



ANNUAL REPORT

PEEL DEVELOPMENT COMMISSION

Acknowledgement of Country

The Peel Development Commission acknowledges Australia's Aboriginal and Torres Strait Islander community as Australia's first peoples, and the Bindjareb people as the traditional custodians of the Peel region.

We acknowledge their continuing connection to land, sea and community and pay our respect to their cultures and to Elders both past and present.

Statement of Compliance

The Hon. Alannah MacTiernan MLC

Minister for Regional Development; Agriculture and Food; Ports; 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 2020.

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.

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Paddi Creevey OAM Chair September 2020

Andrew Ward Chief Executive Officer September 2020

Reading the Annual Report

This annual report describes the operational, financial and service performance of Peel Development Commission for the 2019–20 financial year.

As well as providing information about the services delivered to the Peel region over the past 12 months, it also highlights the achievements of the Commission and sets out how we are addressing the challenges and opportunities that face our region now and in the future.

Peel Development Commission's annual report is available as a PDF download from **peel.wa.gov.au** and is available in alternative formats upon request.

Enquiries and feedback may be directed to:

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P: 08 9535 4140 E: peel@peel.wa.gov.au http://peel.wa.gov.au



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Disclaimer: The Western Australian Government is committed to quality services to its customers and makes every attempt to ensure accuracy, currency and reliability of the data contained in this annual report. However, changes in circumstances after the time of publication may affect the quality of this information. Confirmation of the information may be sought from the Peel Development Commission.

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REPORTS

From the Chair

The Peel is a region.

Regions are a critical part of the prosperity and liveability of the State. As one of nine Regional Development Commissions, we make happen the State government priorities of creating jobs, ensuring a sustainable future and advancing the prosperity of the region.

To achieve our role, we cooperate and work closely with local government, State Government agencies, industry and the local community because when we work together, we make great things happen. This is how we can achieve the big goals across industry, community and environment and make sure there are long-term benefits for the people of the Peel region as a progressive, prosperous and dynamic region with a culture of care.

The need for collaboration and building resilience into our regional economy and communities was brought to the fore this year with the advent of COVID-19. At the beginning of this year, we certainly were not anticipating the way our lives have been affected by the pandemic and it has become very apparent that it certainly was not 'business as usual' as each day brought new responses, impacts and of course emotions.

Support for our local businesses is paramount to the recovery of the region.

This is a long road and there are no easy or immediate answers, but with a collaborative approach and open minds, we do have an opportunity to explore different ways of doing things that might mean we not only survive this, but thrive and build stronger regions into the future.

I'm constantly amazed by the way our communities demonstrate how they cope and their willingness to reach out to others and participate in the important recovery of our region. The pandemic had a huge impact on many of the region's businesses and definitely reinforced the importance of building business and industry capacity and capability.

We've had to reassess the way we work, the way we do business and indeed, the way we collaborate, but this report illustrates the character of a region that's willing to not only forge ahead despite setbacks but come together to do so.

We have a well documented vision and plan — a 35-year project called Transform Peel to transform the region with the creation of jobs and industry, major infrastructure projects that improve the region's public amenities and connectedness, coupled with ongoing local content initiatives, all contributing to local jobs and regional strength.



Grants and funding, such as the Regional Economic Development (RED) Grants, drive economic opportunity by supporting industries and businesses in promoting their growth. I was personally thrilled with our Round 2 RED recipients announcement in December 2019 that saw more than \$600,000 allocated to seven Peel organisations with a focus on manufacturing, tourism and agriculture. Once again RED Grants highlight the diversity of industry and opportunity that we have here in the Peel and I'm very much looking forward to the announcement of Round 3 recipients, which opened in May 2020.

Of course building sustainable pathways for economic development in synergy with nurturing our natural environment encapsulates the work of the Peel-Harvey Catchment Council.

Their continued work in the rehabilitation and management of our estuary and all waterways, the engagement of farmers and the community and protecting the region's unique ecosystem is world-leading and underpins our work in creating thriving industries, tourism excellence and strong and resilient communities. Without capable people we would not have strong and resilient communities. Behind every successful initiative within this report, you'll find an impressive list of projects. Thriving industry, tourism initiatives, workforce confidence and readiness organisations and activities, as well as health, well-being and social plans that contribute to a strong a resilient future for the Peel.

I commend the ongoing work of many in the community and local businesses for all they contribute to the fabric of our region, especially those that have been doing it tough over the past few months.

I also commend the Commission Staff and Board members for their flexibility, adaptability, resilience and unwavering professionalism in bringing our concepts, visions and plans for the region to fruition.

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Paddi Creevey OAM Chair Support for our local businesses is paramount to the recovery of the region.

From the Chief Executive

Developing Peel's industries and businesses to be diverse, nationally and globally competitive is a cornerstone of our vision for Peel as a progressive, prosperous and dynamic region with a culture of care.

Industry diversity and access to strategic markets will significantly contribute to a strong local economy that not only creates jobs and raises living standards, but provides the resilience required to survive and recover from unexpected events and economic downturns.

The Peel region was not spared impact from the COVID-19 pandemic. Our population-driven economy, a focus on service delivery, and high unemployment saw ramifications such as a 59.66% increase in Newstart and JobSeeker registrations from March 2020 and 24 July 2020^{1,2} (increase of 3,591 applicants). While this is a pertinent and an all too real reminder of the importance of building a strong local economy, it also provided new and immediate context for some of the region's growth projects and initiatives.

The Commission's role in supporting and committing resources to regional initiatives that contribute to strengthening our local economy, creating jobs, and making Peel more globally competitive is exemplified by the Transform Peel project.

As a 35-year visionary project to transform the region, its strategic elements and multifaceted approach to long-term sustainability has never been more relevant.

Transform Peel continues to gather momentum as it moves into the investment attraction initiatives of Phase 2. The Peel Business Park moved ahead with the completion of trunk infrastructure and Stage 1 civil works, the appointment of Enwave to deliver the renewable energy industrial microgrid, the commencement of construction of the Bushfire Centre of Excellence and the completion of the Western Australian Food Innovation Precinct concept plans.

The completion of the Peel Agri-Food Study and the Peel Integrated Water Initiative report are significant milestones in the Transform Peel vision showing us a range of high value food production activities suited to the area and a greater understanding of the region's water resources.



With this knowledge, we're able to attract and engage investors, support industry growth and leverage emerging global market opportunities for the Peel.

The region's tourism sector was heavily impacted by COVID-19, however many operators were able to utilise available resources and support, along with much determination and resilience, to firmly tread the road to recovery.

Connecting communities and industry to create jobs and support initiatives that will build a stronger, brighter and more prosperous future for the Peel cannot happen without the cooperation of all levels of government, industry and the community.

This report not only illustrates those collaborative relationships through the region's projects and initiatives, milestones and achievements, but also offers a sense of the region's resilience, strength of community and respect for our natural environment.

1 Department of Social Services. DSS Demographics March 2020 "SA2 Jobseeker Recipients". Accessed August 18th 2020. https://data.gov.au/data/ dataset/dss-payment-demographic-data/resource/f72fe318-bfec-46e0-9f54-3c4efacf93c0

² Department of Social Services. Additional Document No.53: "Report on income support payments by statistical area level 2 tabled by Mr Shane Bennett, Acting Deputy Secretary, Social Security of the Department of Social Services at a public hearing in Canberra on 30 July 2020". Report presented at Public Hearing (Senate Select Committee on COVID-19 (Australia Parliament House) in Canberra July 30th 2020. www.aph.gov.au/ DocumentStore.ashx?id=5d6597d3-15af-4ef1-bdfb-6d76aa40b528

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

I want to thank the people of the Peel region, our project partners, our local government authorities, our colleagues, peers and allies. Their contribution to collaborative relationships allows us to harness and leverage the experience, knowledge and influence necessary to develop big visions and bring initiatives to reality.

I also acknowledge the contribution of the Commission staff and Board members for their wealth of knowledge, commitment, and experience they bring to their individual roles and the work the Commission undertakes in the economic development of the Peel region. Andrew Ward Chief Executive Officer

OVERVIEW

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 with membership categories of community, local government and Ministerial representation.

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 Framework*. These are:

- 1. Thriving industries
- 2. Agriculture and food innovation
- 3. Tourism excellence
- 4. Capable people
- 5. 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.

purpose

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

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.



