IDENTIFIED IN THE BLUEPRINT ARE UNDERWAY



17

CONCEPT BRIEFS HAVE BEEN COMPLETED



6

SIX BUSINESS CASES HAVE BEEN COMPLETED



EXECUTIVE SUMMARY



ANDREW WARD

As we farewell another financial year and report on the achievements of the Commission, I would like to firstly acknowledge the tremendous contribution made individually and collaboratively by our staff, board members and stakeholders in the Peel. Our vision of a progressive, prosperous and dynamic region is taking shape, and I am excited to share my views on the achievements and progress we have created.


The Commission is indeed embracing change, and this has been occurring incrementally over the past year. We began by a study visit to WA's regional development commissions which yielded valuable insights now applied in the Peel. As a result, our organisational capacity has increased with restructuring, refined governance and strategic planning and the gains are reflected in scores in our staff's evaluation reviews and indeed our recent stakeholder satisfaction survey score of 86%. We strive to continue to improve, with a recent organisational excellence workshop resetting the goals and priorities of our 2016-19 strategic plan.

Our Strategic Plan is based on the Commission's knowledge of the region's aspirations for the future, our application of best practice in regional development, and our focus on delivering outcomes. This year, we have delivered the *Peel Tourism Infrastructure Strategy* and the *Draft Peel Equine Strategy*. Concurrently we have been engaged, together with key Peel stakeholders, on the Regional Centres Program for City of Mandurah and Shire of Murray.

We have adopted a strong regional leadership position by presenting at the Peel Jobs Forum, chairing the Peel Workforce Alliance and supporting key regional organisations as diverse as *Peel Says No to Violence*, *Hotham Williams Economic Development Alliance* and the *Early Learning Collective* to name a few. We have worked closely with RDA Peel in a collaborative delegation to the Federal Government for ongoing funding for Transform Peel and in initiating the region's new science knowledge Council.

Significant outcomes this year have included the delivery of both the State Government's \$2,060,000 Local Projects, Local Jobs program and approval for *Community Chest, Regional Grants Schemes* funding of \$2,184,000 to Peel recipients, as well as wide ranging business cases; these include the Dwellingup Trails Adventure Hub, the Peel Hospitality and Personal Services Industry Training Centre, aged care expansion at Bedingfeld Park and Waroona Housing Village and key community issues of the Peel Youth Medical Services Health Hub and Secure Housing and Employment.

Transform Peel, our \$49.3 million program which will culminate in 2050 with an economic output of \$1.2 billion per annum and 33,000 new jobs, is fully initiated and underway through the Project Management Office here in Mandurah. We have initiated an investment attraction program and recently completed a workforce skills analysis to determine how to accommodate future workforce needs for the program. Of particular significance is the completion of a feasibility study into smart Urban Farm Factories in partnership with the Singapore Centre for Research Innovation Productivity and Technology and the joint partnership developing the C.Y. O'Connor Centre for Innovation in Agriculture at North Dandalup.

We will continue to support capacity building of the regional development portfolio through the Machinery of Government process. It has been a highly productive year – my sincere thanks to the staff, our Chairman, board members and stakeholders for their valued contributions. 



Andrew Ward
Chief Executive Officer

August 2017

Transform Peel



\$49.3m

TRANSFORM PEEL PROGRAM



\$1.2b

2050 ECONOMIC OUTPUT
PER ANNUM



33,000

JOBS CREATED WITH
TRANSFORM PEEL



HIGHLIGHTS

Collaboration



DEVELOPMENT OF 17 CONCEPT BRIEFS AND SIX BUSINESS CASES IN PARTNERSHIP WITH PROPONENTS

Plan

CITY OF MANDURAH AND SHIRE OF MURRAY COLLABORATION FOR REGIONAL CENTRES DEVELOPMENT PLAN

SMART URBAN FARM FACTORIES FEASIBILITY PARTNERSHIP WITH SCRIPT AND MURDOCH UNIVERSITY

SUPPORT FOR THREE SUMMERS MOVIE, PEEL JOBS FORUM, ALCOA PEEL BUSINESS OF THE YEAR AWARDS AND MORE

Transform Peel



TRANSFORM PEEL INITIATED WITH LANDCORP, DEPARTMENT OF REGIONAL DEVELOPMENT, WATER, AGRICULTURE AND FOOD

TRANSFORM PEEL MANAGEMENT OFFICE ESTABLISHED, PARTNER MOU'S EXECUTED

Analysis

TRANSFORM PEEL WORKFORCE SKILLS ANALYSIS COMPLETED

Completed



DELIVERED \$2,060,000 LOCAL PROJECTS, LOCAL JOBS PROGRAM

25 of 84

25 OF 84 INITIATIVES IDENTIFIED IN THE PEEL ECONOMIC INVESTMENT BLUEPRINT UNDERWAY

CORPORATE GOVERNANCE ARRANGEMENTS REVIEWED AND STRENGTHENED

Survey

HIGH LEVELS OF CUSTOMER SATISFACTION FROM THE 2017 CLIENT SURVEY

Reports



PEEL DEVELOPMENT COMMISSION STRATEGIC PLAN 2016-19 REVISED

Strategy

DRAFT PEEL EQUINE STRATEGY COMPLETED

FINANCIAL REPORTING IMPROVED AND STRONG PERFORMANCE IN 2016-17

Events



LAUNCH OF THE PEEL TOURISM INFRASTRUCTURE STRATEGY

TRANSFORM PEEL/DAFWA EVENT 'HARNESSING FOOD TRENDS AND AGRI-INNOVATION FOR PROFIT' WITH INTERNATIONAL FOOD SPEAKERS

Funding



\$2.184m

\$2.184 MILLION ROYALTIES FOR REGIONS APPROVED FOR 20 COMMUNITY CHEST FUND PROJECTS AND 12 REGIONAL GRANT SCHEME PROJECTS IN PEEL

\$1.8m

ROYALTIES FOR REGIONS FUNDING OF \$1,845,000 APPROVED BY CABINET FOR INDEPENDENT LIVING UNITS FOR THE AGED AT QUAMBIE PARK, WAROONA

ABOUT THE PEEL

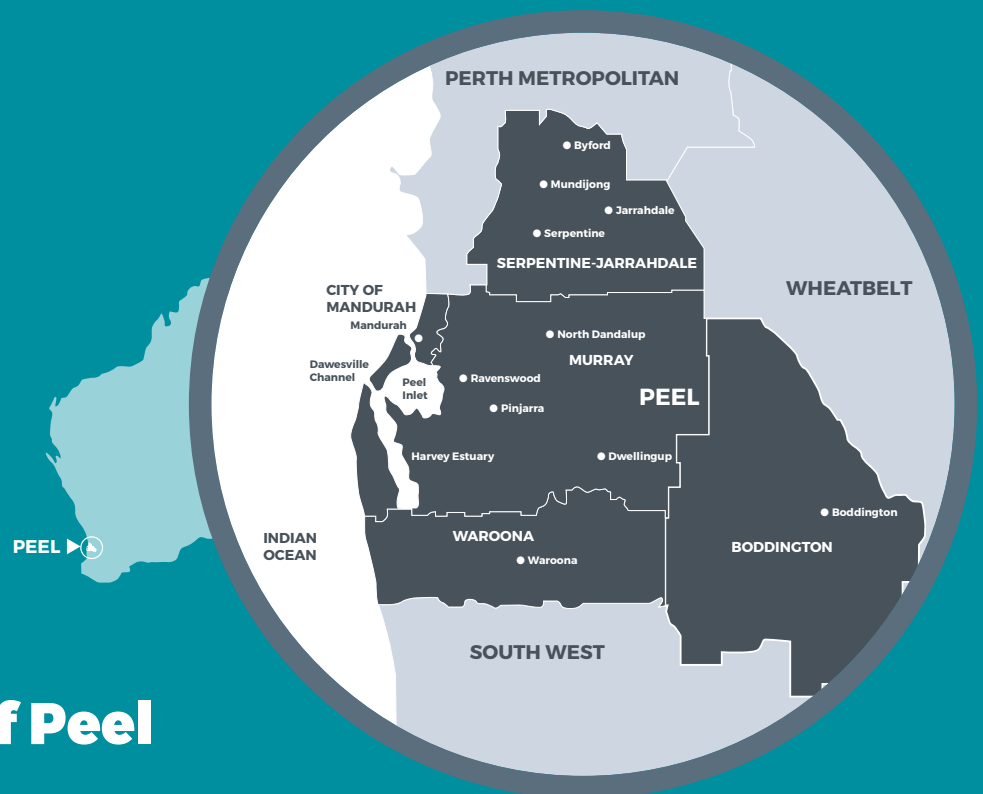
Overview of Peel

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ABOUT THE
PEEL





Overview of Peel

The Peel is bordered by the Indian Ocean, metropolitan Perth, Wheatbelt and South West regions. As such, it forms a key strategic element of the State's plans for urban and peri-urban growth and economic development.

The Peel covers an area of 5,648 square kilometres, including 137 square kilometres of inland waterways. The region has a population of 130,336 across five local government areas; the City of Mandurah and the shires of Boddington, Murray, Serpentine-Jarrahdale and Waroona¹.

Growing population

The Peel has grown rapidly over the past ten years. Between 2006 and 2016 census years, there has been a 52 per cent growth. In the last five years the Peel has had an average annual growth rate of 4 per cent compared to WA's 2 per cent. Indeed the Shire of Serpentine-Jarrahdale had an average growth rate of nearly 9 per cent over the last five years. The Peel's population is diverse in terms of geographical distribution and age. The majority of the Peel's population is located in the City of Mandurah (62%), followed by the shires of Serpentine-Jarrahdale (21%), Murray (13%), Waroona (3%) and Boddington (1%)².

By 2050, the Peel is expected to be one of the most populated regions outside of Perth, with a projected population of 444,000³. To support a population of this size the Peel will build an economy that incorporates many industries, adopts an innovative approach to business, and also develop a highly skilled and high performing workforce. It is estimated that 89,000 jobs will need to be created by 2050 to support this population growth.

Diverse landscape

Peel's landscape is varied and is made up of 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.

¹ Australian Bureau of Statistics, 2017. *2016 Census of Population and Housing, Time Series Profile.*

² Australian Bureau of Statistics, 2017. *2016 Census of Population and Housing, Time Series Profile.*

³ WA Planning Commission, 2015. *Perth and Peel @ 3.5 million [Draft].*



Strong economy

The Peel has experienced above-average economic growth in recent years. In the period since 2000 the Peel's nominal Gross Regional Product (GRP) grew at an average annual rate of 15 per cent compared to the WA average of 11 per cent. The estimated value of GRP for the Peel was \$8.4 billion in 2014-15 with mining having the largest industry share at 30 per cent⁴. At the 2011 ABS Census nearly 8 per cent of regional employment was attributed to mining related activity⁵.

The Peel's minerals sector produces alumina, gold, copper and mineral sands. The key resource companies operating regionally include Alcoa (Pinjarra and Wagerup), South 32 and Newmont (Boddington), and MZI (Keysbrook). The region is complemented by stable manufacturing and construction service industries, agriculture, tourism and retail trades.

Our challenges

The Peel requires a dedicated focus on attracting new businesses and supporting local industry growth. Without this, jobs growth will be constrained and unemployment in the Peel will continue to remain above State and national averages.

Unemployment rate:

- At the March 2017 quarter, Peel's unemployment rate was 9.3 per cent compared to the State average of 6.2 per cent. This includes the City of Mandurah unemployment rate of 10.9 per cent and 10.2 per cent unemployment rate in the Shire of Murray⁶.
- The Peel's unemployment rate has been consistently increasing since 2012 where it went as low as 3.7 per cent (December 2012)⁷.
- Youth unemployment rate is estimated at 19.3 per cent⁸.

⁴ Department of Regional Development, 2016. *Peel GRP* [unpublished data]

⁵ Peel Development Commission, 2015. *Peel Regional Investment Blueprint*.

⁶ Department of Employment, 2016. *Small Area Labour Market – March quarter 2017*.

⁷ Department of Employment, 2016. *Small Area Labour Market – March quarter 2017*.

⁸ Department of Employment, Education and Workplace Relations, 2013. *Regional Education, Skills and Jobs Plan Western Australia – Peel 2012-14*.

⁹ Department of Training and Workforce Development, 2015. *Peel Workforce Development Plan 2015-2018*.

¹⁰ Department of Training and Workforce Development, 2015. *Peel Workforce Development Plan 2015-2018*.

¹¹ Australian Bureau of Statistics, 2017. *2016 Census of Population and Housing, Basic Community Profile*.

Enterprise



63%

63% OF SMALL BUSINESSES IN THE PEEL REGION ARE OWNER OPERATOR



20,000

IN EXCESS OF 20,000 PEOPLE USE THE TRAIN EVERY WEEK



\$8.4b

THE ESTIMATED VALUE OF GRP FOR THE PEEL WAS \$8.4 BILLION IN 2014-15

Enterprise structure:

- The business market is characterised by a high number of small businesses who are owner operator (63 per cent) and a further 22 per cent who employ between one and four staff⁹.
- In excess of 20,000 people use the train every week, indicating a significant number of people leaving the region daily for work¹⁰.

Demographics:

- Census data from 2016 indicates that 20 per cent of the Peel population is aged 65 years and over, compared to the State level of 14 per cent. In contrast, the youth population (15-24 years) in the region is at 12 per cent, compared to the State level of 10 per cent¹¹.

OVERVIEW OF THE AGENCY

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About us

Who we are

The Peel Development Commission is a statutory authority of the West Australian Government, set up in 1994 under the *Regional Development Commissions Act 1993*. It is one of nine Commissions, each serving a different region of Western Australia.

The Commission is run by a board of management selected from the community, local governments and by Ministerial appointment.

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 standards of government services and access to those services in the region is comparable to that which applies in the metropolitan area; and
- generally take steps to encourage, promote, facilitate and monitor the economic development of the Peel.

For the purposes of achieving those objectives, the Commission:

- promotes the Peel region
- works with the private sector, employment organisations, educational bodies and others to support the growth of businesses to increase job opportunities
- identifies opportunities for investment in the region and encourages that investment
- identifies infrastructure needs, and encourages the provision of that infrastructure; and
- works with the State and Commonwealth government, local councils and other organisations to promote the equitable delivery of services in the region.

How we work

To make Peel an even better place to live, work and invest we develop and support initiatives that align with the themes of the *Peel Regional Investment Blueprint*. These are:

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

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

OUR VISION

The Peel is a progressive, prosperous and dynamic region with a culture of care.

OUR PURPOSE

Connecting communities, the environment and industry to generate innovative solutions and promote sustainable economic and social development.

OUR VALUES

We demonstrate our values in the interactions with our communities, stakeholders, partners and co-workers. It is our responsibility to make decisions for the future, not just for today.

Leadership – we lead by example through our courage, integrity and a vision that inspires and motivates.

Collaboration – collaboration is the primary way in which we operate, working respectfully with each other and our stakeholders.

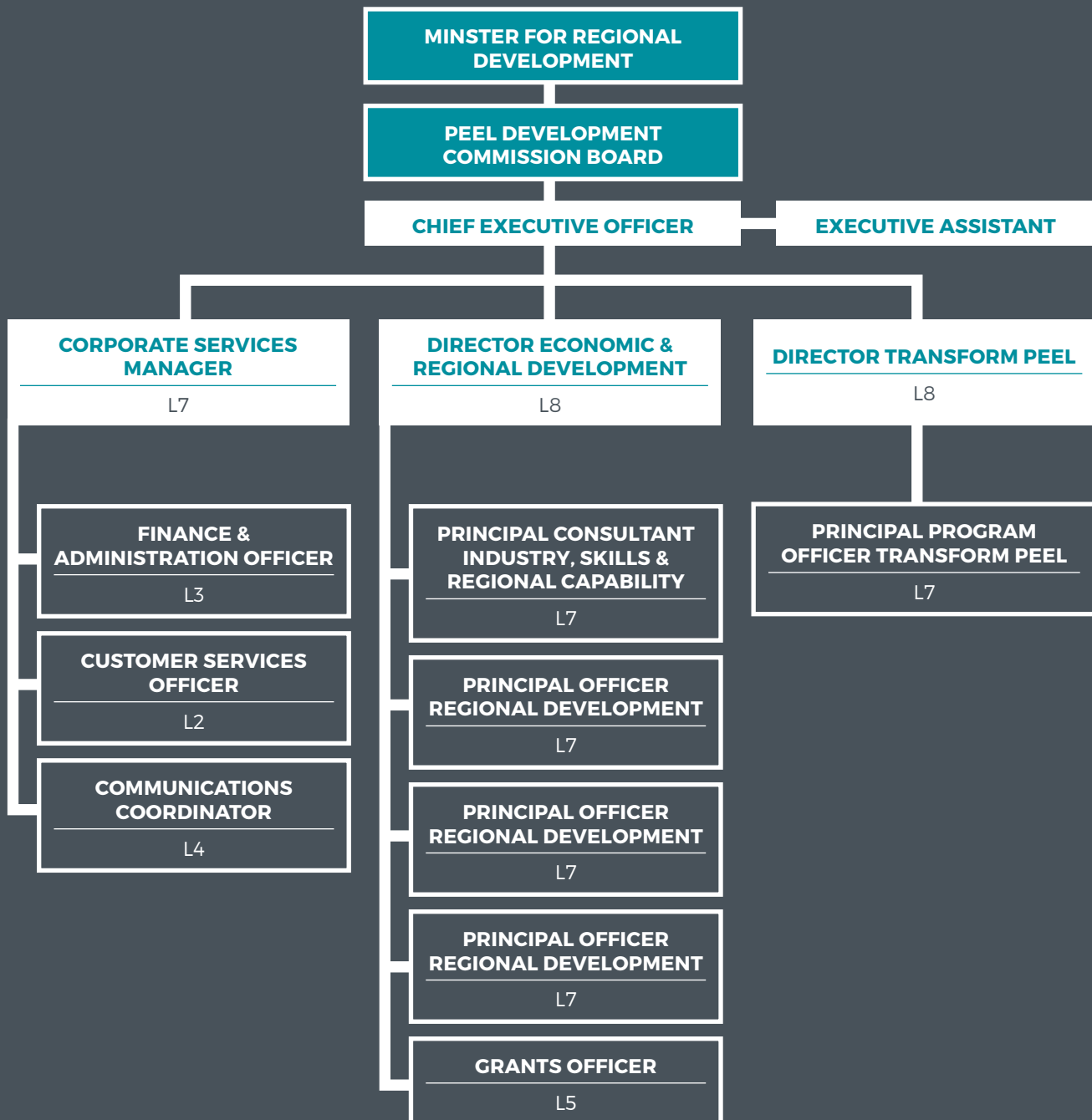
Integrity – we act with openness, honesty and integrity.

Innovation – we value and learn from the past to build the future, actively seeking opportunities to generate creative and sustainable solutions.



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

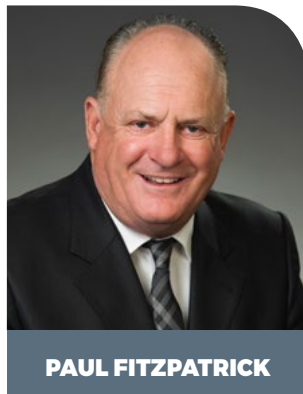
Peel Regional Development Commission reports to the Hon Alannah MacTiernan, Minister for Regional Development and Agriculture and Food and Minister Assisting the Minister for State Development, Jobs and Trade.

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 act on 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 regional representatives comprising local government, community and ministerial nominees. The Chief Executive Officer is an ex-officio member of the Board.



Paul Fitzpatrick, Chair

Community Representative

Mr Fitzpatrick was born and bred in the Peel and is a descendant of a pioneering family since 1893. Paul is a graduate of the UWA Advanced School of Management Program and the Australian Institute of Company Directors, and has acquired over 35 years of expertise in international business development and marketing in both the public and private sector. He co-founded the international award winning 'smart house' technology, the Smart Company of Australia in 1993. In 2001 Paul returned to the Peel region to develop a lifestyle olive farm where he founded Farmstead Technology, a R&D company that specialised in innovative smart farm technology. Paul was elected to the Waroona Shire Council, serving 2 of his 7 years as Shire President. Paul was appointed to the Board in December 2012 and has been serving as Chairman since October 2014.

Our Board continued...



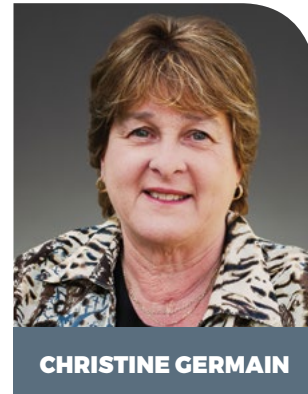
Deputy Chair
Ministerial Representative

Dr Fyfe is Adjunct Professor of Health Sciences at Curtin University. Sue 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, Sue has an extensive background as a teacher and research academic in health.



Local Government
Representative

Cr Erren is currently Shire President of the Shire of Serpentine-Jarrahdale and is an active community member, holding numerous community and governance positions, including President of the Byford and Districts Country Club and Chair of the Board of Mundijong Primary School. John's business career has included various positions as CEO and upper management over a range of industries.



Local Government
Representative

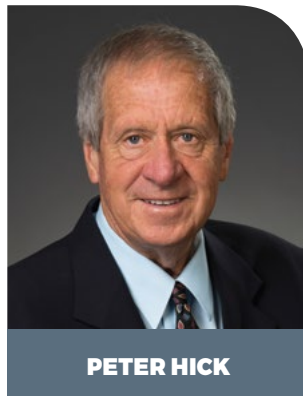
Cr Germain is a current Council Member and former Shire President of the Shire of Waroona. Christine has been a Justice of the Peace since 1983, has strong links with the equine industry in the region and has had various roles throughout the community.



MAREE GOOCH

Ministerial Representative

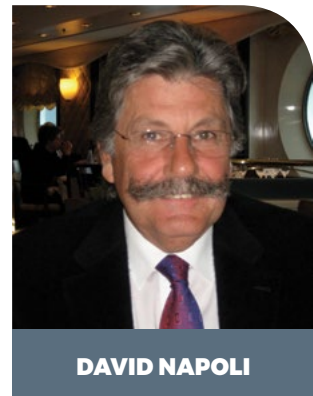
Ms Gooch specialises as a business development consultant and facilitator. Maree has extensive experience in strategy, planning and policy development at an executive level across many industry sectors, including tourism, hospitality, government and primary production. Maree's particular strengths at a board level are in strategy, governance, market analysis, marketing and business development.



PETER HICK

Community Representative

Dr Hick is a semi-retired CSIRO Environmental Geoscientist who specialised in remote sensing and biophysical research for terrestrial and aquatic environments, with detailed knowledge of the processes and environmental effects of mining and agriculture. Peter's PhD was awarded in marine physics and he has also been a Director of a bio-medical research company since 2000 and a member of the Rottneest Island Board since 2011.

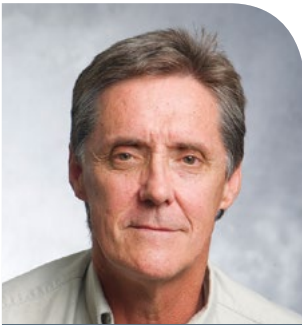


DAVID NAPOLI

Community Representative

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. David 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.

Our Board continued...



ANDREW TAGGART

Ministerial Representative

Professor Taggart is currently Provost at Murdoch University and is responsible for supporting Murdoch's eight schools, providing a key linkage between academic and professional staff. The Provost also provides senior level support for domestic student recruitment and leads Murdoch's local, regional and national engagement. Andrew previously held the role of Pro Vice Chancellor Engagement at Murdoch.



MARINA VERGONE

Local Government Representative

Cr Vergone is Mayor of the City of Mandurah. A qualified CPA, FIPA and GAICDI, she has extensive small business, financial and governance experience and currently sits on a number of boards and committees across the Peel including Chair of the Peel Regional Leaders Forum. Marina is an Advisory Board Member of the disciplinary tribunal at the national Institute of Public Accountants.



ANDREW WARD

Chief Executive Officer

Mr Ward is Chief Executive Officer of the Peel Development Commission and is a member of the Board in an ex officio capacity. Andrew joined the commission from his position as Director at the City of Karratha. With metropolitan and regional senior management experience in the local government environment, and over 20 years' experience in community services and administration management, he brings a wealth of experience, knowledge and a proven ability to lead and develop multi-disciplinary teams.

Board meetings

During the reporting period, the Commission's Board met on eight occasions, with meetings held across the region. The following table shows Board Member attendance rates at eligible meetings and term expiry.

Board member	Attendance	Term
Paul Fitzpatrick – Chair	8/8	30/06/2017
Sue Fyfe – Deputy Chair	8/8	30/06/2017
John Erren	7/8	30/06/2017
Christine Germain	5/8	30/06/2017
Maree Gooch	7/8	30/06/2017
Peter Hick	8/8	30/06/2018
David Napoli	8/8	30/06/2018
Andrew Taggart	4/8	30/06/2018
Marina Vergone	7/8	30/06/2018
Andrew Ward	8/8	CEO/Ex-officio

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:

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

Outcomes based management framework

The Commission’s performance is documented in a Resource Agreement between the Commission, the Minister for Regional Development and the Treasurer. The Resource Agreement sets out the desired outcomes for the Commission and the key performance indicators that monitor progress in achieving these outcomes. Progress towards government desired outcomes is monitored by key effectiveness indicators. Key efficiency indicators are used to monitor service delivery.

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.	1. Facilitation and coordination. 2. 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 2016-17 reporting period.

Shared responsibilities with other agencies

The Resource Agreement specifies the following cross-agency initiatives:

Initiative	Target result for 2016-17
Southern Investment Initiative	Successful delivery of infrastructure to support the growing region.

The Peel region includes five local government areas and the Commission works closely with these local authorities to support strategic partnerships and projects that will make the area a better place to live and visit. The Commission also works closely with other government agencies, both State and Commonwealth, and other regional organisations.


Strategic objectives

Our Strategic Plan reflects our commitment to working in partnership with all levels of government, industry and the community. The achievement of the strategies included over the next three years will provide the catalyst for the vision of Peel at 2050 outlined in the *Peel Regional Investment Blueprint* to be achieved.


The *Peel Regional Investment Blueprint*, launched in December 2015, forms the basis of the Commission's three year strategic plan for the period 2016-19. The strategic plan was approved in February 2016 and follows the key themes of the Blueprint, setting out the strategies required to achieve its outcomes.

In addition to the Blueprint's five key themes the strategic plan includes an internal focus of 'Organisational Excellence', which identifies strategies and initiatives to ensure the Commission has a high performing board, capable staff, and effective processes to facilitate organisational success over the next three years.

In order to find out how the Commission's stakeholders rate our performance against these objectives a client survey was carried out in June 2017. An independent market research consultant (Perth Market Research) conducted an online survey of 460 clients and stakeholders. Email and telephone follow ups were used to ensure that there were sufficient responses for statistical reliability. 238 surveys were completed representing a variety of sectors; a response rate of 51.7%.

Participants were asked to score their level of agreement/disagreement with a number of statements about the Commission. An agreement score was calculated based on the percentage of respondents who indicated that they either agreed or strongly agreed with a range of statements covering the Commission's goals. 

The key strategic goals are:

- 

1. The Peel's industries and businesses are diverse and globally competitive contributing to a strong and diverse economy.
- 

2. The Peel's agriculture and food production sectors will be enhanced through continued innovation, investment and research.
- 

3. The Peel's tourism industry and related businesses will be diverse, competitive and sustainable, creating economic growth and jobs through high value products and services.
- 

4. The Peel's workforce will be highly skilled and adaptable to structural and technological change to support a strong and diverse economy.
- 

5. The Peel will be a strong, vibrant and resilient community underpinned by best practice social services and infrastructure.
- 

6. An organisation that is recognised for outstanding governance and innovation in delivering regional economic development outcomes.

AGENCY PERFORMANCE

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Report on operations – desired outcomes

Development and promotion of the Peel region – effectiveness indicator

This indicator is measured by the client survey. The survey asked whether respondents agreed with the statement:

“Peel Development Commission makes a positive contribution to the Peel’s economic base.”

Indicator	Target (2016-17)	Actual (2016-17)	Variation
Client satisfaction with the contribution to the region’s economic base	90%	86.6%	-3.4%

Figure 1 shows the distribution of scores for 2016-17. 86.6% of respondents agreed with the statement (30.3% – strongly agree and 56.3% agree), with only 3.4% of respondents disagreeing. 10.1% of respondents were neutral on the issue.

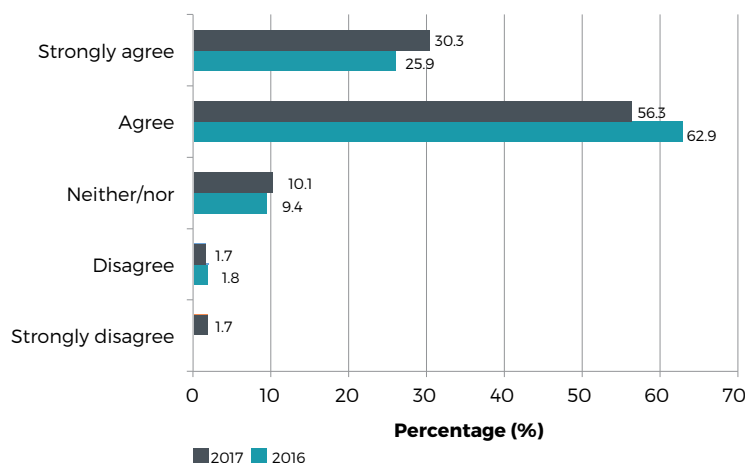


Figure 1 Distribution of respondents scores for 2016-17

Source: Perth Market Research Client Survey, June 2017

Demographic breakdowns based on locality and main sector of operations are shown in Figure 2 and Figure 3. The graphs show varied results, although it is noted that Waroona shows lower statement agreement compared to other localities. The highest result for other localities represents respondents located outside of the Peel region.

Charities and not-for-profit organisations also show lower statement agreement compared to Government sectors.

It should be noted that the results for operational grouping include some response categories with few respondents and therefore the results should be viewed with caution. These graphs should be viewed as a general indicator for opinions, as responses are subject to sizeable sampling error.

It is pleasing to note that the key satisfaction score remains at a very high level despite there being a period of considerable uncertainty across the government sector and the resources available to the regions.

Key outcome areas	2014	2015	2016	2017
Client satisfaction with the contribution to the region’s economic base	85.9%	86.4%	88.8%	86.6%

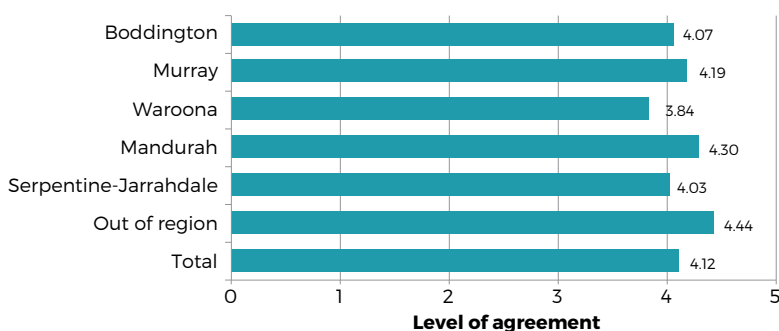


Figure 2 Distribution by locality

Source: Perth Market Research Client Survey, June 2017

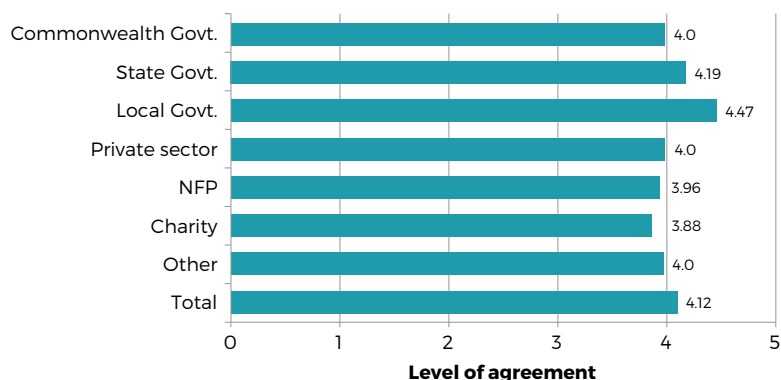


Figure 3 Distribution by operational sector

Source: Perth Market Research Client Survey, June 2017

Development and promotion of the Peel region – efficiency indicators

The efficiency indicators measure the cost per hour of each of the Commission’s two services.

Indicator	Average cost per unit of service hour		
	2016-17 target	2016-17 actual	Variation
Service 1: Facilitate and coordinate regional development activities.	\$111	\$100	-\$11
Service 2: Provide advice and information on regional development activities or matters.	\$66	\$57	-\$9

It is pleasing to see that the Commission has performed well in controlling its costs and delivering its services. The cost per service hour is lower from a combination of savings achieved during the year coupled with approximately 1,000 more productive hours achieved in 2016-17 than budgeted. The financial performance is analysed in more detail on pages 54-93.

Report on operations – strategic goals

Overview

To make Peel an even better place to live, work and invest we develop and support initiatives that align with the themes of the *Peel Regional Investment Blueprint* (Blueprint).

The Blueprint sets a vision for the Peel to 2050 as a progressive, prosperous and dynamic region with a culture of care with development to occur within five core themes (Figure 4).