We lead by example through our courage, integrity and a vision that inspires and motivates.



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.



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

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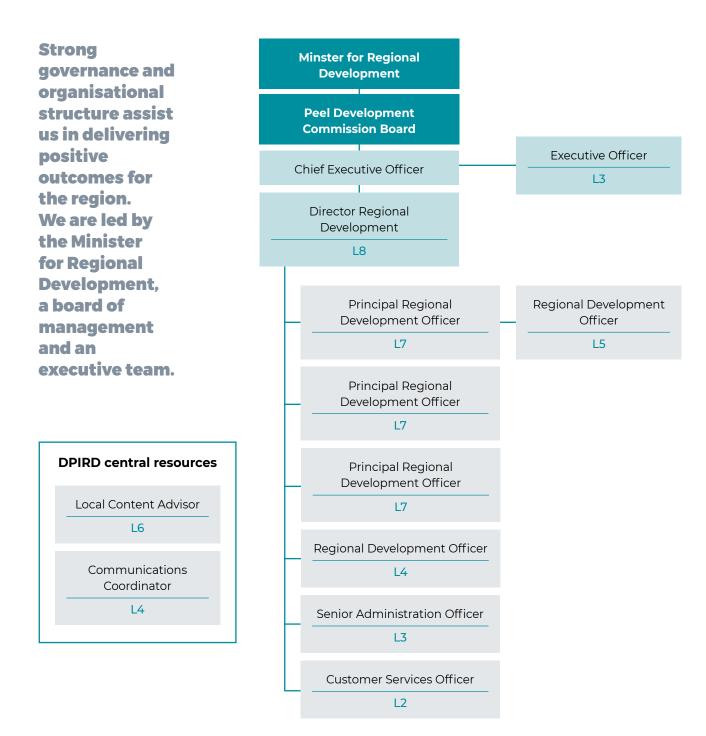
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OUR PEOPLE

Organisational structure



Our Minister



Hon Alannah MacTiernan MLC Minister for Regional Development; Agriculture and Food; Ports; and Minister Assisting the Minister for State Development, Jobs and Trade

Peel Regional Development Commission reports to the Hon Alannah MacTiernan, Minister for Regional Development; Agriculture and Food; Ports; 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 Board

Chair

Paddi Creevey OAM

Regional representatives

Alan Cransberg Rhys Williams Cr Michelle Rich David Doepel Michelle Sidebottom Andrew Ward

Peel Development Commission is managed by a board of six regional representatives comprising local government, community and ministerial nominees. The Chief Executive Officer is a member of the Board.



Paddi Creevey OAM, Chair Ministerial Representative 26/9/17 — 12/11/18 Community Representative 12/11/18 — 30/6/21

Ms Creevey (Paddi) is a resident of Dawesville and was a Councillor for the City of Mandurah from 1994 until being elected Mayor in 2005, an office she held until her retirement in 2014. During her long period of service to Local Government, Paddi served on a number of Boards and Committees including the Peel Region Scheme Planning Committee, the Makers, Regional Development Australia Peel (RDA Peel), Coasts and Climate Change Council, Local Government Advisory Board, Ministerial Working Group for Greater Participation of Women in Local Government, Peel Inlet Management Council and Peel-Harvey Catchment Council. She currently sits on the Board of WestAus Crisis & Welfare Services (WACWS) and in 2019 was appointed to the Western Australian Planning Commission in the position of nominee of the Regional Minister. Paddi has been awarded the Centenary Medal, the Order of Australia Medal in the General Division of the Queen's Birthday 2010 Honours List and was inducted into the inaugural WA Women's Hall of Fame in 2011.



Alan Cransberg, Deputy Chair Ministerial Representative 10/06/19 – 30/06/22

Mr Cransberg brings to the role extensive corporate experience most notably as former Chairman and Managing Director of Alcoa Australia and President Alcoa Global Refining.

He also brings a depth of experience from having led, reported to and been a part of numerous boards throughout his career including his current appointments of Chair Wirrapanda Foundation and Corporation, Director John Swire and Sons Pty Ltd, Director University of Western Australia (UWA) Business School, Director SAS Resources Trust and Director Stealth Global Industries.

Mr Cransberg's professional experience has seen him achieve impressive results and outcomes for the organisations he has led and been involved in. Mr Cransberg is a proud West Australian and lives in Mandurah.

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Our Board continued...



Rhys Williams Local Government Representative 29/01/18 – 31/12/20

Rhys Williams is Mayor of Mandurah and the 2015 Young West Australian of the Year. As the former CEO and Founder of The Makers, a non-profit social enterprise in Mandurah, he worked with the team to establish Make Place, a coworking and innovation hub. In 2009, Rhys was one of the voungest people in Western Australia elected to a Local Government Council. He is an ambassador to the One Young World Leaders Summit, a former Chairman of the Mandurah Performing Arts Centre and current Chairman of John Tonkin College.



Cr Michelle Rich Local Government Representative 29/01/18 – 31/12/20

Cr Michelle Rich was recently successful in being re-elected for another four year term as Councillor with the Shire of Serpentine Jarrahdale and was also re-elected as their Shire President for a two year term. With a background in successful small business, Cr Rich brings a solid understanding of new business and environmental issues. She is passionate about promoting the Shire of Serpentine Jarrahdale and the overall Peel region as a tourism destination whilst encouraging economically sustainable, environmentally sound developments that protect the character, lifestyle and rural history of the area. Cr Rich currently represents Council on the CEO Employment Committee and Audit, Risk and Governance Committee and she is the Peel Zone representative on the State Council of WALGA. She was also recently appointed as a local government representative to one of the Planning reform committees.



David Doepel Ministerial Representative 20/01/20 – 31/12/22

David Doepel is already well known in the Peel region through his work with Murdoch University and the Future Food CRC with over 30 years of experience on innovation in industry, academia and government. He is Chair and Managing Director of Demand Film and in almost two decades since he has served as a trade commissioner for WA in the Americas, he also served as a policy advisor and speechwriter to a Premier of WA and held a variety of academic positions including Deputy Vice Chancellor of Research at Murdoch University. He continues to advise the University on various strategic research initiatives and is also very active chairing a research group at Murdoch University with an emphasis on blockchain technologies.



Michelle Sidebottom

Community Representative 10/09/18 – 30/06/21

Michelle Sidebottom's professional experience has seen her design, develop and implement local to major Statewide business and workforce developmental projects with the private sector, peak industry associations and local, State and Federal government agencies. She is the Managing Director of Breakaway Tourism Pty Ltd, a project management, facility management, and consultancy company specialising in the areas of tourism, hospitality, events, recreation, accommodation solutions, training, and workforce development. Michelle has lived and worked extensively across Australia, Japan and Malaysia and is a former judge for the Australian and Western Australian Tourism Awards. She is also currently a Board Member of Visit Mandurah (tourism association), Chair of judges for the Clubs Western Australia Awards for Excellence, and Industry Advisor for the Western Australian Indigenous Tourism Operators Council.



Andrew Taggart Ministerial Representative 12/11/18 – 31/12/19

Professor Taggart was appointed back on the PDC Board by the Minister for Regional Development in November 2018. He previously served a two year term on the Board from September 2014 to June 2016 and then again for a one year term from July 2016 to October 2017. He is a current Board member of Coodanup College having held that role since 2014. Professor Taggart was previously Acting Vice Chancellor of Murdoch University from 2014–16 and then Provost from 2016–18. His re-appointment to the PDC Board in 2018 certainly indicated the strong degree of support in his level of experience and skills. Andrew is engagement focused and a collaborative leader with strategic focus, energy and policy awareness which supports the Board in its engagement with businesses and industry.



Andrew Ward Chief Executive Officer

Mr Ward is Chief Executive Officer of the Peel Development Commission and is a member of the Board. Andrew joined the Commission in 2016 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 multidisciplinary teams.

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 grow and diversify the economy, create jobs and support skills development:

• Regional Development Commissions contribute to the economic development of regions.

Outcomes based management framework

Performance against the government desired outcome of delivering stronger regional economies is monitored by an effectiveness indicator.

Desired outcomeEffectivenThe developmentClient satisfand promotion of thecontributionPeel region.economic b

Effectiveness indicator

Client satisfaction with the contribution to the region's economic base.

Changes to Outcome Based Management Framework

A new Outcome Based Management Framework was implemented for the Regional Development portfolio in 2019–20; however, Peel Development Commission's key performance indicators did not change during the 2019–20 reporting period.

Shared responsibilities with other agencies

The Commission shares responsibility for the goal of growing and diversifying the economy, creating jobs and supporting skills development with the Department of Primary Industries and Regional Development (DPIRD). The majority of the resources available to the Commission are supplied by DPIRD, including all of the staff except the Chief Executive Officer.

The Commission works in partnership with DevelopmentWA, DPIRD and the Department of Water and Environmental Regulation to deliver the 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.

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.

PERFORMANCE

Our mission

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

Our goals and objectives

The Peel Development Commission is working to make the Peel region an even better place to live, visit, work and invest in. Our mission is aligned to the State priorities of delivering regional prosperity, creating a bright future within a liveable environment and are reflected in our *Regional Investment Framework* (Framework) themes and Strategic Plan goals and objectives.

The Framework sets a vision for the Peel to 2050 as a progressive, prosperous and dynamic region with a culture of care through development within five core themes.

- 1. Thriving industries
- 2. Agriculture and food innovation
- 3. Tourism excellence
- 4. Capable people
- 5. Strong and resilient communities



Figure 1 Revised 2019 Framework theme diagram



Strategic Plan

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 in the plan provide the catalyst for the vision of Peel at 2050 as outlined in the *Peel Regional Investment Framework*.

The 2019–20 Annual Report reflects the Commission's objectives as outlined in the 2016–19 Strategic Plan. The 2020–22 Strategic Plan was approved in March 2020. In addition to the Framework'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.

www.peel.wa.gov.au/wpcontent/uploads/2020/05/PDC-Strategic-Plan-20_LR_FINAL-.pdf

The key strategic objectives against each theme's goal are:

1.0 Thriving industry

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

- 1.1 New and expanded market opportunities
- **1.2** Integrated network of prosperous regional towns with a regional city hub
- **1.3** Encourage the expansion of the Peel equine industry
- **1.4** Establish stakeholder alliances to support strategies & initiatives
- **1.5** Support increased Indigenous participation in Peel's economy
- **1.6** Support regional initiatives to grow small and medium enterprises

See page 18

2.0 Agriculture & food innovation

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

- 2.1 Innovative and sustainable agriculture and food practices
- 2.2 Build international research capability
- 2.3 Develop Peel as a food & trade hub
- 2.4 Promote Peel's unique agri food opportunities

See page 24

3.0 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.

- **3.1** Tourism growth through investment
- 3.2 Network of diverse adventures
- 3.3 Increase Indigenous involvement in regional tourism

See page 28

4.0 Capable people

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

- **4.1** Strategies to develop human capital
- **4.2** Enable a highly skilled, competitive workforce
- **4.3** Ensure youth pathways to employment

See page 32

5.0 Strong & resilient communities

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

- 5.1 Strategies for secure housing & employment services
- 5.2 Develop a range of active aging plans
- **5.3** Targeted social services
- **5.4** Sport & leisure plans
- 5.5 Development of arts & culture events & facilities

See page 36

6.0 Organisational excellence

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

See page 40

Thriving industry

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

Through the Commission's advocacy, new projects are implemented, and existing projects are supported to achieve significant milestones. In this way, we are working to diversify our local economy and attract investment into the region. This is not something we can achieve overnight, but by identifying new and expanded market opportunities and building a network of integrated and synergistic communities now, we have the chance to build a prosperous and sustainable region for our future generations. Western Australian Food Innovation Precinct — artist's impression (Shire of Murray)



The Peel Development Commission has undertaken a facilitation and advocacy, or funding role in the following project achievements:

Peel Business Park Microgrid

Transform Peel — Peel Business Park

- Trunk power infrastructure and Stage 1 civil works earthworks completed
- Enwave appointed for microgrid
- Bushfire Centre of Excellence construction commencement
- Western Australian
 Food Innovation
 Precinct concept
 plan, tenant
 negotiations,
 community EOI

and settlement of Stage 1 purchaser property titles

Local content

- 94% of \$27 million in construction work awarded to Peelbased Wormall Civil
- 16 Peel local businesses engaged for works by Wormall Civil & DevelopmentWA
- Newly appointed Total Eden will utilise
 9 Peel businesses
- Fostering indigenous business development

- Facilitating local participation in local government contracts through the Peel Business Register
- Delivering capability building workshops

Mandurah Foreshore Development

 \$10 million State Government funding progressed with
 \$5 million to the City of Mandurah Existing skate park has been demolished with new works underway

Skate park progress (City of Mandurah)

- Play Space Concept Masterplan developed with community engagement and concept design finalised for tender at the end of 2020
- Jetty infrastructure and Estuary Pool tender awarded



Murrayfield Airport

 Business Case and Investment Prospectus completed

East Keralup

- Business case secured \$600 thousand investment in design & approvals for access road
- Draft commercial terms completed with 3 prospective leasees

Peel Equine Strategy

• Development of Planning for the Equine Industry in the Peel Region May 2020 to address land use issues



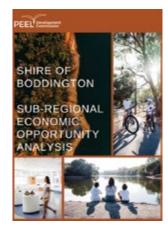
 Promotion of industry events through the equine calendar

CRC Transformations in Mining Economies (TiME)

- Supporting Participation Agreement signed in partnership with all major Peel miners
- Federal funding of \$29.5 million with inkind contributions of \$105 million
- Peel & South West Development Commissions supporting UWA in coordinating research activities in Peel/SW cluster

Sub Regional Economic Opportunity Analysis

- Reports released in February 2020
- Identifying further economic diversification opportunities for Boddington and Waroona



Project summary

Peel's population growth has been driven by lifestyle migration rather than employment which has led to approximately 28.6% of people living in the region travelling to employment in the Perth metropolitan area. Diversifying the region's industries and businesses and capitalising on our proximity to export infrastructure and accessing global markets will lead to more jobs in the region, raised incomes and, better living standards.

The Commission supports and commits resources to regional initiatives that contribute to strengthening our local economy, creating jobs, and making Peel more globally competitive.

Transform Peel is the region's flagship 35-year visionary project to transform the Peel's economy by supporting new industries, creating more jobs, and improving food security. The project's three strategic elements, comprising the Peel Business Park, the Western Australian Food Innovation Precinct, and the Peel Integrated Water Initiative, achieved significant milestones this year that saw the project gather momentum and move out of the activation focus of Phase 1. and into the consolidation, investment attraction and new initiatives of Phase 2.

DevelopmentWA led the completion of the trunk power infrastructure, bulk earthworks and Stage 1 subdivision works for the Peel Business Park as well as the appointment of Enwave Consortium to deliver the renewable energy industrial microgrid. The construction of the Bushfire Centre of Excellence commenced and titles were issued for settlement of Stage 1 purchasers.

The Peel Business Park incorporates the Western Australian Food Innovation Precinct, led by the Shire of Murray, to support industryleading value-added food manufacturing, research, and market testing. The appointment of project managers and architects, delivery of the concept plan, facilitation of foundation tenant negotiations and the collection of expressions of interest are some of the milestones achieved this year.

One of the ways we can create more jobs is by ensuring greater participation of local businesses in State Government purchasing contracts and building and construction projects. The Commission's dedicated Local Content Adviser fosters indigenous business development, and facilitates local content in projects like the Peel Business Park. Peel Health Campus Emergency Upgrade, City of Mandurah Waterfront Project Skate Park, Bushfire Centre of Excellence, the Women's Refuge, Dwellingup Adventure Trails Project and the Bedingfeld Park Expansion project contracts through the Peel Business Register. Capability building initiatives have also been delivered to support local businesses in their understanding of government procurement processes and their ability to tender competitively.

> The Commission supports and commits resources to regional initiatives that contribute to strengthening our local economy, creating jobs, and making Peel more globally competitive.

Major infrastructure and public amenity projects such as the Mandurah Foreshore Development and the Mandurah Train Station Car Park provide local contracting and employment opportunities during construction, as well as public amenity to support industry and population growth. The Murrayfield Airport Infrastructure Business Case and Investment Prospectus was part funded by the Commission with a focus on aviation, tourism and complementary industries.