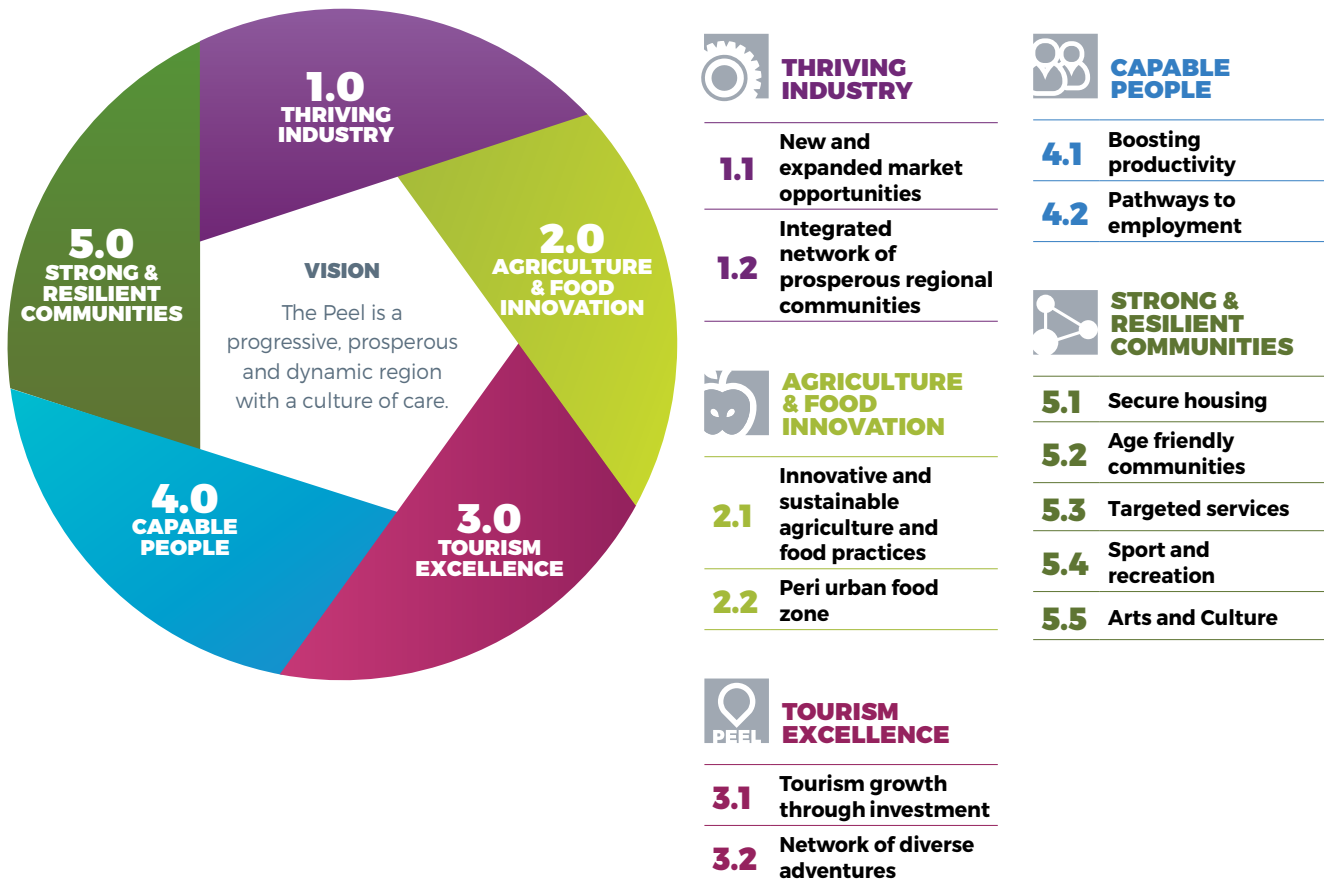


Figure 4 Blueprint themes

Source: *Peel Regional Investment Blueprint*

Following the Blueprint launch in December 2015 the Commission has been collaborating with RDA Peel, local government authorities and other government and non-government stakeholders to undertake a range of activities in support of the Blueprint goals, with key projects summarised in this report.

In addition to development of initiatives the Commission has continued to work on the governance structure and processes to ensure effective Blueprint implementation and evaluation. This has included the development of a biennial and five yearly reporting structure, identification of indicators against each objective, and development of an alternative governance reporting structure which reflects developments in the region post Blueprint launch.

The client survey gave a number of statements that followed our strategic goals and respondents were asked to indicate their level of agreement with each.

The statements were:

- Peel Development Commission promotes the region effectively.
- Peel Development Commission actively supports the growth of businesses to increase job opportunities.
- Peel Development Commission facilitates regional initiatives to develop new businesses.

- Peel Development Commission engages with industry and stakeholders to drive economic growth in the region.
- Peel Development Commission facilitates agricultural innovation through the Transform Peel program.
- Peel Development Commission supports training and education initiatives that will improve employment prospects for Peel residents.
- Peel Development Commission encourages the provision of identified tourism infrastructure needs.
- Peel Development Commission encourages the responsible management of the natural environment.
- Peel Development Commission staff provide professional, timely and helpful advice.

It should be noted that while scores across these areas vary, all are well above the mid-range and reflect a positive perception of the Commission across the community. Figure 5 shows the percentage of respondents either agreeing or strongly agreeing with the statements.

The spread of scores across all responses is shown in Figure 6.

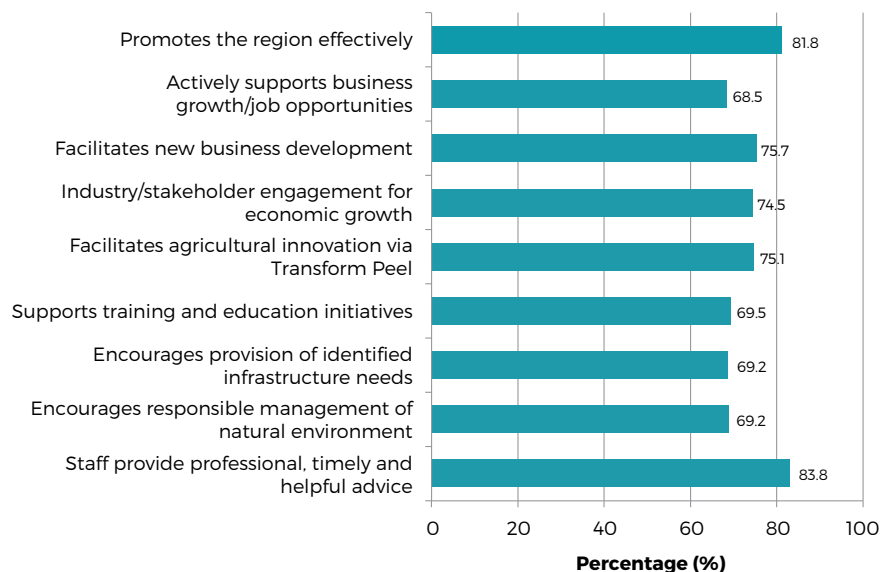


Figure 5 Percentage of respondents agreeing with the statement

Source: Perth Market Research Client Survey, June 2017

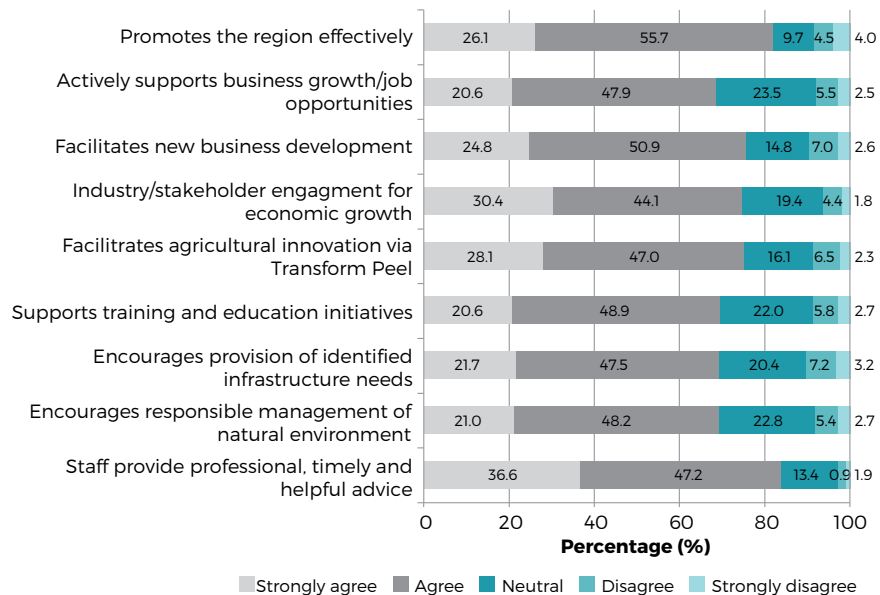


Figure 6 Respondents level of agreement with each statement

Source: Perth Market Research Client Survey, June 2017

Project in focus: Transform Peel

Transform Peel is a long term development program designed to diversify the region's economy, create jobs and secure better environmental outcomes for the region.

With high unemployment in the region and the population predicted to increase from 130,000 to 440,000 by 2050 it is anticipated that the region will need to create an additional 89,000 jobs.

Transform Peel was devised, developed and is managed by the Commission to attract firms to the region and stimulate the creation of the first 33,000 of those much-needed jobs. In April 2016 the State government committed \$49.3m to enable activation of Phase One comprising:

- Establishment of program management and governance;
- Development of the communications and stakeholder engagement strategy;
- Establishment of agreements with partner agencies;
- Planning and construction of vital infrastructure to derisk the program for private sector investment; and
- Initiation of an investor mobilisation strategy to attract private sector investment.

The Peel is now on the threshold of securing opportunities that will ensure economic sustainability and job creation, and is on target to achieve the deliverables outlined in the Blueprint for 2050.

Transform Peel comprises three inter-related projects:

- **Peel Business Park** – 1000 hectare business park with a focus on food manufacturing and processing, logistics and supporting commercial and light industrial activities. LandCorp are the lead agency and have worked to identify and negotiate with private sector investors. LandCorp are also engaging with the Commission and Shire of Murray to lead the development of innovative infrastructure options, renewable resources and common use facilities to the business park to give it a unique market position and add value to potential tenants.

- **Peel Food Zone** – 28,000 hectare zone planned for intensive food production and related enterprises. The Department of Food and Agriculture WA are the lead agency and have undertaken extensive mapping of datasets, and stakeholder engagement to identify recommended areas for priority produce that will underpin the future optimisation of land, resources and infrastructure; and have commenced identification of potential business migration to the Food Zone.
- **Peel Integrated Water Initiative** – development of alternative water resources and innovative storage and supply systems to support food production, industry and other sectors in the Peel region. The Department of Water are the lead agency and have undertaken analysis of the available water resources, future industry demands, understand water flows and amendments to reduce nutrients reaching the Peel Harvey Estuary. They are undertaking a pilot study to assess the feasibility of Managed Aquifer Recharge (MAR) to secure non-seasonal water supplies for future production in the Food Zone. The Commonwealth government contributed \$700,000 to the Shire of Murray for the pilot study, with support from CSIRO and Peel Harvey Catchment Council (PHCC).

All aspects of Transform Peel focus on collaboration, innovation, research and development and driving private sector investment in the Peel. The extensive regional and global industry engagement has resulted in the emergence of further projects that add value to the Peel (some of which are underway and are detailed elsewhere in this Annual Report, while others are in negotiation).

They include:

- Transform Peel Workforce Skills Development Strategy;
- A Research Facility;
- Eco-Industrial Precinct;
- Agri-Innovation Precinct;
- Incubator;
- Renewable resources; and
- Shared use infrastructure in support of the food industry – potentially abattoir, food processing, packaging, research and development and testing, cold storage, freight consolidation and transport and logistics.



Strategic goal



THRIVING INDUSTRY

The Peel's industries and businesses are diverse and globally competitive contributing to a strong and diverse economy

Client feedback

The client survey asked whether respondents agreed with the statements:

"Peel Development Commission facilitates regional initiatives to develop new businesses."

"Peel Development Commission engages with industry and stakeholders to drive economic growth in the region."

Survey statement	Satisfaction	
	(2015-16)	(2016-17)
<i>Peel Development Commission facilitates regional initiatives to develop new businesses</i>	75%	75.7%
<i>Peel Development Commission engages with industry and stakeholders to drive economic growth in the region</i>	N/A	74.5%

Source: Perth Market Research Client Survey July 2017

Initiatives 2016-17

Project in focus: Peel Equine Strategy

The *Thriving Industry* theme of our *Peel Regional Investment Blueprint* recognises the importance of the equine industry as identified in the following objective:

"The Peel is positioned as the premier region for the expansion of the equine industry in regional Western Australia".

Consistent with this objective, the *Peel Equine Strategy* has been developed in collaboration with stakeholders during 2016-17 and identifies investment opportunities and strategic initiatives to deliver a sustainable future for the equine industry in the Peel region. The industry is a strong contributor to the local economy and the forecast expansion of the region's population, combined with an abundance of rural land, provides an exciting opportunity for the industry's future growth.

The industry is estimated to contribute \$175.9 million to the local economy, providing 1,547 jobs in the Peel, ranging from racing and recreational equestrian pursuits, to breeders, vets, farriers and other such support businesses.

The *Peel Equine Strategy* recommends a number of strategic goals and supporting initiatives to enable the future growth of the equine industry. Significant equine facilities within our region include the Byford Trotting Training Complex, Pinjarra Park, Pinjarra PACEWAY, and the Murray Regional Equestrian Centre. Herein lies the opportunity for town planning and policy decisions to capitalise on the presence of these assets, as hubs of equine activity, to attract local business and facilitate the further economic growth of the industry.

The further development of equine tourism is a key focus of this Strategy, from major events such as the Boddington Rodeo, to the enhancement of horse trails to attract visitors to the Peel to experience its unique natural beauty. Also of importance are infrastructure investment projects to increase sporting and recreational participation and stimulate local business and jobs.

Project in focus: East Keralup Future Uses

Under the auspice of Government's Green Growth Plan (GGP) the Peel Development Commission has collaborated with the Department of Premier and Cabinet and the Department of Housing to investigate a range of non-urban alternate land uses for this strategic 4,500ha state-owned landholding.

East Keralup represents a significant opportunity for both the region and the State. Sensitive planning and innovative future land use that incorporates the objectives of both the *Peel Regional Investment Blueprint 2050* and the GGP has the potential to stimulate economic growth, while achieving meaningful environmental outcomes for the Peel Harvey Estuarine System.

Working closely with the Department of Housing we have established a suite of seven management principles applicable to the site and conceptualised a number of potential future uses that align with the overall objectives of the *Peel Regional Investment Blueprint*.

Current opportunities for the landholding, consistent with the above principles, include the following:

- **Parks and Recreation/Regional Open Space** – Conservation of high-value foreshores, wetlands and bushland identified by the GGP;
- **Closed Loop Agriculture** – Investment attraction consistent with State Government's Transform Peel Initiative. Focussed on intensive food production technologies, processing and export, agri-business research and development, renewable energies and water innovation;
- **Agricultural Production** – Start-up industry that desires a long-term, low-impact lease of suitable rural land;
- **Sustainable Energy Production (Solar/Wind Farm)** – The environmentally unencumbered nature of the south-eastern portion of the landholding that abuts the existing 330kV transmission infrastructure and the planned Peel Business Park is attractive to private capital investors and would yield energy source diversity, employment and sustainability benefits for the Region; and
- **Water Research** – A research facility would contribute to further innovative technologies for catchment management, to improve the existing state of the Peel-Harvey Estuary System as well as test products to mitigate impacts of agricultural activities.

Future work scheduled for the first half of 2017-18 involves the development of a concept plan for the site and resolution of various land tenure arrangements that will facilitate the future development of the site by private and public sector investors.

Project in focus: Mandurah-Murray Growth Plan

Throughout 2016-17, the Peel Development Commission has promoted Mandurah as a strategic regional centre under the State Government's Regional Centres Development Program (RCDP) due to its importance to Western Australia's economy and the regional community.

Within this context, the Peel Development Commission is currently collaborating with the City of Mandurah and the Shire of Murray on the Mandurah-Murray Growth Plan project. The project aims include:

- strategic positioning of Mandurah-Murray and its industries;
- business and industry development;
- innovation and entrepreneurship;
- human capital development;
- economic leadership and collaboration;
- investment facilitation and attraction; and
- job creation.

A key milestone was achieved by the Peel Development Commission when the Mandurah-Murray Growth Plan Partnership (GPP) was established in April 2017. The partnership comprises the Peel Development Commission, City of Mandurah, Shire of Murray, LandCorp, Western Australian Planning Commission, Department of Regional Development, Department of Planning, Peel Chamber of Commerce and Industry Inc. and Regional Development Australia (Peel). The partnership establishes agreement between the parties to develop the Mandurah-Murray Growth Plan in 2017-18 to guide the future economic and social development of Mandurah-Murray and its economic activity area.

Under the leadership of the Peel Development Commission, the GPP will conduct economic cluster analysis, define Peel's comparative and competitive advantages, improve competitiveness of our current industries, identify opportunities for new business or industry, stimulate private investment, catalyse business startups and establish job growth targets. Strong emphasis will then be placed on resourcing "catalytic" investments identified during extensive business and industry collaboration. This innovative approach will enable the realisation of short-term stimulus opportunities such as entrepreneurship and small business development to realise job creation and economic growth outcomes.

Financial support

The following projects have been supported by Royalties for Regions through the Regional Grants Scheme (RGS), Community Chest Fund (CCF) and the Local Projects, Local Jobs (LPLJ) program.

Approved for payment in 2017-18:

Location	Project	Amount	Program
Pinjarra Harness Racing Club	Disabled access ramp and extension to viewing area	\$40,000	CCF
Shire of Boddington	Stage 1 Boddington Weir pool rehabilitation	\$30,000	CCF

Strategic goal



AGRICULTURE AND FOOD INNOVATION

The Peel’s agriculture and food production sectors will be enhanced through continued innovation, investment and research

We are working towards a vision of increased economic expansion, market base and international competitiveness for the Peel’s agribusiness sector through innovation in production methods and renewable water and energy supplies. Beyond the initiatives outlined below, we have played an integral role in the following:

- Nominating Peel premium food producers with export potential to participate in a 2017 national study tour coordinated by the Department of Agriculture and Food (DAFWA).
- Connecting the chef and restaurant owner from WA’s Celebrity Signature Dish 2017 to local food producers. The Peel signature dish won this year’s competition.
- Circulating grant opportunities to Peel’s industry and not-for-profit organisations. Of note, Capogreco Farms (Tosum Pty Ltd) were successful in receiving a \$200,000 DAFWA grant to upgrade facilities guaranteeing premium quality and sweetness of fruit for year-round supply to high-end export customers.
- Facilitating investment opportunities with national and international food producers.