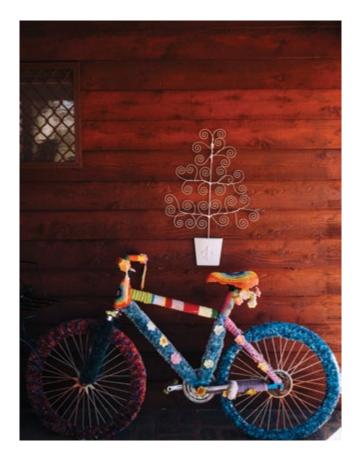
A business case to inform the provision of an access road into East Keralup was prepared in partnership with the landowner. This has attracted Government investment in the detailed design and approvals for the road which has boosted private sector interest in this strategic landholding.

Progressing the vision of the Peel Equine Strategy continues with Racing & Wagering Western Australia (RWWA) investments of a second turn at Pinjarra Raceway and new stalls at Pinjarra Paceway, land use security planning, promotion of the industry with its wide range of disciplines and events, production of a competitive and comparative analysis demonstrating Peel's advantages as a premier region, and the development of expansion business cases ready to progress Peel's economic contribution and investment opportunities in our equine industry.

The Cooperative Research Center — Transformations in Mining Economies is a 10-year Federal Government program designed to drive transformational change enabling regions and communities to transition to a prosperous and sustainable postmine future.

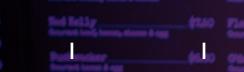
Peel Development Commission is leading the Supporting Participation Agreement with all major Peel miners signed as partners. Peel and South West Development Commissions are working collaboratively to support the University of Western Australia (UWA) to coordinate research activities in the Peel and South West clusters.

To identify further opportunities for economic diversification in the region, the Commission, in partnership with UWA, developed Sub Regional Economic Opportunity Analysis reports for the Shires of Boddington and Waroona.



The reports were released in February 2020 and provided an overview of each of the Shire's economic infrastructure and social profiles.

These highlights and milestones illustrate some of the Commission's work towards diversifying Peel's industries and businesses.



50 Flowing Boosty \$2.60 Sourcest Surgestills statements surges



RED Grants

\$100,000 Pinjarra Bakery

Pinjarra Bakery secured **\$100,000** to upgrade its distribution centre and equipment to improve efficiency and production capacity. This upgrade positioned the bakery to take advantage of increasing wholesale market opportunities and support its fourth store.

\$49,860

Cape Bouvard Brewing Company

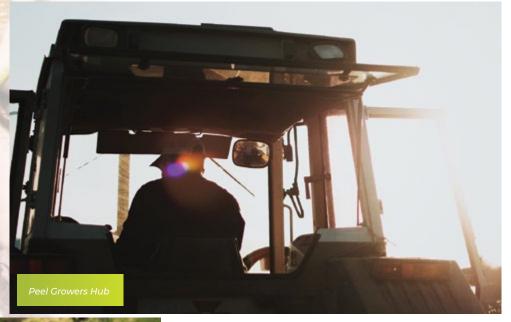
Cape Bouvard Brewing Company used their \$49,860 funding to upgrade the existing facility's brewing equipment to increase production capacity and introduce aluminium bottles reducing the company's environmental footprint as well as giving them a distinct market edge. The facility will also be available for common use by other beverage producers for aluminium bottling.



www.peel.wa.gov.au/program-in-focus-regionaleconomic-development-grants

Agriculture and food innovation

The Peel's agriculture and food production sectors will be enhanced through continued innovation, investment and research. Peel's peri-urban location puts the region in a strong position to leverage existing and emerging market opportunities. As world food demand increases along with the growing demand for food provenance, our proximity to existing export infrastructure represents a unique advantage. Enhancing Peel's agriculture and food innovation sectors diversifies our local economy, builds regional prosperity and contributes to a strong State economy.









The Peel Development Commission has undertaken a facilitation and advocacy, or funding role in the following project achievements:

Rehabilitation of the Peel Harvey Estuary

- Facilitated the provision of funding to manage three large rehabilitation and water quality projects
- Facilitated and collaborated with researchers and research institutions
- Research concerning environmental impacts on Peel Harvey waterways

Establishment of the Peel Growers Hub

- Support and funding to establish resources in the Peel region
- Identified and scoped pilot priority projects

 Engaged in stakeholder communications, meetings and presentations

Transform Peel

- Peel Agri-Food Study — identifies Peel's capacity for intensive rural & food production activities
- Peel Integrated Water Initiative

 regional water
 resource assessment

Project summary

Advocating for and facilitating growth in agriculture and food innovation through local projects, initiatives and businesses diversifies our local economy and increases Peel's sustainable food security.

> By adopting sustainable and innovative approaches, Peel's agriculture and food industries are increasing the region's contribution to the State economy.

Peel's peri-urban location would historically predispose the region to beef grazing and dairy production, or urban development, however, the impact of these land uses would have devastating effects on the Peel-Harvey estuary system and would eventually lead to its collapse.

By adopting sustainable and innovative approaches, Peel's agriculture and food industries are prioritising environmental sustainability and synergies. As a result, Peel is becoming known as an agri-food innovation hub, and a region that's committed to preserving our unique environment by supporting sustainable industries.

Funding for the establishment of the Peel Growers Hub was designed to connect agriculture and food producers in the region with leading research and innovations, a wider network of producers across Western Australia, as well as strengthening the network of local producers. Its focus on productivity, diversification and export will integrate with Transform Peel objectives and the WA Food Innovation Precinct program.

The work of the Peel Harvey Catchment Council is fundamental to safeguarding our region's greatest natural treasure. Their work in rehabilitation and water quality projects such as 'Wetlands and People: a community restoring the Ecological Character of the Peel-Yalgorup 482 Wetlands', 'Connecting Corridors and Communities: Restoring the Serpentine River' and the establishment of a successful aquaculture program for black bream based at John Tonkin College that saw the subsequent release of approximately 2000 juvenile fish into the Murray River, have been supported through the State Government's Royalties for Regions program.

Exploring and maximising the capture and storage of alternative water sources and energy development, as well as opportunities for food production and industrial ecology are key elements for achieving innovative and sustainable agriculture and food practices and developing food production in the region.

As part of the Transform Peel Initiative, the Peel Agri-Food Study, which identified the Peel region as having the capacity for a range of high-value intensive rural and food production activities, was completed along with the Peel Integrated Water Initiative report, providing a greater understanding of the risks to water resources in the region. Both reports provide regionspecific information to guide sustainable development and investment assessment within the Peel.

The Commission is a partner in the Future Food Systems Cooperative Research Centre (FFS CRC) which was established in December 2019. Principally, the Commission is involved in FFS CRC programs which aim to increase the value adding capability of the Australian food sector through food cluster planning, deployment of advanced technology and new manufacturing opportunities. Murdoch University, as a key research partner in the CRC, will locate some of its activities at the Western Australian Food Innovation Precinct in the Peel Business Park.

RED Grants

\$100,000 c-wise

C-Wise were awarded **\$100,000** RED Grant funding to build and trial specialised enclosures to receive, decontaminate, blend and process organic waste from the Peel region.

\$65,000

Southern Dirt

Southern Dirt secured \$65,000 to provide networking activities and deliver three pilot projects through the Peel Growers' Hub. The projects explored opportunities within the premium beef supply chain, the future food conference and a protected cropping pilot to support farmers to maintain and build profitable farm businesses in the Peel region.

\$15,000

Grubs Up Australia

Grubs Up Australia used their \$15,000 RED Grant to take part in a 16-week international research and development study tour in collaboration with Nuffield Farming Scholars. Participation in the tour represented a chance for Grubs Up to increase capacity to commercialise insect farming within the Peel region, gain insights into best practice, build international relationships for future business partnerships, and create local employment and sustainable farming opportunities.

www.peel.wa.gov. au/program-in-focusregional-economicdevelopment-grants



Tourism excellence

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

Γ

Peel's tourism industry delivers significant economic benefits to the region with enormous potential for growth. A diverse range of experiences attract visitors to the Peel region including unique landscapes, nature based tourism offerings, an integrated network of regional towns and communities and the region's biodiversity, with a range of flora and fauna that is not found anywhere else in the world. The Commission provided support for key projects and initiatives with a focus on advocating and facilitating tourism infrastructure investment to ensure the region's success in attracting more visitors and enticing them to stay longer.