Client feedback

The client survey asked whether respondents agreed with the statement:

“Peel Development Commission facilitates agricultural innovation through the Transform Peel program.”

Survey statement	Satisfaction (2015-16)	Satisfaction (2016-17)
<i>Peel Development Commission facilitates agricultural innovation through the Transform Peel program</i>	N/A	75.1%

Source: Perth Market Research Client Survey July 2017

Initiatives 2016-17

Project in focus: Smart Urban Farm Factories Feasibility Study

We have engaged Murdoch University through their Singapore Centre for Research in Innovation, Productivity and Technology (SCRIPT) to undertake a feasibility study for new forms of urban farming to grow the horticulture industry in the Peel region. In the context of the Transform Peel program, there will be more emphasis on innovative above-ground food production to address a number of regional issues including nutrient flow in the Peel-Harvey catchment area, sustainable water management, and high unemployment. In this context, new approaches in agriculture are required in the Peel.



Pursuing investment in ag-technology urban farming (including potential vertical farms, aquaponics, hydroponics, closed loop etc.) in the Peel region will:

- Insulate food production from the natural environment, providing biosecurity safeguards, greater intensity, efficiency and increased yield;
- Maximise water efficiency and reduce nutrient run-off;
- Sustain agricultural activities and increase ag-tech employment within an urbanising environment; and
- Optimise agri-food processing value-add and export.

Urban farming is not a well-developed sector in the Peel region (or WA more generally) and there is great benefit in undertaking this initial research for the Transform Peel program. Given the higher infrastructure costs to develop this form of agriculture there is a need to identify higher value crops to ensure the longer term viability of this production system.

Working with Murdoch University on this initiative presents a number of additional benefits including the linkages to a global network of innovative horticultural companies through its research and development arm in Singapore. This project builds on work SCRIPT has already undertaken given Singapore's interest in food security and trialling and localising the Singaporean technology. Working in collaboration with international industry partners will help translate project outcomes into innovative business models, infrastructure requirements and technologies needed to meet Transform Peel's objectives. Furthermore, having the private sector involved in this research will strengthen industry networks and facilitate investment opportunities.

The Peel's competitive advantage in this field includes:

1. Access to ports (air and sea)
2. High level of biosecurity and price premium on WA produce
3. Political stability
4. Project partially de-risked by government funding
5. Project-ready status
6. Access to labour market and amenity
7. Peel is proactively seeking entrepreneur and tech-focused new industries

Whilst finalising the report, SCRIPT will continue to work with the Development Commission and State Government in 2017-18 to engage with international industry players on investment attraction requirements. For example, innovative business models, workforce, infrastructure (water, power, telecommunications), land assembly (sale/lease conditions), and government-to-government agreements.

Project in focus: C.Y. O'Connor Centre for Innovation in Agriculture

We are working with the C.Y. O'Connor ERADE Village Foundation (CYOEVF), Goldfather Corporation, Murdoch University and the Shire of Murray to develop the C.Y. O'Connor Centre for Innovation in Agriculture in North Dandalup. The project will provide infrastructure, world-leading research programs and mentorship to nurture and develop researchers and entrepreneurs. With a focus on improving agricultural business viability and productivity, the C.Y. O'Connor Centre for Innovation in Agriculture will stimulate employment, support education, and provide aspirational opportunities not currently available within the Peel region.

As part of the Transform Peel program, CYOEVF and Shire of Murray are seeking State Government investment as a contribution to the \$26 million project. The cash and in-kind leverage generated from the partnership between Murdoch University, CYOEVF, and private industry will ensure financial longevity, education to employment pathways, strong research networks and integrity and applied research practices to achieve commercialisation.

The purpose-built common-user facility will include laboratories, meeting and seminar rooms, offices and equipment for at least 30 scientific staff (phase 1). In addition, the facility will include business incubators which will be available to start-up science-based businesses. The Research Facility will focus on farming and agricultural activities including animal genetics, animal welfare, animal disease, perennial grasses, soil amendment and farm management systems.

The C.Y. O'Connor Centre for Innovation in Agriculture will have the following outcomes:

- Development of a strong science, research and entrepreneur capability in the Peel to build the regional 'knowledge economy'.
- Development of innovation to improve State/ Nation-wide agricultural business viability and productivity.
- Heightened regional profile as an innovation centre attracting further innovation and entrepreneurs.
- Working in collaboration with industry partners will strengthen networks and facilitate investment opportunities required under Transform Peel.
- Increased economic activity in the local community.
- Joint use of facilities and scientific equipment across organisations to establish economies of scale and a strong science network (e.g. CYOEVF, Murdoch University – Mandurah/ South Street/Whitby Falls campuses, Department of Agriculture and Food WA, Peel Harvey Catchment Council, and South Metropolitan TAFE etc.).

The Centre will contribute to addressing:

- Lack of ability to undertake applied research in the region/state/nation.
- Constraints impacting agriculture and environmental sustainability in the Peel and the Peel Food Zone (e.g. nutrient flow in the Peel-Harvey Estuary, water management, soil quality).
- High unemployment and low community involvement in and aspirations for higher education and research professions in the Peel.
- Change capability in the agricultural industry to build competitive advantage.

To progress the development of this project the Commission has led or been involved in the following activity during 2016-17:

1. Community engagement
2. Advertised expression of interest
3. Comparative site analysis
4. Design and development assessment
5. Governance establishment
6. Cost-benefit analysis

Construction will occur immediately upon securing capital funding and local government planning approval (both processes underway).

Financial support

The following projects have been supported by Royalties for Regions through Regional Grants Scheme (RGS), Community Chest Fund (CCF) and the Local Projects, Local Jobs (LPLJ) programs.

Approved for payment in 2017-18:

Location	Project	Amount	Program
Landcare SJ (on behalf of the Peel-Harvey Biosecurity Group and Serpentine Jarrahdale Men's Shed)	Invasive Cotton Bush in the Peel-Harvey Region	\$5,472	CCF
C Y O'Connor	Kikuyu Improvement Project	\$105,000	RGS

Strategic goal



TOURISM EXCELLENCE

The Peel's tourism industry and related businesses will be diverse, competitive and sustainable, creating economic growth and jobs through high value products and services

In order to ensure that Peel's tourism sector remains competitive and sustainable we:

- work with Peel local governments and the Peel Regional Leaders Forum to move priority projects forward to improve employment prospects in the tourism industry through infrastructure development.
- maintain a cross regional focus on adventure trail development and contribute to the implementation of plans for adventure trails development and related infrastructure
- maintain strong linkages and networks with Mandurah and Peel Tourism Association (MAPTO) to continue to progress towards a strong, vibrant and growing tourism industry.

Client feedback

The client survey asked whether respondents agreed with the statement:

"Peel Development Commission encourages the provision of identified tourism infrastructure needs."

This question was more specific than the question on infrastructure asked in the 2016 survey, focusing only on the tourism industry this year. It is not therefore directly comparable with the result for 2015-16, which asked about infrastructure in general and yielded a satisfaction rate of 79.1%.

Survey statement	Satisfaction (2016-17)
<i>Peel Development Commission encourages the provision of identified tourism infrastructure needs</i>	69.2%

Source: Perth Market Research Client Survey July 2017

Initiatives in 2016-17

Project in focus: Peel Tourism Economic Development Infrastructure Strategy

The finalisation of the Peel Tourism Economic Development Infrastructure Strategy 2016-20 was recognised at its formal release in December 2016. High levels of engagement with regional stakeholders, support through the regional steering committee and staff of the Commission as well as consultants engaged to develop the strategy were appropriately recognised at the launch of the Strategy, which identifies regional economic development infrastructure priorities for the Peel.

In developing the Strategy, the Commission identified that alignment with the State Government Strategy for Tourism in Western Australia 2020 and the Mandurah and Peel Tourism Association's (MAPTO) marketing focus would be an important approach to ensure that the Peel is recognised for the opportunities that exist for product and infrastructure development supported by focussed marketing and support.

Infrastructure investment identified in the Strategy and aligned with the following themes reflects the 'Anytime Adventure' marketing tag for the region:

- Trail hubs
- Trail networks
- Accommodation nodes
- Waterway adventures
- Event, tourism and hospitality innovation
- Mixed adventures

The Commission supported a focus on three specific infrastructure priorities, being:

1. Dwellingup Trails and Adventure Hub;
2. Regional and National Parks investment;
3. Marine and waterways adventures.

The collaboration of local and regional networks and the State Government agencies will play a key role in addressing the gaps and opportunities highlighted in the Strategy.

The identified advantage for the Peel of its proximity to the metropolitan area and access to a population of around two million people reinforced the flexibility that the Peel has in focussing on economic growth, diversity and jobs. The tourism industry is well recognised as providing employment opportunities on an ongoing basis as the sector steps up and fulfils its potential for growth.

Project in focus: Dwellingup Trails and Adventure Hub

The Dwellingup Trails and Adventure Hub project was identified as the highest priority in the Peel Tourism Economic Development Infrastructure Strategy. Project outcomes will provide an environment for hard and soft adventure seekers to enjoy as well as those seeking passive pursuits such as arts, culture and history.

The Peel Development Commission, Department of Parks and Wildlife and the Shire of Murray have been progressing the proposal for the town of Dwellingup and surrounds to establish facilities and trails for mountain biking, walking, running, canoeing and four-wheel driving. The business case proposes that Dwellingup will be upgraded to a Trails Town with appropriate facilities to support this formal designation, with mountain bike trails being constructed to meet national and international competition standards.



Upgrading the Dwellingup trails will deliver 80 kms of mountain bike trails, 28 kms of walk trails and canoe launch and retrieval points on the Murray river. Coupled with a bridge over the river connecting trails it will result in capacity to grow visitor numbers by 20%. The business case reports \$9.2 million extra direct spend by trail users with \$16.5 million total impact on the broader economy. An estimated 210 construction jobs will be created with 80 ongoing jobs for the investment of \$13.2 million, of which nearly \$12 million has been identified in the business case as being requested through grant funding.

The Peel Development Commission will continue to work with the Department of Sport and Recreation, Department of Parks and Wildlife and the Shire of Murray to progress this proposal which will deliver economic and social benefits to the community whilst reducing environmental impacts. It is an integral part of the state-wide planning for the development of a quality trails network throughout the state, positioning Western Australia as a world class trails destination.

Financial support

The following projects have been supported by Royalties for Regions through Regional Grants Scheme (RGS), Community Chest Fund (CCF) and the Local Projects, Local Jobs (LPLJ) programs.

Paid in 2016-17:

Location	Project	Amount	Program
Forest Heritage Centre Inc	Emu Directional Walk Trail	\$35,350	CCF
Mandurah and Peel Tourism Organisation (MAPTO)	Mandurah and Peel Region Business Tourism Brand and Campaign Creation	\$15,000	CCF
Mandurah Philatelic Society (INC) (MPS)	Mandurah 2016 Show	\$10,000	CCF
Murdoch University	Citrus Fair @ Whitby Falls Farm	\$20,000	CCF
Murray Districts Aboriginal Association	Binjareb Park	\$32,500	CCF
Shire of Boddington	Hotham River Walking Trail and Bird Hide – Stage 1	\$13,232	CCF
Bouvard Coast Care Group	Rehabilitate and maintain the dunes in the Dawesville area	\$20,000	LPLJ
Mandurah Wildlife Centre	Operating costs	\$40,000	LPLJ
Peel-Harvey Catchment Council	Saltmarshes of Ramsar 482	\$20,000	LPLJ
Shire of Murray	Dwellingup Town Square Redevelopment	\$200,000	LPLJ
Shire of Murray	Pinjarra Town Centre Redevelopment	\$100,000	LPLJ
Bibbulmun Track Foundation	Bibbulmun Track – Murray River Bridge	\$112,000	RGS
Forest Heritage Centre	Forest Heritage Centre Revitalisation – Stage 2	\$195,150	RGS
MAPTO	Mountain Bike Australia Cross Country National Series Double Header	\$53,000	RGS
Shire of Boddington	City Precinct Activation Nodes	\$71,635	RGS

Approved for payment in 2017-18:

Location	Project	Amount	Program
Hotham-Williams Economic Development Alliance Inc (HWEDA)	Marradong Country Self-Drive Trail	\$15,000	CCF
Mandurah and Peel Tourism Organisation	Peel region events support facilitation	\$40,000	CCF
Mandurah Performing Arts	Mandjar Jazz	\$15,672	CCF
Shire of Murray	Pinjarra public Wi-Fi project	\$42,854	CCF
Mandurah and Peel Tourism Organisation (MAPTO)	Peel Region Digital Asset Library	\$48,900	RGS
National Trust	Jarrahdale Mill Manager House	\$215,000	RGS
Shire of Murray	Peel Regional Trails Co-ordinator	\$90,000	RGS
Western Australia Police Sport Federation (WAPSF)	Australasian Police and Emergency Services Games 2018 (APES Games 2018)	\$50,000	RGS

Strategic goal



The Peel’s workforce will be highly skilled and adaptable to structural and technological change to support a strong and diverse economy

Client response

The client survey asked whether respondents agreed with the statement:

“Peel Development Commission supports training and education initiatives that will improve employment prospects for Peel residents.”

Survey statement	Satisfaction (2015-16)	Satisfaction (2016-17)
Peel Development Commission supports training and education initiatives that will improve employment prospects for Peel residents.	71.9%	69.5%

Source: Perth Market Research Client Survey July 2017

Initiatives in 2016-17

Project in focus: Peel Workforce Development Alliance

The Peel Workforce Development Alliance was created in 2013 as a partnership between the Peel Development Commission and Department of Training and Workforce Development to provide leadership and oversight for the development and implementation of a Peel Regional Workforce Development Plan.

The Chief Executive Officer of the Peel Development Commission actively chairs the Alliance and has committed to taking the lead on a number of priority actions of the Peel Workforce Development Plan 2015-18. The Plan was developed in 2015 by the Alliance working closely with regional stakeholders to ensure that it addresses the current and future needs of the community and industry.

In order to address the workforce participation and development challenges facing Peel, the Alliance focuses on 17 practical priority actions. These actions provide practical solutions to a number of complex workforce development challenges for the Peel region. The actions are categorised into the following four theme areas:

- Addressing career aspirations;
- Improving education and training outcomes;
- Developing linkages between industry and education; and
- Building industry capability.

The priority actions set out in the plan, make an important contribution to achieving the goals of the Commission’s strategic objectives. During the reporting period the Alliance, with the leadership and support of the Commission, achieved the following milestones against the priority actions:

- Reviewed current youth leadership strategies;
- Contributed to the Peel Jobs Fair, which was an event open to anyone seeking employment and provided direct access to employers as well as capability building workshops;
- Worked with a variety of schools groups such as the Principals Network and VET Coordinators to provide information about industry pathways in priority industries;
- Established the Peel Employment Support Network which has enabled increased knowledge of services across service providers, improved referrals and enhances services to clients;
- Undertaken a workforce skills needs analysis of the Transform Peel program; and
- Investigated the feasibility of a Peel career pathways app.

Project in focus: Peel Hospitality and Personal Service Industries Training Centre

The Commission and the Department of Training and Workforce Development finalised the development of a Royalties for Regions Business Case seeking the establishment of a state-of-the-art Hospitality and Personal Service Industries Training Centre (Centre) in the City of Mandurah. Its objectives are to:

- improve access to fit-for-purpose, industry-standard hospitality, tourism and personal services training facilities for students and chef apprentices with event spaces for the community, particularly youth; and
- build human capability and capacity to ensure an ongoing supply of skilled workers in the Peel region for restaurants, cafés, bars, personal services and tourist destinations, by providing flexible training spaces that can double as event spaces.

The Centre will provide the region with a world-class centre of excellence linked to local industry that develops the calibre of the region's hospitality, tourism and personal services workforce.

The development on the Peel Education campus will provide opportunities to work with Murdoch University and the senior high school, which are co-located with South Metropolitan TAFE at the site, to deliver training in the hospitality, tourism and personal services industries.

The Business Case has been completed and is awaiting assessment through the Royalties for Regions funding process.

Project in focus: Transform Peel Workforce Skills Analysis

The Commission began the Transform Peel Workforce and Skills Analysis project in September 2016 under the guidance of the Peel Workforce Development Alliance (PWDA). The initiative included the following broad tasks:

- undertake a workforce and skills needs analysis of the industries expected to be developed in Peel as a result of the Transform Peel program;
- identify the workforce development needs of the Peel in relation to the anticipated outcomes of the Transform Peel program; and
- identify the strategic focus and likely long term training and research infrastructure requirements to fulfil the workforce development needs identified.

This initiative has resulted in a full report which outlines a range of skills needed by local people to ensure a job ready workforce for the economic opportunities resulting from the Transform Peel program.

The report concludes that strong leadership and champions, as well as ongoing key stakeholder partnerships, will be critical for the progress of the Transform Peel initiative and to meet its workforce requirements. There are already many initiatives related to workforce development within the Peel that are working well and will need to be expanded and strengthened to meet the workforce needs of the future. The recommendations and actions will be lead by the Peel Workforce Development Alliance and the Commission.



Financial support

The following projects have been supported by Royalties for Regions through Regional Grants Scheme (RGS), Community Chest Fund (CCF) and the Local Projects, Local Jobs (LPLJ) programs.

Paid in 2016-17:

Location	Project	Amount	Program
Peel Chamber of Commerce and Industry	Peel Chamber Business Growth Series	\$30,000	CCF
Fairbridge	Fairbridge CARE School – Stage 2	\$70,100	RGS

Approved for payment in 2017-18:

Location	Project	Amount	Program
City of Mandurah	Entrepreneurial program development and implementation for unemployed youth	\$36,524	CCF
John Tonkin College P & C	IZRA – school to career transitional event	\$7,000	CCF
Murdoch University	STEM equipment for schools – pathways to careers	\$64,044	RGS

Strategic goal



STRONG AND RESILIENT COMMUNITIES

The Peel will be a strong, vibrant and resilient community underpinned by best practice social services and infrastructure

Client response

The client survey asked whether respondents agreed with the statements:

“Peel Development Commission actively supports the growth of businesses to increase job opportunities.”

“Peel Development Commission encourages the responsible management of the natural environment.”

Survey statement	Satisfaction (2015-16)	Satisfaction (2016-17)
Peel Development Commission actively supports the growth of businesses to increase job opportunities	71%	68.5%
Peel Development Commission encourages the responsible management of the natural environment	72.2%	69.2%

Source: Perth Market Research Client Survey July 2017

Initiatives in 2016-17

We contribute to the development of a strong, vibrant and resilient communities in a number of ways, in 2016-17 these included:

- working with proponents to develop funding proposals for residential and independent living aged care facilities throughout the region;
- participation in discussions about key sporting and recreation infrastructure such as trails and the proposed Ravenswood Regional Sport and Recreation facility;

- supported the Peel Early Years Collective to evaluate data and policy in investigating solutions to improve developmental outcomes for children in the Peel; and
- provided governance support through participation on the Peel Says No To Violence project management group.

Project in focus: Peel Youth Medical Services (PYMS) Health Hub

The Commission supported GP Down South in developing a successful Royalties for Regions business case for the development of the Peel Youth Medical Services (PYMS) Health Hub which was presented to the Department of Regional Development for funding consideration in December 2016. The PYMS Health Hub is a significant, innovative and holistic facility that will result in transformational change to the health and wellbeing of the youth of Mandurah and the Peel. Addressing the health needs of youth in such a unique and comprehensive manner will underpin their future ability to engage with education training and employment and enhance their ability to contribute to the local economy.

The co-location of PYMS, Palmerston Association, Allambee Counselling and others to create a ‘one stop shop’ for the health needs of Peel youth will provide a safe environment with a focus on early intervention and prevention. The young person will be central to the flagship model of care, supported by their GP and case manager.

The initiative has attracted significant community support and a bi-partisan funding commitment from the federal government of \$2 million. The state government has committed to provide \$4.99 million for the project.

Project in focus: Secure Housing and Employment Support Strategy

During 2015-16 the Commission worked with a group of community stakeholders to develop a proposed solution to the issue of housing as a barrier to Peel residents accessing education, training and employment.

A business case was finalised in August 2016 that outlined an approach to the establishment of an innovative regional housing solution to enable families and youth facing homelessness to move towards secure housing, employment and life opportunities.

The proposed accommodation model provides people with affordable housing linked to a core focus of achieving their aspirations through engagement in education, training and employment. Building these aspirations is key to enabling people in the Peel to engage with the region's long term economic opportunities outlined in the Blueprint. The proposed accommodation comprises a 30 bed youth facility, 30 unit family facility and other housing throughout the Peel. The Mandurah hub will include accommodation for families and youth, as well as office and training spaces for service providers and space to cater for the development of social enterprise.

Accommodation is supported by an integrated web of existing service providers. The initiative is not seeking to replicate or duplicate existing services but rather to connect tenants with existing service providers. Centred in Mandurah the service network applies across the Peel through outreach services to major towns.

Throughout the period the Commission continued to work with stakeholders to garner support for the initiative whilst the business case is assessed through the Royalties for Regions funding process.

Project in focus: Aged Care Solutions

The Peel has an ageing population and a growing workforce in the health care and social assistance sector. In this context, and following the Regional Development Council's focus on 'Ageing in the Bush', we worked with Peel aged care providers and local governments to develop business cases and funding applications for key aged care projects in 2016-17.

Quambie Park Waroona

Cabinet approved \$1.845 million Royalties for Regions funding in December 2016 for the Waroona Housing Options Village (total project: \$3.3 million). Quambie Park is one of the largest employers in the Shire of Waroona, with over 100 employees delivering essential services to 120 clients and residents. The Waroona Housing Options Village project (construction of 9 purpose-built independent living units and community hub) will provide:

- An additional \$8.8 million in direct economic output during the construction phase;
- An average of 8.8 full time on-site construction jobs, and 4 operational FTE and 5 traineeships in Waroona;
- A total average full-time employment of 26.9 jobs with employment concentrated in the building construction, technical services and retail industries; and
- State Government health service and social housing cost savings.

Bedingfeld Park Pinjarra

A business case requesting \$4 million State Government funding for this \$7 million project was submitted to the Department of Regional Development in 2016-17. This project will build a 25-bed dementia-specific-unit as an integrated expansion of the current 45 bed aged care facility in Pinjarra. Not only will this project provide the local community with increased and improved services for the aged, but also Bedingfeld Park (a major employer in the Pinjarra area), will expand its workforce and the amount of goods and services purchased from local businesses. This project will provide:

- 18.4 full-time construction jobs;
- A long-term increase of 28 operational jobs (6 nursing staff, 18 caring staff, and 4 domestic staff);
- A continuum of care in an integrated service (home care packages, residential care, and dementia-specific care);
- Opportunity for the WA Housing Authority to update housing stock available for low income earners in Pinjarra and the Peel through a joint venture; and
- Increased capacity to partially meet the identified demand for 153 additional residential care places in 2016.

Bedingfield Park was successful in receiving a licence for an additional 25 bed allocation for the proposed expansion through the Federal Government's 2016-17 Aged Care Approvals Round (ACAR).

Boddington Retirement Village

With the assistance of Royalties for Regions investment, the Shire of Boddington has completed Stage 1 of its Retirement Village with four independent living units built and fully occupied for residents aged over 55. In 2016-17

the Shire secured \$3.08 million Royalties for Regions through the Southern Inland Health Initiative for Stage 2. The Commission assisted the Shire with the successful funding application to the WA Country Health Service. This will deliver nine independent living units and a village hub. The Village is owned and operated by the Shire of Boddington. The full proposal will accommodate 40 two and three bedroom affordable independent living units offered on a long term residency lease or rental lease basis.

Financial support

The following projects have been supported by Royalties for Regions through Regional Grants Scheme (RGS), Community Chest Fund (CCF) and the Local Projects, Local Jobs (LPLJ) programs.

Paid in 2016-17:

Location	Project	Amount	Program
Byford Glades Residents Association Inc	Byford Community Garden	\$32,410	CCF
City of Mandurah	Common Threads Wearable Art (CTWA)	\$18,150	CCF
Mandurah Community Gardens	Access and inclusion for all at Mandurah Community Gardens	\$7,000	CCF
North Yunderup Community Association (NYCA)	Rope climber adventure net	\$5,546	CCF
Port Bouvard Recreation and Sporting Club Inc	Sailability sail training program	\$40,000	CCF
Ravenswood Sanctuary Model Boat Club	Ravenswood Sanctuary Model Boast Club wharf replacement	\$40,000	CCF
Serpentine Jarrahdale Lions Club	Jarrahdale oval fencing	\$28,000	CCF
Shire of Murray	Dwellingup tourist precinct play space shade sails	\$7,666	CCF
Shire of Waroona	Emergency management centre generator	\$25,000	CCF
St Joseph's Catholic Primary School	Shade area for basketball court	\$50,000	CCF
Uniting Church in Australia Property Trust (WA)	Mundijong Heritage Uniting Church and Community Garden	\$13,706	CCF
Waroona Bowling and Social Club Inc	Shade protection and fencing at Waroona Bowling and Social Club Inc	\$300,000	CCF
Waroona Golf Club	Clubhouse roof sheeting replacement and kitchen upgrade	\$130,000	CCF
City of Mandurah	Bortolo district floodlighting	\$125,000	LPLJ
City of Mandurah	Community safety – Mandurah	\$56,500	LPLJ
City of Mandurah	Coote Reserve, Madora Bay	\$300,000	LPLJ
City of Mandurah	Eastern foreshore playground	\$275,000	LPLJ
City of Mandurah	Eros Reserve Shade, Silver Sands	\$225,000	LPLJ

Location	Project	Amount	Program
City of Mandurah	McLennan Reserve, Madora Bay	\$15,000	LPLJ
City of Mandurah	Orion Rd/Shaw St playground, Silver Sands	\$10,000	LPLJ
City of Mandurah	Watersun Drive – Silver Sands	\$65,000	LPLJ
City of Mandurah	Seniors exercise equipment – Tickner Park, Dudley Park	\$20,000	LPLJ
City of Mandurah	Halls Head Community Recreation Centre	\$15,000	LPLJ
City of Mandurah	Mandurah Southern Districts Fire Brigade	\$30,000	LPLJ
Dawesville RSL Sub branch	Renovations and refurbishments	\$10,000	LPLJ
Dudley Park Bowls Club	Renovations and refurbishment	\$10,000	LPLJ
Falcon Men's Shed	Extension to shed and equipment upgrade	\$10,000	LPLJ
Falcon Fire Brigade	Upgrade of training facilities and equipment	\$30,000	LPLJ
Halls Head Bowling Club	Air-conditioning repairs/replacement and scoreboards	\$10,000	LPLJ
Halls Head Football Club	Equipment and improve infrastructure	\$10,000	LPLJ
Halls Head Hockey Club	Equipment and uniforms	\$5,000	LPLJ
Lake Clifton-Herron Residents Association Inc	Upgrade of driveway/entry and parking area to Lake Clifton-Herron Fire Brigade	\$50,000	LPLJ
Lions Club of Falcon	Equipment for the club	\$10,000	LPLJ
Madora Bay Community Association	Madora Beach access route (Stage 1)	\$50,000	LPLJ
Mandurah City Football Club	Equipment and maintenance to football club	\$10,000	LPLJ
Mandurah State Emergency Service	Paving of car park and building surrounds	\$50,000	LPLJ
Mandurah Surf Lifesaving	4WD and equipment upgrade	\$50,000	LPLJ
Mandurah Volunteer Marine Rescue Group Inc	Equipment upgrade	\$50,000	LPLJ
Midway Community Care	Provide services for people with disabilities in Peel	\$50,000	LPLJ
Pat Thomas House	Renovations and refurbishment	\$100,000	LPLJ
Peel Community Kitchen	A soup kitchen for those living in the Peel region	\$50,000	LPLJ
Port Bouvard Recreation and Sporting Club	Furniture for club	\$10,000	LPLJ
Port Bouvard SLSC	Aquatic rescue and events for the community	\$10,000	LPLJ
Port Bouvard Yacht Club – Sailability	Upgrade of disability infrastructure and equipment	\$30,000	LPLJ
Riding for the Disabled Murray Mandurah	Equipment and venue upgrade	\$40,000	LPLJ
Seascapes Community Association	The People Bank – Bringing the Seascapes Community Together	\$10,000	LPLJ
Shire of Murray	Ravenswood nature play area	\$50,000	LPLJ
Shire of Waroona	Upgrade of Preston Beach Community Hall	\$50,000	LPLJ
South Mandurah Tennis Club	Lighting upgrade	\$10,000	LPLJ
Waratah Christian Community Church	Nature play area, equipment and furniture for the centre	\$20,000	LPLJ

Location	Project	Amount	Program
Waroona Community Men's Shed	Community Men's Shed building – co-location with youth centre	\$100,000	LPLJ
City of Mandurah	Floodlighting installation – Peelwood Reserve 2 and 3	\$150,000	RGS
Mandurah Performing Arts Centre	Hubbub A Festival by the Sea	\$50,000	RGS
Quambie Park Waroona Inc	Social inclusion centre for the aged	\$140,215	RGS
Shire of Murray	Murray Regional Equestrian Centre cross country course	\$257,900	RGS
Shire of Serpentine Jarrahdale	Static water supplies Jarrahdale	\$250,000	RGS

Approved for payment in 2017-18:

Location	Project	Amount	Program
Boddington Community Resource Centre Inc	Boddington community website	\$32,410	CCF
Boddington Golf Club	Sand/greens upgrade	\$18,150	CCF
Coolup Progress Association	Don Sparks Reserve upgrade	\$7,000	CCF
Dwellingup Community Compact Incorporated	Town bike rack project	\$5,546	CCF
Mandurah Offshore Fishing and Sailing Club	Facility upgrade boats	\$40,000	CCF
Mandurah Retirement Village – Coolibah Total Caring	Tickner Reserve upgrade	\$40,000	CCF
Palliative Care WA (PCWA)	Engaging the Peel community in Advance Care Planning	\$28,000	CCF
Pinjarra Football and Netball Club Inc	Purpose built storage facility for Sir Ross McLarty Pavilion	\$7,666	CCF
Quambie	Generator for power during bushfire emergencies and power failure	\$25,000	CCF
Shire of Serpentine Jarrahdale	Byford Skate Park Stage 1b	\$50,000	CCF
Woodturning Association of WA Mandurah Group	Shed extension	\$13,706	CCF
City of Mandurah	Floodlighting installation – Peelwood Reserve 2 and 3	\$150,000	RGS
Mandurah Country Club	Building refurbishment	\$130,000	RGS
Mandurah Mustangs Football Club Inc	Mandurah Mustangs communal facility	\$125,000	RGS
Murdoch University	Mandurah dolphin research project	\$56,500	RGS
Port Bouvard Surf Life Saving Club	Development of lifesaving services for the City of Mandurah	\$300,000	RGS
Shire of Murray	Murray River foreshore redevelopment – Stage 1	\$275,000	RGS
Shire of Waroona	Renovations, extensions and additions to Preston Beach Community Centre	\$225,000	RGS

Strategic goal



ORGANISATIONAL EXCELLENCE

An organisation that is recognised for outstanding governance and innovation in delivering regional economic development outcomes

In achieving organisational excellence we want to build and retain a capable, determined and healthy workforce that uses innovation to deliver high quality services to our stakeholders. These services will be delivered using forward thinking approaches to regional development and using ongoing and timely communication strategies to consult and inform our stakeholders.

In assessing our performance in achieving organisational excellence the client survey sought information on how our stakeholders perceive our performance in promoting the region and how well our staff support them.

Client response

The client survey asked whether respondents agreed with the statements:

“Peel Development Commission promotes the region effectively.”

“Peel Development Commission staff provide professional, timely and helpful advice.”

Survey statement	Satisfaction (2015-16)	Satisfaction (2016-17)
<i>Peel Development Commission promotes the region effectively</i>	81.3%	81.8%
<i>Peel Development Commission staff provide professional, timely and helpful advice</i>	89.3%	83.8%

Source: Perth Market Research Client Survey July 2017

Respondents were asked whether they thought that Peel Development Commission provided useful and timely information about the Peel in a variety of ways. The 2017 survey sought to examine this question further and asked respondents to specifically comment on the website, monthly e-bulletin and the *Peel Magazine*. The table below summarises the satisfaction with the Commission’s communication channels.

Survey statement	Satisfaction (2015-16)	Satisfaction (2016-17)
<i>Peel Development Commission provides useful and timely information about the Peel in a variety of ways.</i>	87.9%	90%
<i>Peel Development Commission’s website provides useful and relevant information for my needs.</i>	N/A	62.3%
<i>Peel Development Commission’s e-bulletin provides useful and relevant information for my needs.</i>	N/A	77%
<i>Peel Magazine provides useful and relevant information for my needs.</i>	N/A	73.5%

Source: Perth Market Research Client Survey July 2017

Initiatives 2016-17

Project in focus: Project prioritisation tool

In 2016-17 we refined our strategic approach to project development by internally assessing and prioritising projects against Peel regional outcomes. This improved our ability to respond to external requests for funding and project development by considering how projects contribute to Peel's growth and prosperity. The tool developed for this purpose has lead criteria and sub criteria that are used to produce a weighted score. The lead criteria include:

- Foster capable people
- Economic growth
- Attract private investment
- Strong and resilient communities
- Governance

Project summaries and the priority list were submitted for Board endorsement as required. The project prioritisation tool delivered organisational benefits including:

- Assisting staff to prioritise workload and meet specified deadlines.
- Ensuring a constant flow of projects through all phases of development and approval (i.e. new projects, submission of concept papers, submission of business cases, approved projects).
- Ability to respond to requests for project-ready business cases at short notice (e.g. Growing Our South Royalties for Regions program).
- Enabling more informed discussions with stakeholders, specifically around project development and achieving optimal regional development outcomes and outputs.

Project in focus: Harnessing food trends for profit breakfast

The Peel Development Commission continually seeks to provide leadership within the region, and to leverage opportunities to drive collaborations that will have a positive influence on private and public-sector stakeholders.

In mid-March the Commission partnered with the Department of Food and Agriculture Western Australia (DAFWA) to bring to the region two exceptional international speakers specialising in Food Innovation and Emerging Global Trends. Professor David Hughes and Associate Professor Chris Vas provided insights into emerging technologies, advanced manufacturing processes and opportunities to add value to high quality produce to improve domestic and international market position.