Inbrief

The Peel Development Commission has undertaken a facilitation and advocacy, or funding role in the following project achievements:

Dwellingup National Trails Centre

- Federal funding secured in 2017
- Dwellingup Trails and Visitor Centre construction commenced 2019 completion — anticipated September 2020

Dwellingup Adventure Trails project

- Federal funding 2019
- Trails and associated infrastructure commenced 2019
- Full completion due 2021

Peel Regional Trails Business Case

 Trails developments include Sea to Scarp trails in Waroona, Yalgorup and Peel-Harvey Estuary trails, Byford trail Centre, Boddington to Dwellingup



Dwellingup Gap Project Business Case

- Additional mountain bike trails and associated trails infrastructure
- Valued at \$2.75m to complete Dwellingup as a designated Trails Town

Byford Trails Centre business case

 Byford Trail Centre provides a focal point for trails in Byford, linking into the Wungong Regional Park with a network of nationallysignificant trails and an iconic lookout structure with views across Byford to the coast

Peel Trails Committee

 Established in February 2020, chaired by Councillor Michelle Rich, President Shire of Serpentine Jarrahdale



Yalgorup National Park Masterplan and a Peel-Harvey trails Pre-Feasibility Study

 City of Mandurah in partnership with Department of Biodiversity, Conservation and Attractions (DBCA) are developing opportunities identified in the Peel Regional trails Strategy

Hotham Park

• Due for completion mid to late 2020

Murray River Square and Foreshore redevelopment

Completion due
 2020

Edenvale Heritage Precinct

- Stakeholder consultation complete
- Vision & activation plan due end 2020

Opera at the Mill

• Sponsorship support for this iconic event

Project summary

Peel's tourism industry plays an important role in maintaining the regional economy, providing employment, and expressing the region's vibrancy and character.

Our regional aspirations for tourism excellence centre around supporting the growth of Peel's tourism industry through infrastructure investment and product development, and on creating a network of adventures that attracts visitors to the Peel and entices them to stay longer.

> Peel's trail network and infrastructure brings together environmental, eco and adventure tourism elements.

The development of Peel's trail network and infrastructure brings together environmental, eco and adventure tourism elements and represents an outstanding opportunity to put Peel on the world trails map. Creating a hub for walk trails, mountain bike trails, horse riding trails and adventure facilities with associated accommodation options supports Peel as an in-demand state, national and international visitor destination.

The Peel Development Commission has contributed to a number of trails business cases to demonstrate the job creation and economic expansion resulting from investment into several regional trail developments. This work includes the Peel Regional Trails, the Dwellingup Gap Project, and the Shire of Serpentine Jarrahdale Trails business case. The Commission continues to explore and advocate for trails opportunities and funding revenues.

The Dwellingup National Trails Centre project is a key component of the region's tourism industry and the development of Peel's trail network aiming to transform Dwellingup into a national and future international trails town. The project will maximise Dwellingup's natural assets, increase attraction to the Hotham Valley Tourist Railway, better incorporate the rail trails into the town's trail offering, and turn Dwellingup into a truly unique tourism experience.

Complimenting the Dwellingup National Trails Centre project, the Dwellingup Adventure Trails project will incorporate 38km of quality dedicated single track mountain bike trails, 8km of new Munda Biddi Trail, new canoe launch facilities at Island Poole. upgrades to Captain Fawcett 4WD track, road improvements, an 80m suspension bridge, a pop-up cafe and hire facilities at Baden Powell Reserve. Developing central hubs with high-quality public amenities, information points, signage, and social spaces creates linkages between centres and activities, and attracts day and overnight tourism.

The redevelopment of the Hotham River Foreshore as a community hub including a library, café, interpretive centre, youth centre, skate park, pump track, nature playground, amphitheatre and public artworks is a great example.

The Murray River Square and Foreshore redevelopment in Pinjarra will also provide community and visitor amenities including shaded seating areas, improved pathways and lighting, a smallscale amphitheatre with stage, public art and Aboriginal interpretation, as well as improved water accessibility through the construction of a jetty for non-motorised vessels.

Pinjarra's Edenvale Heritage Precinct is a significant heritage site with great potential to attract visitors. The Shire of Murray's appointment of Place Laboratory to scope a vision and activation plan for the homestead area to create a heritage, arts and culture destination was supported by the Commission with a cofunding contribution. Stakeholder engagement was also completed in June 2020.

Dwellingup Trails and Visitor Centre

RED Grants

\$150,000

Shire of Murray

The Shire of Murray received **\$150,000** to complete a state-ofthe-art technology fit-out of the Dwellingup Trails and Visitor Centre.

\$139,100

Visit Mandurah

Visit Mandurah will use their **\$139,100** grant to create a digital tourism hub in the Mandurah tourism precinct, and develop a walking tour and visit Mandurah ambassador program to tell the stories of the people, places and produce across the region.

www.peel.wa.gov.au/program-in-focus-regionaleconomic-development-grants



ANNUAL REPORT 2019–20 31

Capable people

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

Access to world-class education, training and higher education systems is central to Peel's future economic growth, employment and workforce prospects. These systems, coupled with the community's knowledge, skills and capability will assist in attracting businesses and people into the region, as well as ensuring existing businesses and people remain in the community. To support the needs of the Peel's rapidly growing population, and the attraction of new businesses and industries, the Commission supports key initiatives to improve outcomes in education, developing a future ready workforce and contributing to a brighter future in regional Western Australia.



Inbrief

The Peel Development Commission has undertaken a facilitation and advocacy, or funding role in the following project achievements:

Peel Capability Collaborative

- Provided input into the Peel Labour Market Review
- Assisted with the Mandurah Jobs Fair, Oct 2019
- Met with the Naval Shipbuilding College
- Developed a scope for a Peel Human Capital Report in partnership with University of WA
- Peel Bright Minds
- Provided sponsorship and support to provide events and initiatives such as
 - Science Cafes
 - Teacher's Network meetings
 - Hackathon

 Career videos highlighting the pathways of five Peel young STEM archivers ... to inspire a curious Peel community

Economic Diversification Investigation

- Participated in State wide economic diversification research
- Facilitated Harvard researchers visit to the Peel region to discuss economic complexity

Peel Investment Seminar

 Introduction of new investment pathways through private funding and finance options





PCCI Business Excellence Awards

 Sponsorship support for regional business awards

Waroona Business Forum

• Sponsorship support

Project summary

Our goal for the region, as summarised by the capable people theme, is to enable a strong and diverse economy with a local workforce that's highly skilled and adaptable to change. When we develop the region's human capital by attracting advanced skills and experience, enable access to education and training, and facilitate youth employment pathways, we safeguard the region's growth and prosperity.

Collaboration between industry, government and education are key to unlocking the potential of Peel's current and future workforce

The development of skill sets and capabilities such as adaptability, flexibility, resilience, creativity and design thinking will create workforce confidence and readiness to operate in an increasingly competitive and global environment. The Peel Capability Collaborative was formed to prepare Peel's workforce and shift negative perceptions through collaborative action and storytelling.

Collaboration between industry, government and education are key to unlocking the potential of Peel's current and future workforce and underpin the work and values of the collaborative. In addition to collaboration. the values of future thinking and empowering capacity reflects the needs of Peel's future workforce being the heart of their work. By empowering capacity, the community can build upon strengths, grow capacity and own their future.

Formed with the knowledge that Peel people will need to adapt and cultivate the skills necessary for the future workforce, Peel Bright Minds, a joint initiative of Peel region stakeholders and Inspiring Australia, supports Science, Technology, Engineering and Maths (STEM). Engagement, education and capability building in STEM is key in preparing a skilled, adaptable and resilient workforce for the future.



The Commission is a member of the Peel Bright Minds steering committee, providing strategic direction and management of the program, as well as providing sponsorship support.

Through the State Government's engagement with the Centre for International Development at Harvard University to undertake research and develop inputs for policy design, Harvard will produce an economic complexity report for WA and its regions.

As part of this work, the Peel Development Commission hosted Harvard Growth Lab researchers on a visit to the Peel region where the researchers focused on finding information on regionspecific challenges and perspectives.

The visit included a tour of Capogreco Farms as an example of an innovative regional business meeting the challenges and opportunities of the region.

The introduction of investment pathways was the focus of the Commission's partnership with Economic Development Australia in hosting an investment seminar to support businesses through private funding and finance options.

The seminar provided businesses with an overview of private equity funding options available in WA, as well as highlighting examples of how different funding methods have supported business incubation.