The event attracted over 150 guests from the regional horticulture and agriculture sector and stimulated invaluable conversations which will lead to future regional partnerships. The event highlighted the important role that the Commission plays in development and support of the agriculture industry in Peel, and underpins its commitment to Transform Peel and the development of the Peel Food Zone.

Report on operations – financial targets

This section outlines how the Commission has performed against its financial targets as set out in the Resource Agreement. Over the course of the year these targets are updated to reflect government decisions on the budget and the outcomes from the mid-year review conducted by the Treasury. Only the performance against the targets published in the 2016-17 budget papers is subject to audit by the external auditor, so this section shows both the original and revised targets, with variances against the revised targets being the focus of this section.

Income and expenditure

Total expenses are \$2,285,000 higher than the target in the Resource Agreement. This is primarily due to the payment of grants relating to the Local Projects, Local Jobs program, which was a new State Government initiative introduced in 2017. Under this program the Commission distributed \$2,060,000 in grant funding to a variety of local organisations. Expenditure was also higher by \$199,000 because of projects funded from the Growing Our South administrative funds. Neither of these elements were included in the Resource Agreement.

The net cost of services is also higher than the target for the reasons detailed above. In addition, the Commission received income of \$51,000 from other government agencies to cover leave liabilities from transferring staff and promotional costs related to their services for items appearing in the *Peel Magazine*.

Financial item	2016-17 original target (\$000)	2016-17 revised target (\$000)	2016-17 actual (\$000)	Variation to revised target (\$000)	Variation to revised target (%)
Total expenses	5,616	5,760	8,045	2,285	39.7
Net cost of services (including specific grants)	5,616	5,760	7,994	2,234	38.8
Salary expense level	1,738	1,738	1,540	(198)	(11.4)

Statement of Financial Position

Overall the Commission's balance sheet remains in a strong position, with net assets of \$1.004 million. This is a reduction on 2015-16 of approximately \$137,000, being the net deficit for the year as shown in the Statement of Income and Expenditure.

Unrestricted cash has fallen from \$894,255 in 2015-16 to \$793,602 in 2016-17. This is primarily due to the GST payment of \$206,000 associated with the Local Projects, Local Jobs grants paid in June 2017; this sum will be recovered from the ATO in July 2017.


Financial item	2016-17 original target \$000	2016-17 revised target \$000	2016-17 actual \$000	Variation to revised target \$000	Variation to revised target %
Total equity	968	974	1,004	30	3.1
Borrowing limit	0	0	0	0	0

Cash flows

Overall there has been an increase in cash of \$76,271, with cash at bank being \$1,199,345 at 30 June 2017.

Cash payments for supplies and services have increased in 2016-17 because of increased grant payments as described in the income and expenditure section above. However, the decrease in unrestricted cash is more than offset by an increase in restricted cash reserves; the main reason for this is that the second tranche of funding due to be paid to the Department of Water (\$405,000) was made in the 2017-18 financial year and was held as restricted cash as at 30 June 2017.

Receipts from State Government are higher in 2016-17 than 2015-16 for the reasons outlined in the Income and Expenditure section above.

For more information on the Commission's financial performance please refer to the Financial Statements section of this report. 

SIGNIFICANT ISSUES

Significant issues affecting the Peel

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Significant issues affecting the Peel

The Peel is on a trajectory for strong growth; by 2050, the Peel is expected to be one of the most populated regions outside of Perth, with a projected population of 444,000. Between 2006 and 2016 census years, population has grown by 52 per cent. In the last five years the Peel has had an average annual growth rate of 4 per cent compared to WA's 2 per cent, with the Shire of Serpentine-Jarrahdale having an average growth rate of nearly 9 per cent over the last five years.


To support a population of this size the Peel will need to build an economy that incorporates many industries, adopts an innovative approach to business, and also develop a highly skilled and high performing workforce.

With higher than State average rates of unemployment and comparatively low rates of educational attainment, strengthening the education and training system and creating pathways leading to higher levels of educational attainment and stable employment levels are important areas of focus. The Peel's unemployment rate has been consistently increasing since 2012 and was 9.3 per cent at the March 2017 quarter, compared to the State average of 6.2 per cent. This includes the City of Mandurah unemployment rate of 10.9 per cent and 10.2 per cent unemployment rate in the Shire of Murray; the youth unemployment rate is estimated at 19.3 per cent.

Improving the skills of the workforce, particularly those workers who are affected by changes in sectors such as mining, construction and manufacturing, is a key priority. Achieving this goal will ensure they have the chance to develop new skills to transfer into occupations and industries where suitable workers are in short supply or to new or growing industries.

The *Peel Regional Investment Blueprint* sets out a strategy and action plan to increase the number of jobs and diversify the economy. Achieving these goals will be a key challenge for the Commission and the region as a whole. Central to this is the Commission's flagship Transform Peel program, a long term development program designed to diversify the region's economy, create jobs and secure better environmental outcomes for the region. It is anticipated that the region will need to create an additional 89,000 jobs by 2050 because of population growth and Transform Peel aims to create the first 33,000 of those much-needed jobs.

Environmental issues are important to the region. The protection of the region's catchment and waterways will be overseen by the Peel Harvey Estuary Management Committee. The Committee will be responsible for the oversight of operations and on-the-ground activities across Government related to the health of the Peel Harvey Estuary. This Committee will be also responsible for major policy development that impacts on the health of the estuary and waterways, including providing advice to the Western Australian Planning Commission on land development activities planned for the region.

The sustainable supply of non-climate dependent water is fundamental to delivering the key growth initiatives in the Blueprint. Innovative schemes and developing alternative water sources, specifically recycled water and the capture of excess stormwater and related infrastructure, will be a key area of focus for the region over the medium to long term. 

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Auditor General reports



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

PEEL DEVELOPMENT COMMISSION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Peel Development Commission which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Peel Development Commission for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Commission 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, the *Financial Management Act 2006* 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.

In preparing the financial statements, the Commission is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commission.
- Conclude on the appropriateness of the Commission's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Peel Development Commission. The controls exercised by the 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, 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 2017.

The Commission's Responsibilities

The Commission is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.



Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Peel Development Commission for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, 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 2017.

The 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 internal control as the Commission determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Commission is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory 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 2017 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.



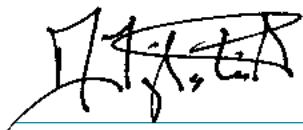
DON CUNNINGHAME
 ACTING DEPUTY AUDITOR GENERAL
 Delegate of the Auditor General for Western Australia
 Perth, Western Australia
 24 August 2017

Certification of financial statements

For the year ended 30 June 2017

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 2017 and the financial position as at 30 June 2017.

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
22 August 2017



Andrew Ward
Chief Executive Officer
22 August 2017



Victor Smith
Chief Finance Officer
22 August 2017

Financial statements

Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
COST OF SERVICES			
<i>Expenses</i>			
Employee benefits expense	6.	1,758,733	1,510,521
Supplies and services	7.	975,261	768,735
Depreciation expense	8.	6,911	9,163
Accommodation expenses	9.	171,468	176,639
Grants and subsidies	10.	5,068,374	706,646
Other expenses	11.	64,024	43,318
Total cost of services		8,044,771	3,215,022
<i>Income</i>			
<i>Revenue</i>			
Other revenue	12.	51,239	771
Total revenue		51,239	771
Total income other than income from State Government		51,239	771
NET COST OF SERVICES		7,993,532	3,214,251
<i>Income from State Government</i>			
Service appropriation	13.	228,000	224,000
Resources received free of charge	13.	9,590	9,262
Royalties for Regions Fund	13.	7,618,465	2,785,975
Other grants	13.	0	170,688
Total income from State Government		7,856,055	3,189,925
SURPLUS/(DEFICIT) FOR THE PERIOD		(137,477)	(24,326)
Total other comprehensive income		0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(137,477)	(24,326)

See also Note 33 the 'Schedule of Income and Expenses by Service'.

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

Financial statements

continued...

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	23.	793,402	894,255
Restricted cash and cash equivalents	14.	405,943	228,819
Receivables	15.	263,956	98,083
Total current assets		1,463,301	1,221,157
Non-current assets			
Restricted cash and cash equivalents	14.	0	0
Amounts receivable for services	16.	134,000	134,000
Property, plant and equipment	17.	28,293	7,436
Intangible assets – computer software	19.	45,400	0
Total non-current assets		207,693	141,436
TOTAL ASSETS		1,670,994	1,362,593
LIABILITIES			
Current liabilities			
Payables	20.	418,050	15,500
Provisions	21.	212,660	176,931
Total current liabilities		630,710	192,431
Non-current liabilities			
Provisions	21.	36,691	29,088
Total non-current liabilities		36,691	29,088
TOTAL LIABILITIES		667,401	221,519
NET ASSETS		1,003,593	1,141,074
EQUITY			
Contributed equity	22.	0	0
Accumulated surplus/(deficit)	22.	1,003,593	1,141,074
TOTAL EQUITY		1,003,593	1,141,074

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

Statement of Changes in Equity

For the year ended 30 June 2017

	Note	Contributed equity \$	Reserves \$	Accumulated surplus/ (deficit) \$	Total equity \$
Balance at 1 July 2015	22.	0	0	1,165,397	1,165,397
Surplus/(deficit)		0	0	(24,326)	(24,326)
Other Comprehensive income				0	0
Total comprehensive income for the period		0	0	1,141,071	1,141,071
Transfer of Debit Balance to Accumulated Surplus		0	0	0	0
Balance at 30 June 2016		0	0	1,141,071	1,141,071
Balance at 1 July 2016		0	0	1,141,071	1,141,071
Surplus/(deficit)		0	0	(137,478)	(137,478)
Other Comprehensive income		0	0	0	0
Total comprehensive income for the period		0	0	1,003,593	1,003,593
Balance at 30 June 2017		0	0	1,003,593	1,003,593

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

Financial statements

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Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation	13.	228,000	224,000
Royalties for Regions Fund	13.	7,618,465	2,785,975
Other grants	13.	0	170,688
Net cash provided by State Government		7,846,465	3,180,663
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,710,518)	(1,635,992)
Supplies and services		(577,251)	(765,357)
Accommodation expenses		(161,878)	(176,639)
Grants and subsidies		(5,068,374)	(706,646)
Other payments		(64,024)	(43,318)
GST payments on purchases		(436,095)	(172,621)
GST payments to ATO		(4,469)	(36,372)
Receipts			
Receipts from services		56,161	6,245
GST receipts on sales		1,634	39,185
GST receipts from taxation authority		267,788	192,270
Net cash provided by/(used in) operating activities	23.	(7,697,026)	(3,299,245)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(73,168)	0
Net cash provided by/(used in) investing activities		(73,168)	0
Net increase/(decrease) in cash and cash equivalents		76,271	(118,582)
Cash and cash equivalents at the beginning of the period		1,123,074	1,241,656
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23.	1,199,345	1,123,074

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

Notes to the financial statements

For the year ended 30 June 2017

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There have been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2017.

Note 2. Summary of significant accounting policies

(a) General statement

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

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

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

(b) Basis of preparation

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

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

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

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

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

(c) Reporting entity

The reporting entity comprises the Peel Development Commission.

Vision

The Peel is a progressive, prosperous and dynamic region with a culture of care.

Services

The Commission provides the following services:

Service 1: Facilitation and coordination

Facilitate and coordinate regional development activities.

Notes to the financial statements

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Service 2: Advice and information

Provide advice and information on regional development activities or matters.

(d) Contributed equity

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

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

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. 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 2016-17 Budget Statements, the Commission retained \$51,239 in 2017 (\$771 in 2016) from the following:

- proceeds from fees and charges; and
- recoupments from other government departments to cover leave liabilities and advertising costs.

Grants, donations, gifts and other non-reciprocal contributions

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

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

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

Gains

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

(f) Property, plant and equipment

Capitalisation/expensing of assets

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

Initial recognition and measurement

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

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

Subsequent measurement

Subsequent to the initial recognition of an asset, 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:

	Years
Computing hardware	3
Furniture, fixtures and fittings	10
Communication and office equipment	5

(g) Intangible assets

Capitalisation/expensing of assets

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

are immediately expensed directly to the Statement of Comprehensive Income.

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

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

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

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

	Years
Software ^a	3 to 5

^a Software that is not integral to the operation of any related hardware.

Computer software

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

(h) Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Commission is a not-for-profit entity, unless an asset has

Notes to the financial statements

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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 asset is reviewed annually to verify that the accumulated depreciation/ amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

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

(i) Leases

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

(j) Financial instruments

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

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

Financial instruments have been disaggregated into the following classes:

Financial assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial liabilities

- Payables

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

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

(k) Cash and cash equivalents

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

(l) Accrued salaries

Accrued salaries (see note 20 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

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

(m) Amounts receivable for services (holding account)

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

(n) Receivables

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

(o) Payables

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

(p) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic

benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Provisions – employee benefits

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

Annual leave

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

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

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

Long service leave

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

Long service leave that is not expected to be settled within 12 months after the end of the

Notes to the financial statements

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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 undiscounted amounts expected to be paid when the liabilities are settled.

Superannuation

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

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

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

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

GESB extinguishes the agency's obligations to the related superannuation liability.

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

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

Provisions – other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred.

Employment on-costs are included as part of 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(q) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, or other superannuation funds.

(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.

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.

Notes to the financial statements

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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 2016 that impacted on the Commission.

This Authority adopted AASB 2015-7 in a prior reporting period, as the partial exemption from TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* permitting early adoption of AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not for Profit Public Sector Entities* was exercised.

AASB 1057	<p>Application of Australian Accounting Standards</p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.</p>
AASB 2014-3	<p>Amendments to Australian Accounting Standards – accounting for acquisitions of interests in joint operations [AASB 1 & 11]</p> <p>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.</p>
AASB 2014-4	<p>Amendments to Australian Accounting Standards – clarification of acceptable methods of depreciation and amortisation [AASB 116 & 138]</p> <p>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.</p>
AASB 2014-9	<p>Amendments to Australian Accounting Standards – equity method in separate financial statements [AASB 1, 127 & 128]</p> <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. As the Commission has no joint ventures and associates, the application of the Standard has no financial impact.</p>
AASB 2015-1	<p>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 & 140]</p> <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 determined that the application of the Standard has no financial impact.</p>
AASB 2015-2	<p>Amendments to Australian Accounting Standards – disclosure initiative: amendments to AASB 101 [AASB 7, 101, 134 & 1049]</p> <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>
AASB 2015-6	<p>Amendments to Australian Accounting Standards – extending related party disclosures to not-for-profit public sector entities [AASB 10, 124 & 1049]</p> <p>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.</p>
AASB 2015-10	<p>Amendments to Australian Accounting Standards – effective date of amendments to AASB 10 & 128</p> <p>This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & AASB 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. There is no financial impact.</p>

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 Authority has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not for Profit Public Sector Entities*. Where applicable, the Authority plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<p>Financial instruments</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 <i>Amendments to Australian Accounting Standards</i>. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 15	<p>Revenue from contracts with customers</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> <p>The Commission's income is principally derived from appropriations which will be measured under AASB 1058 <i>Income of Not for Profit Entities</i> and will be unaffected by this change. However, the Commission has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Commission has discharged its performance obligations.</p>	1 Jan 2018
AASB 16	<p>Leases</p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Commission has not yet determined the application or the potential impact of the Standard.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating lease commitments of \$413,763. The worth of non cancellable operating leases which the Authority anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short term or low value leases. Interest and amortisation expense will increase and rental expense will decrease.</p>	1 Jan 2019
AASB 1058	<p>Income of not-for-profit entities</p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not for profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019

Notes to the financial statements

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		Operative for reporting periods beginning on/after
AASB 2010-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</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 2014-1	<p>Amendments to Australian Accounting Standards</p> <p>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.</p>	1 Jan 2018
AASB 2014-5	<p>Amendments to Australian Accounting Standards arising from AASB 15</p> <p>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.</p>	1 Jan 2018
AASB 2014-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</p> <p>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.</p>	1 Jan 2018
AASB 2014-10	<p>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</p> <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 mandatory effective date (application date) for the Standard has been deferred to 1 January 2018 by AASB 2015-10. The Commission has determined that the Standard has no financial impact.</p>	1 Jan 2018
AASB 2015-8	<p>Amendments to Australian Accounting Standards – Effective Date of AASB 15</p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not For Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Commission has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2019

		Operative for reporting periods beginning on/after
AASB 2016-2	<p>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</p> <p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
AASB 2016-3	<p>Amendments to Australian Accounting Standards – Clarifications to AASB 15</p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence and provides further transitional provisions to AASB 15. The Commission has not yet determined the application or the potential impact.</p>	1 Jan 2018
AASB 2016-4	<p>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</p> <p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 <i>Fair Value Measurement</i>. The Commission has not yet determined the application or the potential impact.</p>	1 Jan 2017
AASB 2016-7	<p>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not for Profit Entities</p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 <i>Amendments to Australian Accounting Standards</i> arising from AASB 15 for not for profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>	1 Jan 2017
AASB 2016-8	<p>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for Profit Entities</p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not for profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019
AASB 2017-2	<p>Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle</p> <p>This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.</p>	1 Jan 2017

Notes to the financial statements

continued...