Strong and resilient communities

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

The Peel Development Commission recognises the importance of addressing the needs of a growing population in terms of social infrastructure that support health and education, sport and recreation, as well as arts, entertainment and culture.

The Commission is actively supporting a range of initiatives that contribute to creating strong communities that attract and engage people, and promote a sense of place.

Inbrief

The Peel Development Commission has undertaken a facilitation and advocacy, or funding role in the following project achievements:

Peel Health & Wellbeing Taskforce

- Establishment of task force via facilitation of regional stakeholders
- Provided input to The Mental Health Pilot — Care Coordination & Collaborative health care in residential aged care facilities:
 - specialist GP
 - hospital outreach

Social Housing & Homelessness

 Contributed to the development of the Draft Mandurah Homelessness Strategy, and the Housing working group

Dwellingup Futures

 Dwellingup Futures continued to provide stakeholder engagement towards a roadmap to manage the town's future sustainable growth Preston Beach Community Centre

 Official opening of Community Centre with State Government funding contribution

Port Bouvard Surf Lifesaving Club

 Official opening of second storey club facilities with State Government funding contribution







Project summary

As Peel's population grows, we need to give greater consideration to ensuring our social infrastructure services are strong and wellcoordinated to support the safety, health, liveability, local economy and environmental preservation of the region.

Strong and resilient communities need secure housing and employment, a diverse range of health and social services, as well as sport, recreation, arts, entertainment and cultural events and facilities.

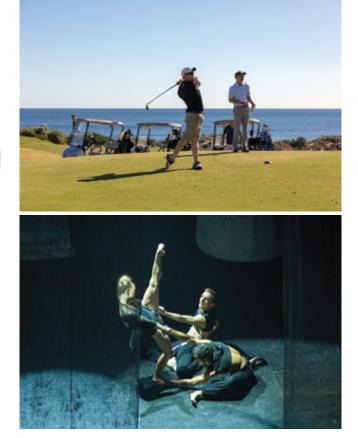
The Peel Health and Wellbeing Taskforce was established by the Commission, in partnership with South Metropolitan Health Service and the Peel Alliance, to develop a long-term integrated health and wellbeing model for Peel.

At the inaugural meeting in August 2019 the group unpacked the context of health and wellbeing in the region and set two priorities for development under a theme of coordinated care; aged care and mental health.

From this work, The Mental Health Pilot-Care Coordination proposed the implementation of two care coordinators at the Peel Health Hub, and the Collaborative health care in residential aged care facilities: specialist GP and hospital outreach proposed GP involvement and hospital outreach as critical to improved care.

As an active member of the Peel Homelessness and Street Present Network facilitated by the City of Mandurah, Commission staff contributed to the development of the Draft Mandurah Homelessness Strategy, and the Housing working group. This work aims to deliver resources with a focus on the needs of the homeless.

As Dwellingup experiences a period of change and growth in mining, construction, agriculture, forestry, recreation and tourism, Dwellingup Futures provides a road map to successfully plan for and manage this growth for a sustainable future.



The project, a partnership between the Shire of Murray and the Peel Development Commission, has been progressing well, however with the outbreak of COVID-19, planned community consultation exercises were delayed and later adapted to more targeted focus group webinar meetings.

The formulation of a revised Community Engagement program accommodating COVID-19 social distancing requirements will allow the project to be advanced substantially in the second half of 2020. Strong and resilient communities need secure housing and employment, social services, and sport, recreation, arts, entertainment and cultural events and facilities.





Organisational excellence

An organisation that is recognised for outstanding governance and innovation in delivering regional economic development outcomes. The Peel Development Commission continues to set high standards in pursuit of organisational excellence. The development and refinement of our organisational processes, linking our community and stakeholders with resources available and implementing strategies that enable timely consultation and communication with our stakeholders are key to advancing the development and prosperity of our region. 40 PEEL DEVELOPMENT COMMISSION

Project summary

The Commission's work in delivering economic development outcomes to the Peel region is underpinned by our own ability to retain a capable, determined and healthy workforce, deliver high quality services, embed governance practices across our operations and deliver regional intelligence on state-wide regional development matters.

Organisational excellence requires outstanding governance, innovative approaches and an emphasis on collaboration in everything we do.

Peel Regional Investment Framework

Our work with Regional Development Australia Peel (RDA Peel) to develop a Regional Action Plan 2019–21, identifies short-term priorities in alignment with long-term regional development objectives for Peel.

Grants management

Grants of all sizes make an invaluable contribution to the sustainability and vibrancy of regional communities as fantastic places to live, work and invest.



In 2019–20, the Commission managed approximately 40 grant projects through various State Government programs including \$618,960 through the Regional Economic Development (RED) Grants program announced in December 2019.

Peel Development Commission Strategic Plan 2020–22

The Commission's Strategic Plan 2020–22 reflects our commitment to delivering the best future for the Peel region.

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 regional economic outcomes, the strategic plan aims to illustrate the Commission's objectives and role in facilitating, advocating and activating initiatives that grow and develop our region.

COVID-19 response and recovery

During the COVID-19 pandemic the Commission focused its efforts on gaining, analysing and sharing regional intelligence with all areas of government to aid in economic impact minimisation.

As we moved from initial response into the recovery phase, the Commission was able to utilise the information gathered and leverage strong stakeholder relationships to identify initiatives that will enable strong regional recovery. Organisational excellence requires outstanding governance, innovative approaches and an emphasis on collaboration in everything we do.

Project development framework

During the COVID-19 period of altered working arrangements due to social distancing requirements, officers undertook improvements to processes which we develop and partner in economic development projects.

A Project Execution Strategy template and monitoring process were implemented to ensure consistency, tracking and acquittal of funds.

Financial targets

Actual results against budget targets

Governance Performance Framework

Each year, we are required to meet a number of targets set by the State Government. These targets relate to Government-Desired outcomes, services to be delivered and performance targets to be achieved. The agreement is a way for the State Government to monitor the operational performance of the Commission.

Financial targets	2020 Target ¹	2020 Actual	Variation ²	Explanation of variation
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	1,956,243	1,942,918	(13,325)	Immaterial Variance
Net cost of services (sourced from Statement of Comprehensive Income)	1,956,243	1,865,602	(90,641)	Net cost of services is lower than budget estimates (2020 Target) by \$91. This primarily relates to the receipt of other unbudgeted revenue totalling \$77k.
Total equity (sourced from Statement of Financial Position)	1,250,813	1,043,902	(206,911)	The variance of \$207k in equity results from the actual opening equity being \$131k lower than forecast in the budget process, and actual FY20 result was \$75k lower than budget.
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	-	(75,968)	(75,968)	The decrease in cash in the period mainly relates to the reduction in cash received from other State government agencies of approximately \$100k as mentioned above, offset by a higher opening cash balance than that forecast when setting the 2019–20 budget.
Approved salary expense level	206,425	214,654	8,229	
Agreed borrowing limit			-	

(where applicable)

1. As specified in the Minister approved Section 40 budget estimates

2. The variation is the difference between the Target and Actual for each line item

Working cash targets	2020 Agreed limit (\$000)	2020 Target¹/ Actual² (\$000)	Variation (\$000)	Explanation of variation
Agreed working cash limit (at Budget)	22	22	N/A	N/A
Agreed working cash limit (at Actuals)	18	855		This variation is due to brought forward cash balance that is planned to be spent in 2020–21.

1. Target to reflect the Commission's anticipated working cash for the 2019-20 financial year.

2. Actual is the actual working cash held at the close of the financial year.



Overall, there has been a decrease in cash of \$75,968 with cash at bank being \$922,521 at the end of 30 June 2020.

This reduction relates expenditure on the Transform Peel project while offsetting revenue for this project was received after the close of the financial year.

Grants — financial support

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The following projects have been supported by the Regional Economic Development Grants program.

Company	Project	Amount (\$)
Shire of Murray	Dwellingup Trails and Visitor Centre	\$150,000
Visit Mandurah	Digital tourism hub; development of a walking tour and Visit Mandurah ambassador program	\$139,100
Pinjarra Bakery	Upgrade of distribution centre and equipment	\$100,000
C-Wise	Organic waste processing enclosures	\$100,000
Southern Dirt	Peel Growers Hub — networking activities and deliver three pilot projects	\$65,000
Cape Bouvard Brewing Company	Upgrade of facility brewing equipment	\$49,860
Grubs Up Australia	Undertake an international research and development study tour on commercial insect farming	\$15,000

FINANCIALS



Auditor General Report

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 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, Summary of Consolidated Account Appropriations 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 2020 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 Responsibility 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 Board for the financial statements

The Board 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 Board 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 Board is responsible for assessing the entity'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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

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 Board 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 2020.