Note 6. Employee benefits expense

	2017 \$	2016 \$
Wages and salaries ^a	1,549,690	1,367,589
Superannuation – defined contribution plans ^b	111,372	97,895
Superannuation – defined contribution plans ^c	37,242	20,163
Other related expenses	60,429	24,874
	1,758,733	1,510,521

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

^b State Government contribution plans, including West State, Gold State and GESB Super Scheme (contributions paid).

^c Other superannuation plans (contributions paid) nominated by employees.

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

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

Note 7. Supplies and services

	2017 \$	2016 \$
Communications	47,760	24,669
Consultants and contractors	672,017	523,564
Department of Regional Development – Transaction Services	58,545	57,680
Consumables	81,321	65,889
Vehicle lease costs	11,877	9,196
Travel	19,790	8,636
Other	83,951	79,101
	975,261	768,735

Note 8. Depreciation expense

	2017 \$	2016 \$
Office equipment	315	0
Communication equipment	0	2,967
Computer hardware	5,160	4,760
Furniture fixtures and fittings	1,436	1,436
Total depreciation	6,911	9,163

Note 9. Accommodation expenses

	2017 \$	2016 \$
Lease rental	158,474	163,645
Cleaning	12,994	12,994
	171,468	176,639

Note 10. Grants and subsidies

	2017 \$	2016 \$
Grants and subsidies	5,068,374	706,646
Recurrent		
Royalties for Regions – Regional Grants Scheme	1,069,500	260,500
Royalties for Regions – Community Chest Fund	275,854	210,914
Grants to local governments	69,820	183,232
Local Projects, Local Jobs program	2,060,000	0
Grants to other agencies	1,593,200	52,000
	5,068,374	706,646

Note 11. Other expenses

	2017 \$	2016 \$
Audit fee	39,300	38,100
Insurance – workers' compensation	4,919	5,380
Sponsorship	18,500	0
Other expenses ^a	1,305	(162)
	64,024	43,318

^a Includes other insurances and employment oncost adjustments.

Note 12. Other revenue

	2017 \$	2016 \$
Recoups – other ^a	47,520	0
Miscellaneous income ^b	3,719	771
	51,239	771

^a Includes income from other government departments for the recoupment of leave liabilities and advertising costs in 2016-17.

^b Income from the breakfast briefing *Harnessing Food Trends and Agri-innovation for Profit* and the sale of surplus equipment in 2015-16.

Notes to the financial statements continued...

Note 13. Income from state government

	2017 \$	2016 \$
Appropriation received during the period:		
Service appropriation ^a	228,000	224,000
	228,000	224,000
Resources received free of charge from other State Government agencies during the year ^b		
Department of Finance – Building and Management Works	9,590	9,262
	9,590	9,262
Other state grants ^c	0	170,688
	0	170,688
Royalties for Regions Fund:		
Regional infrastructure and headworks	2,284,760	0
Regional community services	3,448,888	833,333
Regional and state-wide	1,686,000	1,623,000
Growing our south	198,817	329,642
	7,618,465	2,785,975
	7,856,055	3,189,925

^a Service appropriation revenue comprises two cash components; a nominal allocation from Treasury to fund compliance costs and amounts authorised under the *Salaries and Allowances Act 1975* to fund the salary expense costs of the Chief Executive Officer.

^b Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

^c Grant from the Public Sector Commission to fund employment termination costs.

Note 14. Restricted cash and cash equivalents

	2017 \$	2016 \$
Current		
Royalties for Regions Fund ^a	405,943	228,819
Accrued salaries suspense account ^b	0	0
	405,943	228,819
Non-current		
Accrued salaries suspense account ^b	0	0
	0	0

^a Unspent funds are committed to projects and programs in WA regional areas.

^b Funds held in the suspense account are used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

Note 15. Receivables

	2017 \$	2016 \$
Current		
Receivables	5,143	7,577
GST Receivable	258,813	90,506
Total current	263,956	98,083

Note 16. Amounts receivable for services (Holding Account)

	2017 \$	2016 \$
Non-current	134,000	134,000
Total non-current	134,000	134,000

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

Note 17. Property, plant and equipment

	2017 \$	2016 \$
Office equipment		
At cost	6,315	0
Accumulated depreciation	(315)	0
	6,000	0
Communication equipment		
At cost	0	0
Accumulated depreciation	0	0
	0	0
Furniture fixtures and fittings		
At cost	14,864	14,864
Accumulated depreciation	(12,829)	(11,393)
	2,035	3,471
Computer hardware		
At cost	55,234	48,061
Accumulated depreciation	(34,976)	(44,096)
	20,258	3,965
Total property, plant and equipment	28,293	7,436

All property, plant and equipment is measured at cost.

Notes to the financial statements

continued...

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 equipment \$	Communication equipment \$	Furniture fixtures & fittings \$	Computer hardware \$	Total \$
2016					
Carrying amount at start of year	0	2,967	4,907	8,725	16,599
Additions					0
Disposals					0
Depreciation	0	(2,967)	(1,436)	(4,760)	(9,163)
Carrying amount at end of year	0	0	3,471	3,965	7,436
2017					
Carrying amount at start of year	0	0	3,471	3,965	7,436
Additions	6,315			21,453	27,768
Disposals					0
Depreciation	(315)	0	(1,436)	(5,160)	(6,911)
Carrying amount at end of year	6,000	0	2,035	20,258	28,293

Note 18. Impairment of assets

There were no indications of impairment to plant and equipment, and intangible assets at 30 June 2017.

Note 19. Intangible assets

	2017 \$000	2016 \$000
Computer software		
At cost	45,400	0
Accumulated amortisation	0	0
	45,400	0
Reconciliations		
Computer software		
Carrying amount at start of period	0	0
Additions	45,400	0
Amortisation expense	0	0
Carrying amount at end of period	45,400	0

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 2017 have either been classified as assets held for sale or written-off.

Note 20. Payables

	2017 \$	2016 \$
Current		
Accrued salaries	6,108	0
Accrued expense	408,055	9,613
Other payables	3,887	5,887
Total current	418,050	15,500

Note 21. Provisions

	2017 \$	2016 \$
Current		
Employee benefits provision		
Annual leave ^a	104,255	82,893
Long service leave ^b	106,919	92,821
Purchased leave ^c	0	(20)
	211,174	175,694
Other provisions		
Employment on-costs ^d	1,486	1,237
	1,486	1,237
	212,660	176,931
Non-current		
Employee benefits provision		
Long service leave ^b	36,425	28,877
	36,425	28,877
Other provisions		
Employment on-costs ^d	266	211
	266	211
	36,691	29,088

Notes to the financial statements

continued...

- (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:

	2017 \$	2016 \$
Within 12 months of the end of the reporting period	91,679	67,341
More than 12 months after the end of the reporting period	12,576	15,552
	104,255	82,893

- (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:

	2017 \$	2016 \$
Within 12 months of the end of the reporting period	68,368	63,613
More than 12 months after the end of the reporting period	74,976	58,085
	143,344	121,698

- (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:

	2017 \$	2016 \$
Within 12 months of the end of the reporting period	0	(20)
	0	(20)

- (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.

	2017 \$	2016 \$
Employment on-cost provision		
Carrying amount at start of period	1,448	2,111
Additional provisions recognised	304	(663)
Carrying amount at end of period	1,752	1,448

Note 22. 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

	2017 \$	2016 \$
Balance at start of period	0	0
<i>Distributions to owners</i>		
Transfers to DRD	0	0
Total distributions to owners	0	0
Transfer of debit balance to accumulated surplus	0	0
Balance at end of period	0	0
Accumulated surplus/(deficit)		
Balance at start of period	1,141,071	1,165,397
Result for the period	(137,478)	(24,326)
Transfer of debit balance to accumulated surplus	0	0
Balance at end of period	1,003,593	1,141,071
Total equity at end of period	1,003,593	1,141,071

Note 23. Notes to the Statement of Cash Flows**Reconciliation of cash**

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

	2017 \$	2016 \$
Cash and cash equivalents	793,402	894,255
Restricted cash and cash equivalents (refer to Note 14 'Restricted cash and cash equivalents')	405,943	228,819
	1,199,345	1,123,074

Notes to the financial statements

continued...

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

	2017 \$	2016 \$
Net cost of services	(7,993,532)	(3,214,250)
Non-cash items:		
Depreciation expense	6,911	9,163
Bad debts expense	0	0
Resources received free of charge	9,590	9,262
(Increase)/decrease in assets:		
Current receivables ^a	2,433	(2,667)
Increase/(decrease) in liabilities:		
Current payables ^a	404,250	(30,592)
Other payables	0	0
Current provisions	35,729	(90,290)
Non-current provisions	7,602	(2,366)
Net GST receipts/(payments) ^b	(170,009)	22,495
Change in GST in receivables/payables ^c	0	0
Net cash provided by/(used in) operating activities	(7,697,026)	(3,299,245)

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

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

^c This reverses out the GST in receivables and payables.

Note 24. Commitments

	2017 \$	2016 \$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	97,309	36,519
Later than 1 year and not later than 5 years	316,454	15,424
More than 5 years	0	0
	413,763	51,943

The commitments below are exclusive of GST.

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

	2017 \$	2016 \$
Within 1 year	29,560	43,424
Later than 1 year and not later than 5 years	12,060	41,620
Later than 5 years	0	0
	41,620	85,044

Note 25. Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets as at 30 June 2017

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

On 28 April 2017, the Premier of Western Australia announced significant changes to the public sector aimed at creating collaborative departments focused on whole-of-Government objectives. As of the 1 July 2017, the departments of Agriculture and Food, Fisheries, and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development (DPIRD). Staff (excluding the CEO's and Board Members) from the nine Regional Development Commissions transferred to the new Department, although the Regional Development Commissions remain as legal entities.

These changes have no material effect on the financial statements for 2016-17.

Note 27. Explanatory statement

This statement provides details of any significant variations between estimates (original budget) and actual results for 2017 and between actual results for 2017 and 2016. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and \$64,300 for the Statement of Comprehensive Income and Statement of Cash Flows
- 5% and \$26,220 for the Statement of Financial Position.

Notes to the financial statements

continued...

Income Statement

	2017 budget \$000's	2017 actual \$000's	2016 actual \$000's	Variance budget 2017 to actual 2017 \$000's	Note	Variance actual 2017 to actual 2016 \$000's	Note
Expenses							
Employee benefits	1,880	1,759	1,511	121	1	248	1
Grants and subsidies	1,286	5,068	707	(3,782)	2	4,361	2
Supplies and services	2,111	975	769	1,136	3	206	3
Accommodation	171	171	177	0		(6)	
Depreciation and amortisation	2	7	9	(5)		(2)	
Other expenses	166	64	42	102	4	22	
Total cost of services	5,616	8,044	3,215	(2,428)		4,829	
Income							
Other revenue	0	51	1	(51)		50	
Income from State Government							
Service appropriations	228	228	224	0		4	
Resources provided free of charge	6	10	9	(4)		1	
Royalties for Regions Fund	3,673	5,932	1,163	(2,259)	5	4,769	5
Regional and state wide initiatives	1,686	1,686	1,623	0		63	
Other grants	0	0	171	0		(171)	6
Total income	5,593	7,907	3,191	(2,314)		4,716	
Surplus/deficiency for the period	(23)	(137)	(24)	114		(113)	

Notes:

- Employee benefits have increased because two additional employees have been taken on to manage the Transform Peel program. The actual is less than estimated because delays in recruitment caused the posts to be vacant for part of the year.
- The budget for 2016-17 allowed for payments to the Department of Water and DAFWA in the Supplies and Services budget rather than Grants and Subsidies (\$1,593,000). Actual grants in 2016-17 also included grants for the Local Projects, Local Jobs program (\$2,060,000). These grants account for the higher actuals in 2016-17 compared to 2015-16.
- See note 2 above for an explanation of the budget variance. The variance between 2016-17 and 2015-16 actuals is a result of costs associated with the Transform Peel program.
- Some elements of the budget are classed incorrectly as Other Expenditure, rather than Supplies and Services, otherwise there were no significant variations.
- Grant income relating to the Local Projects, Local Jobs program (\$2,060,000) accounts for the variance from budget. This grant and the grant to support the Transform Peel program accounts for the difference between 2016-17 and 2015-16.
- Other revenue in 2015-16 includes a grant from the Public Sector Commission to fund termination payments to former employees (\$171,000).

Statement of Financial Position

	2017 budget \$000's	2017 actual \$000's	2016 actual \$000's	Variance budget 2017 to actual 2017 \$000's	Note	Variance actual 2017 to actual 2016 \$000's	Note
Assets							
Current assets							
Cash	1,002	793	894	209	1	(101)	1
Restricted cash	48	406	229	(358)	2	177	2
Receivables	117	265	99	(148)	3	166	
Total current assets	1,167	1,464	1,222	(297)		242	
Non-current assets							
Holding account receivables	134	134	134	0		0	
Property plant and equipment	10	28	7	(18)		21	
Intangible assets	0	45	0	(45)	4	45	
Restricted cash	0	0	0	0		0	
Total non-current assets	144	207	141	(63)		66	
Total assets	1,311	1,671	1,363	(360)		308	
Liabilities							
Current liabilities							
Payables	46	418	16	(372)	5	402	5
Provisions	266	212	177	54	6	35	6
Total current liabilities	312	630	193	(318)		437	
Non-current liabilities							
Employee provisions	31	37	29	(6)		8	
Total liabilities	343	667	222	(324)		445	
Equity							
Contributed equity							
Accumulated surplus/(deficit)	968	1,004	1,141	(36)		(137)	7
Total equity	968	1,004	1,141	(36)		(137)	
Total liabilities and equity	1,311	1,671	1,363	(360)		308	

Notes:

- Actual cash for 2016-17 has been reduced because GST payments associated with the grants for the Local Projects, Local Jobs program (\$206,000) has not yet been reclaimed from the ATO.
- Restricted cash is higher than budgeted because an invoice for the Department of Water (\$405,000) remained unpaid at the end of the year. Restricted cash outstanding in 2015-16 has been used in 2016-17 and is partially offset by the unpaid invoice, accounting for the variance between the actual for 2016-17 and 2015-16.
- See note 1 above.
- Funding from the Transform Peel program was used to develop computer software to record interactions with stakeholders, resulting in the creation of an intangible asset in 2016-17.
- Payables are higher in 2016-17 because of the outstanding Department of Water invoice (see note 2 above).
- Provisions are lower in 2015-16 because the staff profile at that time resulted in a lower Long Service Leave liability, the budget assumed a higher Long Service Leave provision than actually required in 2016-17.
- The accumulated surplus has reduced from 2015-16 as outstanding projects have been completed.

Notes to the financial statements

continued...

Statement of Cash Flows

	2017 budget \$000's	2017 actual \$000's	2016 actual \$000's	Variance budget 2017 to actual 2017 \$000's	Note	Variance actual 2017 to actual 2016 \$000's	Note
Cash flows from state government							
Service appropriations	228	228	224	0		4	
Royalties for Regions Fund	5,359	7,618	2,786	(2,259)	1	4,832	1
Other grants	0	0	171	0		(171)	2
Net cash from state government	5,587	7,846	3,181	(2,259)		4,665	
Cash flows from operating activities							
Payments							
Employee benefits	(1,888)	(1,711)	(1,636)	(177)	3	(75)	
Grants and subsidies	(1,286)	(5,068)	(707)	3,782	4	(4,361)	4
Supplies and services	(2,118)	(577)	(765)	(1,541)	5	188	5
Accommodation	(157)	(162)	(177)	5		15	
Other payments	(539)	(504)	(252)	(35)		(252)	6
Receipts							
GST receipts	380	269	231	111	7	38	7
Other receipts	0	56	6	(56)		50	
Net cash from operating activities	(5,608)	(7,697)	(3,300)	2,089		(4,397)	
Cash flows from investing activities							
Purchase of non-current assets	0	(73)	0	73	8	(73)	8
Net cash from investing activities	0	(73)	0	73		(73)	
Net increase/(decrease) in cash	(21)	76	(119)	(97)		195	
Cash assets at start of period	1,071	1,123	1,242	(52)		(119)	9
Net cash transferred to other agencies	0	0	0	0		0	
Cash assets at end of period	1,050	1,199	1,123	(149)		76	

Notes:

1. Additional funding was received in 2016-17 in respect of the Local Projects, Local Jobs program (\$2,060,000) that was not included in the 2016-17 budget. This coupled with the additional funding for the Transform Peel program accounts for the variance in actuals.
2. Other grants relate the grant from the Public Sector Commission to fund the termination costs of former employees (\$171,000).
3. The actual is less than estimated because delays in recruitment caused some posts to be vacant for part of the year.
4. The budget for 2016-17 allowed for payments to the Department of Water and DAFWA in the Supplies and Services budget rather than Grants and Subsidies (\$1,593,000). Actual grants in 2016-17 also included grants for the Local Projects, Local Jobs program (\$2,060,000). These grants account for the higher actuals in 2016-17 compared to 2015-16.
5. See note 4 above.
6. Actual cash for 2016-17 is higher than 2015-16 because of GST payments associated with the grants for the Local Projects, Local Jobs program (\$206,000).
7. Most of the budget variation results from a different profile for assumed GST payments to that actually paid in 2016-17. GST receipts in 2016-17 were higher than 2015-16 as a result of significant grant payments made during the year and the resultant reclaim of GST paid.
8. Funding from the Transform Peel program was used to develop computer software to record interactions with stakeholders, resulting in the creation of an intangible asset in 2016-17. The Commission also replaced much of its IT infrastructure in 2016-17.
9. Cash has reduced from 2015-16 because of the use of Restricted Cash to fund ongoing projects in 2016-17.

Note 28. Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at **Note 28(c) 'Financial instrument disclosures'** and **Note 15 'Receivables'**.

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

Liquidity risk

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

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

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

Market risk

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

(b) Categories of financial instruments

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

	2017 \$	2016 \$
Financial assets		
Cash and cash equivalents	793,402	894,255
Restricted cash and cash equivalents	405,943	228,819
Receivables ^a	5,143	7,577
Financial liabilities		
Financial liabilities measured at amortised cost	418,050	15,500

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

Notes to the financial statements

continued...

(c) Financial instrument disclosures

Credit risk

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

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

Ageing analysis of financial assets

	Not past due		Past due but not impaired					Impaired financial assets
	Carrying amount	and not impaired	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	
	\$	\$	\$	\$	\$	\$	\$	\$
2017								
Cash and cash equivalents	793,402	793,402						
Restricted cash and cash equivalents	405,943	405,943						
Receivables ^a	5,143	5,143						
Amounts receivable for services	134,000	134,000						
	1,338,488	1,338,488	0	0	0	0	0	0
2016								
Cash and cash equivalents	894,255	894,255						
Restricted cash and cash equivalents	228,819	228,819						
Receivables ^a	7,577	7,577						
Amounts receivable for services	134,000	134,000						
	1,264,651	1,264,651	0	0	0	0	0	0

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

Liquidity risk and interest rate exposure

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

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

	Interest rate exposure				Maturity dates							
	Weighted average effective interest rate %	Carrying amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$	Nominal amount \$	Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$	
2017												
Financial assets												
Cash and cash equivalents		793,402			793,402	793,402	793,402					
Restricted cash and cash equivalents		405,943			405,943	405,943	405,943					
Receivables ^a		5,143			5,143	5,143	5,143					
Amounts receivable for services		134,000			134,000	134,000						134,000
		1,338,488	0	0	1,338,488	1,338,488	1,204,488	0	0	0	0	134,000
Financial liabilities												
Payables		418,050			418,050	418,050	418,050					
		418,050	0	0	418,050	418,050	418,050	0	0	0	0	0
2016												
Cash and cash equivalents		894,255			894,255	894,255	894,255					
Restricted cash and cash equivalents		228,819			228,819	228,819	228,819					
Receivables ^a		7,577			7,577	7,577	7,577					
Amounts receivable for services		134,000			134,000	134,000						134,000
		1,264,651	0	0	1,264,651	1,264,651	1,130,651	0	0	0	0	134,000
Financial liabilities												
Payables		15,500			15,500	15,500	15,500					
		15,500	0	0	15,500	15,500	15,500	0	0	0	0	0

^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.

Notes to the financial statements continued...

Note 29. Compensation of key management personnel

The Commission has determined that key management personnel include Ministers, board members and senior officers of the Commission. However, the Commission is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the *Annual Report on State Finances*.

Compensation of members 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:

	\$	2017	2016
0 – 10,000		7	11
10,001 – 20,000		1	1
20,001 – 30,000			
30,001 – 40,000			
40,001 – 50,000			
50,001 – 60,000		1	1
		\$	\$
Short-term employee benefits		101,680	94,064
Post employment benefits		8,955	8,305
Other long term benefits		0	0
Total compensation of members of the accountable authority		110,635	102,369

Compensation of senior officers

	\$	2017	2016
90,001 – 100,000			1
100,001 – 110,000			1
110,001 – 120,000		1	
120,001 – 130,000		1	
140,001 – 150,000		1	
150,001 – 160,000			1
170,001 – 180,000			
190,001 – 200,000			1
200,001 – 210,000		1	
		\$	\$
Short term employee benefits		525,428	493,860
Post employment benefits		44,751	44,003
Other long-term benefits		17,009	5,039
Total compensation of senior officers		587,188	542,902

Note 30. Related party transactions

The Commission is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Commission or to be controlled or influenced by the Commission. Disclosure of these transactions allows readers to assess the extent to which the Commission might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Commission.

The State Government has significant influence over the general operations of the Commission – it is responsible for providing the legislative framework within which the Commission operates, prescribes the terms of many of the transactions that the Commission has with other parties and provides substantial funding in the form of grants. These grants are disclosed in Note 13.

The Commission has material transactions with the State Government in the form of lease rental payments made to the Department of Finance for office accommodation, fees paid to the Department of Regional Development for transaction processing and superannuation payments to the Government Employees Superannuation Board (GESB). These payments are disclosed in Notes 6, 7 and 9. Other transactions with State Government entities are not material.

The Commission made payments to other State Government agencies during the year as part of the Transform Peel program. Payments totalling \$368,000 were made to DAFWA and \$820,000 to the Department of Water; a second payment of \$405,000 to the Department of Water remained outstanding as at 30 June 2017. The Commission will pay the Department of Water a further \$1,125,000 under the Memorandum of Understanding for the Transform Peel program in 2017-18.

Members of the Commission Board have direct control over the Commission's financial and operating policies. Board Members have interests in bodies where the following material transactions arose during the year:

Related party	Payments	Paid \$	Due \$
City of Mandurah	Grant – Floodlighting to Peelwood Reserve	150,000	150,000
Board Member Marina Vergone is Mayor of the City of Mandurah	Grant – Sports floodlighting	200,000	
	Grant – CCTV infrastructure	350,000	
	Grant – Installation of exercise equipment in Tickner Park	20,000	
	Grant – Eros Reserve shade over park	20,000	
	Grant – McLennan Reserve shade sail	15,000	
	Grant – Orion Rd/Shaw St upgrade of play area	10,000	
	Grant – Watersun Drive installation of toddler playground	65,000	
	Grant – Eastern Foreshore playground	10,000	
	Grant – Coote Reserve BMX track	60,000	
	Grant – Halls Head Community Recreation Centre	15,000	
Shire of Waroona	Grant – Town Hall upgrade	30,000	
Board Member Christine Germain is a Shire Councillor	Grant – Emergency generator	50,000	
	Grant – Upgrade of the Preston Beach Community Hall	50,000	

Notes to the financial statements

continued...

Related party	Payments	Paid \$	Due \$
Dwellingup Forest Heritage Centre	Grant – Emu Walk Trail	35,350	
Board Member Sue Fyfe is Chair of the Centre	Grant – Upgrade the Centre	195,150	
Murdoch University	Grant – Whitby Falls Citrus Fair	20,000	
Board Member Andrew Taggart is Deputy Vice Chancellor (Provost) of the University			
Peel Havery Catchment Council	Grant – Integrated approach to catchment management	20,000	
Board Member Peter Hick is a member of the Council			

Members of the senior management team are also considered to have the potential to control or influence the Commission. These employees complete individual declarations of interest. Members of the senior management team have interests in bodies where the following material transactions arose during the year:

Related party	Payments	Paid \$	Due \$
Mandurah Surf Lifesaving Club	Grant – Equipment upgrade	50,000	
The Chief Executive Officer's children are members of the club			

Note 31. Remuneration of auditor

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

	2017 \$	2016 \$
Auditing the accounts, financial statements and key performance indicators	33,300	32,800
	33,300	32,800

Note 32. 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

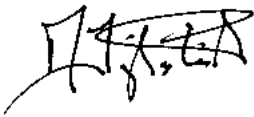
During the year the Peel Development Commission made no gifts of public property.

Note 33. Schedule of income and expenses by service

	Facilitation & co-ordination		Advice and information		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Cost of services						
Expenses						
Employee benefits expense	1,582,860	1,359,469	175,873	151,052	1,758,733	1,510,521
Supplies and services	877,735	691,861	97,526	76,874	975,261	768,735
Depreciation and amortisation expense	6,220	8,247	691	916	6,911	9,163
Grants and subsidies	4,561,537	635,981	506,837	70,665	5,068,374	706,646
Accommodation expenses	154,321	158,975	17,147	17,664	171,468	176,639
Other expenses	57,622	38,986	6,402	4,332	64,024	43,318
Total cost of services	7,240,295	2,893,519	804,476	321,503	8,044,771	3,215,022
Income						
Other revenue	46,115	694	5,124	77	51,239	771
Total income other than income from State Government	46,115	694	5,124	77	51,239	771
NET COST OF SERVICES	7,194,180	2,892,825	799,352	321,426	7,993,532	3,214,251
Income from State Government						
Service appropriation	205,200	201,600	22,800	22,400	228,000	224,000
Royalties for Regions Fund	6,856,618	2,507,377	761,847	278,598	7,618,465	2,785,975
Resources received free of charge	8,631	8,336	959	926	9,590	9,262
Other grants	0	153,619	0	17,069	0	170,688
Total income from State Government	7,070,449	2,870,932	785,606	318,993	7,856,055	3,189,925
SURPLUS/(DEFICIT) FOR THE PERIOD	(123,731)	(21,893)	(13,746)	(2,433)	(137,477)	(24,326)

Certification of key performance indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Peel Development Commission's performance, and fairly represent the performance of the Commission for the financial year ended 30 June 2017.



Paul Fitzpatrick
Chairman
22 August 2017



Andrew Ward
Chief Executive Officer
22 August 2017

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 2016-17 the Commission engaged an external market research consultant, Perth Market Research, to conduct the annual client survey to measure its performance against the Resource Agreement targets.

An online survey of 460 clients and stakeholders was undertaken. Email and telephone follow ups were used to ensure that there were sufficient responses for statistical reliability. 238 surveys were completed representing a variety of sectors; a response rate of 51.7%.

Survey respondents comprised the Commission's clients of local governments, Commonwealth and State government agencies and private sector and not-for-profit 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 (86.6%) has decreased compared to the score achieved in 2015-16 and remains lower than the target set.

Desired outcome	2012-13 actual	2013-14 actual	2014-15 actual	2015-16 actual	2016-17 target	2016-17 actual
Development and promotion of the Peel region						
Client satisfaction with the contribution to the region's economic base	87%	86%	86%	89%	90%	87%

Source: Perth Market Research

Summary of key performance indicators

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

Indicators	2016-17 target	2016-17 actual	Variation ^a	Reason for significant variation
Effectiveness indicator				
Client satisfaction with the contribution to the Region's economic base	90%	87%	N/A	N/A
Efficiency indicators				
Service 1: Facilitate and coordinate regional development activities				
Average cost per unit of service hour	\$111	\$100	N/A	N/A
Service 2: Provide advice and information on regional development activities or matters				
Average cost per unit of service hour	\$66	\$57	(\$9)	The cost per service hour is lower due to lower costs and higher productive hours being achieved.

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

For further details please refer to **Note 27** of the *Financial statements*.

Efficiency indicators

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

The indicators relate to each of the key services that the Commission provides:

Service 1: Facilitation and coordination

Service description: Facilitate and coordinate regional development activities.

Service 2: Advice and information

Service description: Provide advice and information on regional development activities.

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.

Efficiency indicator	2012-13 actual \$	2013-14 actual \$	2014-15 actual \$	2015-16 actual \$	2016-17 target \$	2016-17 actual \$	Variance \$
Average cost per unit of service per hour							
Service 1: Facilitation and coordination	82	94	100	101	111	100	(11)
Service 2: Advice and information	52	59	63	63	66	57	(9)

The cost per service hour is lower than the target for 2016-17 due to lower costs and higher productive hours being achieved. Cost savings have arisen because of lower advertising and promotional activity than budgeted and from vacancies arising during the year. The use of casual employees over the year has increased the number of productive hours achieved.

For further details please refer to **Note 27** of the *Financial Statements*.

Ministerial directives

No Ministerial directives were received during the reporting period.

Other financial disclosures

Annual estimates

In accordance with Treasurers Instruction 953, the annual estimates for the 2017-18 year are hereby included in the 2016-17 Annual Report. These estimates do not form part of the 2016-17 financial statements and are not subject to audit.

Statement of Comprehensive Income

	2017-18 \$000's
COST OF SERVICES	
<i>Expenses</i>	
Employee benefits expense	253
Supplies and services	95
Grants and subsidies	2,676
Other expenses	7
Total cost of services	3,031
<i>Income from State Government</i>	
Service appropriation	227
Royalties for Regions Fund	2,804
Total income from State Government	3,031
Surplus/(deficit) for the period	0

Statement of Financial Position

	2017-18 \$000's
Current assets	
Cash and cash equivalents	842
Total assets	842
Current liabilities	
Provisions	12
	12
Non current liabilities	
Provisions	13
	13
Total liabilities	25
Net assets	817
Equity	
Accumulated surplus/(deficit)	817
Total equity	817

Statement of Cash Flows

	2017-18 \$000's
Cash flows from State Government	
Service appropriation	227
Royalties for Regions Fund	2,804
Net cash provided by State Government	3,031
Utilised as follows:	
Cash flows from operating activities	
Payments	
Employee benefits	(253)
Supplies and services	(95)
Grants and subsidies	(3,060)
Other payments	(7)
Net cash provided by/(used in) operating activities	(3,415)
Net increase/(decrease) in cash and cash equivalents	(384)
Cash and cash equivalents at the beginning of the period	1,226
Cash and cash equivalents at the end of the period	842

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 2016-17.

Employment and industrial relations

Staff profile

	As at 30 June 2016	As at 30 June 2017
Full time permanent	5.0	7.0
Part time permanent	0.5	1.2
Full time contract	3.0	4.0
Part time contract	2.3	1.2
Part time casual	0.1	0.0
Total (FTE)	10.9	13.4

Staff development

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

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

During 2016-17 the Commission introduced an online training system to provide all staff with access to courses covering:

- Equality and diversity
- Privacy
- Data protection
- Ethical decision making
- Workplace health and safety

Workers compensation

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

Personal use of credit cards

Credit cards are issued to five officers for purchasing goods and services for the Commission. The Commission's credit card policy and Treasurer's Instruction TI 321 prohibit the use of the card for personal purposes.

During the year two employees inadvertently utilised the corporate credit card for personal use, in one case for the purchase of a takeaway meal and in another for a charitable donation. The matter was not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and that the nature of the expenditure was immaterial and characteristic of an honest mistake.

	2017 \$
Aggregate amount of personal use expenditure for the reporting period	60
Aggregate amount of personal use expenditure settled by the due date	60

Governance disclosures

Contracts with senior officers

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

Board and Committee remuneration

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

Board member	Type of remuneration*	Period of membership	Gross amount \$
Paul Fitzpatrick, Chair	Stipend	12 months	57,028
Sue Fyfe, Deputy Chair	Sitting fees	12 months	14,895
John Erren	Sitting fees	12 months	6,540
Christine Germain	Sitting fees	12 months	3,252
Maree Gooch	Sitting fees	12 months	5,811
Peter Hick	Sitting fees	12 months	6,898
David Napoli	Sitting fees	12 months	7,396
Andrew Taggart	Sitting fees	12 months	3,405
Marina Vergone	Sitting fees	12 months	5,410
Total			110,635

* 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 is as follows:

Type	Supplier	\$
Advertising agencies	-	Nil
Market research organisations	Perth Market Research	3,145
Polling organisations	-	Nil
Direct mail organisations	-	Nil
Media advertising organisations	Adcorp Australia	12,191
	Fairfax Media	2,775
	Community Newspaper Group	3,062
Total		21,173

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 offices 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.
- **Outcome 7:** People with disability have the same opportunities as other people to obtain and maintain employment with the Peel Development Commission.

The Commission has achieved the following against the outcomes specified in its Disability Access and Inclusion Plan 2015-20:

Outcome	Number of strategies planned	Number of strategies completed	Number of strategies progressed through contractors
1	7	5	0
2	6	6	0
3	8	5	0
4	9	6	0
5	4	0	0
6	3	3	0
7	6	4	0

The following key outcomes have been achieved during 2016-17:

- All staff have received disability awareness training and an online training module has been implemented;
- The access to the Commission's building has been reviewed and a stairlift identified as the most practical way of addressing access issues. Implementation will require funding to be identified; and
- A Stakeholder Engagement Plan has been completed.

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) Nil breach claims	<ul style="list-style-type: none"> Regularly updated information about Standards included on the Peel Development Commission internal information system and within induction materials as well as being provided to the Board. Ongoing awareness-raising process conducted on the standards. Transactions audited internally as a standard operating procedure.
WA Code of Ethics Nil reports	<ul style="list-style-type: none"> The WA Code of Ethics forms part of induction materials and is listed on the Peel Development Commission internal information system. Ethics is a standing topic for all executive and staff meetings.
Peel Development Commission Code of Conduct Nil breach claims or reports	<ul style="list-style-type: none"> Code of Conduct is accessible on the Commission's Sharepoint site 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 and a revised plan adopted in November 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.

During the year all staff received training in the requirements of the *State Records Act* and the Customer Services Officer, who is responsible for maintaining the Commission's records, underwent more extensive training in record keeping requirements and processes.

Government policy requirements

Occupational safety health and injury management

Peel Development Commission is committed to providing and maintaining a safe and healthy environment for staff, contractors, volunteers and visitors, and to the continuous improvement of injury prevention and management programs.

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

The Commission provides staff with guidance on safe work practices 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;
- An OSH Executive Group that meets on a monthly basis;
- 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* by 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. Annual training is also provided on emergency evacuation and the safe use of fire fighting equipment. During the year online training was made available to all staff to provide them with information on the rights and responsibilities of employers and employees in relation to safety matters and the legislative environment governing health and safety and injury management.

	2016-17 target	2016-17 actual
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	N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities	Greater or equal to 50%	66%

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