The Board's responsibilities

The Board 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 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 non-compliance 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.

Auditor General Report continued...

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 2020. The key performance indicators are the Under Treasurer approved key effectiveness indicators and 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 agency's performance and fairly represent indicated performance for the year ended 30 June 2020.

Matter of Significance

The Commission received an exemption from the Under Treasurer from reporting the following key effectiveness indicator in its annual report for the year ended 30 June 2020:

Client satisfaction with contribution to the region's economic base.

The exemption was approved due to the difficulty in collecting information from stakeholders because of COVID-19 restrictions. Consequently, this KPI will not be reported. My opinion is not modified in respect of this matter.

The Board's responsibility for the key performance indicators

The Board 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 Board 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 Board 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 entity'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 2020 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 contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.

DON CUNNINGHAME ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT Delegate of the Auditor General for Western Australia Perth, Western Australia (3 September 2020)

Certification of Financial Statements

For the year ended 30 June 2020

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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 reporting period ended 30 June 2020 and the financial position as at 30 June 2020.

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.

Siska Mansfield Chief Finance Officer 18 September 2020

Paddi beever

Patricia Creevey Chair 18 September 2020

Andrew Ward Chief Executive Officer 18 September 2020

Financial Statements

Statement of Comprehensive Income

For the year ended 30 June 2020

	Notes	2020	2019
COST OF SERVICES		\$	\$
Expenses			
Employee benefits expense	2.1(a)	259,945	257,968
Supplies and services	2.3	1,579,796	1,459,584
Depreciation and amortisation expense	4.1 to 4.3	27,151	24,145
Finance costs	6.2	286	-
Grants and subsidies	2.2	73,666	62,410
Other expenses	2.3	2,074	1,842
Total cost of services		1,942,918	1,805,949
Income			
Revenue			
Other revenue	3.2	77,195	27,122
Total revenue		77,195	27,122
Gains on disposal of non-current assets	3.3	121	-
Total income other than income from State Government		77,316	27,122
NET COST OF SERVICES		1,865,602	1,778,827
Income from State Government			
Service Appropriation	3.1	249,000	227,000
Resources received free of charge	3.1	1,438,156	1,264,541
Income Received from Other State Agencies	3.1	103,163	172,401
Total income from State Government		1,790,319	1,663,942
SURPLUS/(DEFICIT) FOR THE PERIOD		(75,283)	(114,885)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Total other comprehensive income/(loss)		_	_
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(75,283)	(114,885)

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

Statement of Financial Position

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As at 30 June 2020

	Notes	2020	2019
ASSETS		\$	\$
Current Assets			
Cash and cash equivalents	6.3	855,028	793,402
Restricted cash and cash equivalents	6.3	67,493	205,087
Receivables	5.1	91,170	19,372
Total Current Assets	-	1,013,691	1,017,861
Non-Current Assets			
Amounts receivable for services	5.2	134,000	134,000
Property, plant and equipment	4.1	2,211	9,431
Right-of-use assets	4.2	-	-
Intangible assets	4.3	-	15,134
Total Non-Current Assets		136,211	158,565
TOTAL ASSETS		1,149,902	1,176,426
LIABILITIES			
Current Liabilities			
Payables	5.3	49,545	10,973
Lease liabilities	6.1	-	-
Employee related provisions	2.1(b)	28,918	26,235
Total Current Liabilities	-	78,463	37,208
	-		
Non-Current Liabilities			
Lease liabilities	6.1	-	-
Employee related provisions	2.1(b)	27,537	20,033
Total Non-Current Liabilities		27,537	20,033
TOTAL LIABILITIES	-	106,000	57,241
	-		<u> </u>
NET ASSETS	-	1,043,902	1,119,185
	-	<u> </u>	, , ,
EQUITY			
Contributed equity	8.8	137,770	137,770
Accumulated surplus	8.8	906,132	981,415
TOTAL EQUITY	0.0	1,043,902	1,119,185
	=	1,040,002	1,113,105

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

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Statement of Changes in Equity

For the year ended 30 June 2020

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Balance at 1 July 2018	Notes	Contributed equity \$ 137,770	Accumulated surplus \$ 1,096,300	Total equity \$ 1,234,070
Deficit	_	-	(114,885)	(114,885 <u>)</u>
Total comprehensive income/(loss) for the period	8.9	-	(114,885)	(114,885)
Balance at 30 June 2019		137,770	981,415	1,119,185
Balance at 1 July 2019		137,770	981,415	1,119,185
Surplus		-	(75,283)	(75,283)
Total comprehensive income/(loss) for the period	8.9	-	(75,283)	(75,283)
Balance at 30 June 2020		137,770	906,132	1,043,902

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

Statement of Cash Flows

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For the year ended 30 June 2020

Notes	2020 \$	2019 \$
CASH FLOWS FROM STATE GOVERNMENT		
Service appropriation	249,000	227,000
Grants Received from Other State Agencies	103,163	172,401
Net cash provided by state government	352,163	399,401
Utilised as follows:		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee benefits	(249,758)	(244,566)
Supplies and services	(102,788)	(161,860)
Finance costs	(286)	-
Accommodation	-	-
GST payments on purchases	(15,777)	(20,290)
Grants and subsidies	(73,666)	(62,410)
Other payments	(214)	(1,842)
Receipts		
GST receipts on sales	36	447
GST receipts from taxation authority	13,155	139,883
Other receipts	5,964	23,757
Net cash used in operating activities	(423,334)	(326,881)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments		
Purchase of non-current assets		-
Net cash used in investing activities		-
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments		
Principal elements of lease payments	(4,797)	-
Net cash used in financing activities	(4,797)	-
Net increase/(decrease) in cash and cash equivalents	(75,968)	72,520
Cash and cash equivalents at the beginning of the period	998,489	925,969
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD 6.	922,521	998,489

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

Summary of Consolidated Account Appropriations

For the year ended 30 June 2020

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	Budget estimate 2020 \$	Supple- mentary Funding 2020 \$	Revised Budget 2020 \$	Actual 2020 \$	Variance 2020 \$
Delivery of Services Amount Authorised by Other Statutes					
- Salaries and Allowances Act 1975	249,000	-	249,000	249,000	-
Total appropriations provided to deliver services	249,000	-	249,000	249,000	-
GRAND TOTAL	249,000	-	249,000	249,000	-

Notes to the Financial Statements

For the year ended 30 June 2020

1. Basis of Preparation

The Commission is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 18 September 2020.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1 The Financial Management Act 2006 (FMA)
- 2 The Treasurer's Instructions (the Instructions or TI)
- 3 Australian Accounting Standards (AASs) Reduced Disclosure Requirements
- 4 Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions take precedence over AASs. Several AASs are modified by the Instructions to vary application, disclosure format and wording. 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.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Significant judgements and estimates have been made to meet the requirements of the new standards AASB 16 and AASB 1058.

Refer to Note 8.2 for the impact of the initial adoption and the practical expedients applied in the initial recognition.

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 transfers 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.

2. Use of Our Funding

Expenses incurred in the delivery of services

This section provides additional information about how the Commission's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Commission in achieving its objectives and the relevant notes are:

	Notes	2020	2019
		\$	\$
Employee benefits expenses	2.1(a)	259,945	257,968
Employee benefits provisions	2.1(b)	56,455	46,268
Grants and subsidies	2.2	73,666	62,410
Other expenses	2.3	1,581,870	1,461,426
2.1. (a) Employee benefits expenses			

	2020	2019
	\$	\$
Wages and salaries	233,837	233,173
Superannuation	26,108	24,795
Total employee benefits expenses	259,945	257,968
Add: AASB 16 Non-monetary benefits	15,419	-
Net employee benefits	275,364	257,968

Wages and salaries: Include all costs related to employment including wages and salaries, annual leave and long service leave entitlements.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds.

AASB 16 Non-monetary benefits: Non-monetary employee benefits expenses, predominantly relate to the provision of Vehicle and Housing benefits are measured at the cost incurred by the Commission.

2.1. (b) Employee benefits provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2020	2019
Current	\$	\$
Employee benefits provisions		
Annual leave ^(a)	28,527	25,880
Long service leave ^(b)	-	-
	28,527	25,880
Other provisions		
Employment on-costs ^(c)	391	355
Total current employee related provisions	28,918	26,235
Non-Current		
Employee benefits provisions		
Long service leave ^(b)	27,170	19,764
Other provisions		
Employment on-costs (c)	367	269
Total non-current employee related provisions	27,537	20,033
Total employee related provisions	56,455	46,268

a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.



b) **Long service leave liabilities:** 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.

The components of the long service leave liabilities are calculated at present value as the Commission does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, 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.

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

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, Note 2.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Commission's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2020	2019
Employment on cost provision	\$	\$
Carrying amount at start of period	624	419
Additional provisions recognised	134	205
Carrying amount at end of period	758	624

Key sources of estimation uncertainty-long service leave

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.

Several estimates and assumptions are used in calculating the Commission's long service leave provision. These 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.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

2.2. Grants and Subsidies

	2020	2019
Recurrent	\$	\$
Royalties for Regions Fund - Regional Grants Scheme	73,666	50,000
Royalties for Regions Fund - Community Chest Fund	-	12,410
Total grants and subsidies	73,666	62,410

Transactions in which the Commission provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

2.3. Other Expenditure

	2020	2019
Supplies and services	\$	\$
Communications	72	-
Consultants and contractors	129,028	160,214
Consumables	9,954	11,402
Equipment repairs and maintenance	18	-
Operating leases - vehicles	-	5,520
Travel	2,230	10,653
Other	338	7,254
Resources provided free of charge by DPIRD ^(a)	1,438,156	1,264,541
Total supplies and services expense	1,579,796	1,459,584
Other expenses		
Sponsorship	-	1,636
Expected credit losses expense	1,860	-
Other administrative expenses	214	206
Total other expenses	2,074	1,842
Total other expenditure	1,581,870	1.461.426

- (a) Support Services provided by DPIRD to support the Commission in the fulfilment of its statutory functions and obligations under the Regional Development Commission Act 1993. See note 3.1 Income from State Government.
- (b) Included within rental costs are short-term and low value leases of up to \$5,000. This excludes leases with another wholly-owned public sector entity lessor agency. Refer to note 6.1 for aggregate short-term and low value leases expense.
- (c) Includes employment on-cost adjustments.

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Other expenses generally represent the day-to-day running costs incurred in normal operations.

Other administrative expenses includes workers' compensation insurance and other employment on-costs. The on costs liability associated with the recognition of annual and long service leave liabilities is included at Note 2.1 (b) Employee benefit provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Notes to the Financial Statements continued...

3. Our Funding Sources

How we obtain our funding

This section provides additional information about how the Commission obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Commission and the relevant notes are:

Notes	2020 \$	2019 \$
Income from State Government 3.1	1,790,319	1,663,942
Other revenue 3.2	77,195	27,122
3.1. Income from State Government		
	2020	2019
	\$	\$
Appropriations received during the period: ^(a)		
Salaries and Allowances Act 1975	249,000	227,000
	249,000	227,000
Services received free of charge ^(b)		
Determined on the basis of the following estimates provided by agencies: Department of Primary Industries and Regional Developments - Support		
Services provided ^(c)	1,438,156	1,264,541
Total services received	1,438,156	1,264,541
Grants received from Other State Agencies	103,163	172,401
	103,163	172,401
Total income from State Government	1,790,319	1,663,942

- (a) Appropriations are recognised as income at fair value of consideration received in the period in which the Commission gains control of the appropriated funds. The Commission gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury. Appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component only.
- (b) 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) Department of Primary Industries and Regional Development Support Services provided by DPIRD to support the Commission's in the fulfilment of its statutory functions and obligations under the Regional Development Commission Act 1993. See note 3.3 Other Expenditure.

The application of AASB 15 and AASB 1058 from 1 July 2019 has no impact on the treatment of income from State Government.

3.2. Other Revenue

	2020	2019
	\$	\$
Recoups - other	77,165	2,791
Other revenue ^(a)	-	24,167
Miscellaneous income	30	164
	77,195	27,122

The application of AASB 15 and AASB 1058 from 1 July 2019 has no impact on the treatment of other revenue

3.3. Gains		
	2020	2019
	\$	\$
Net proceeds from disposal of non-current assets		
Vehicles	200	-
Carrying amount of non-current assets disposed		
Vehicles	(79)	-
Net gain/(loss)	121	-

Realised 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.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

4. Key Assets

Assets the Commission utilises for economic benefit or service potential

This section includes information regarding the key assets the Commission utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2020	2019
		\$	\$
Property, plant and equipment	4.1	2,211	9,431
Right-of-use assets	4.2	-	-
Intangible assets	4.3	-	15,134
Total key assets		2,211	24,565

4.1. Property, plant and equipment

Year ended 30 June 2020	Office equipment \$	Furniture, fixtures and fittings \$	Computer hardware \$	Total \$'000
1 July 2019				
Gross carrying amount	6,315	14,864	55,234	76,413
Accumulated depreciation	(2,841)	(14,863)	(49,278)	(66,982)
Carrying amount at start of period	3,474	1	5,956	9,431
Additions	-	-	-	-
Disposals (written down value)	-	-	-	-
Depreciation	(1,263)	(1)	(5,956)	(7,220)
Carrying amount at 30 June 2020	2,211	-	-	2,211
Gross carrying amount	6,315	14,864	55,234	76,413
Accumulated depreciation	(4,104)	(14,864)	(55,234)	(74,202)
Accumulated impairment loss				-

Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of property, 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).

Notes to the Financial Statements continued...

Subsequent measurement

Subsequent to initial recognition as an asset, the historical cost model is used for the measurement of property, plant and equipment. All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

(a) Depreciation and impairment

Charge for the period

	2020	2019
Depreciation	\$	\$
Office equipment	1,263	1,263
Furniture, fixtures and fittings	1	598
Computer hardware	5,956	7,151
Total depreciation for the year	7,220	9,012

As at 30 June 2020 there were no indications of impairment to plant and equipment.

Please refer to note 4.3 for guidance in relation to the impairment assessment that has been performed for intangible assets.

Finite useful lives

All plant and equipment 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. The exceptions to this rule include items under operating leases, assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

lleaful life: vears

Asset

A0001	
Office equipment and computer hardware	3 to 10 years
Plant and equipment	10 to 15 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting, and adjustments should be made where appropriate

(b) Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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

4.2. Right-of-use assets

Year ended 30 June 2020	Vehicles \$	Total \$
1 July 2019		
Gross carrying amount	-	-
Accumulated amortisation	-	-
Carrying amount at start of period	-	-
Recognition of right-of-use asset on initial application of AASB 16	20,254	
Adjusted balance at 1 July 2019	20,254	-
Additions		-
Disposals	(15,457)	-
Transfers	-	-
Impairment loss	-	-
Depreciation	(4,797)	-
Carrying amount at 30 June 2020	-	-
Gross carrying amount	-	-
Accumulated depreciation	-	-
Accumulated impairment loss	-	-

Initial recognition

Right-of-use assets are measured at cost including the following:

- · the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at the cost less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Commission at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment of outlined in note 4.1.

Depreciation charge of right-of-use assets

	2020	2019
	\$	\$
Vehicles	4,797	-
Total right-of-use asset depreciation	4,797	-
Lease interest expense (included in Finance Cost)	286	-

The total cash outflow for leases in 2019-20 was \$4,411.

Notes to the Financial Statements continued...

The Commission's leasing activities and how these are accounted for:

The Commission had leases for vehicles.

The Commission has entered in a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense incurred.

Up to the 30 June 2019, the Commission classified leases as either finance leases or operating leases, From the 1 July, the Department recognised leases as right-of-assets and associated leases liabilities in the Statement of Financial Position.

The corresponding leases liabilities in relation to these right-of-use assets have been disclosed in note 6.1.

4.3. Intangible assets

Year ended 30 June 2020	Computer software \$	Total \$
1 July 2019		
Gross carrying amount	45,400	45,400
Accumulated depreciation	(30,266)	(30,266)
Carrying amount at start of period	15,134	15,134
Additions	-	-
Disposals (written down value)	-	-
Revaluation increments/(decrements)	-	-
Amortisation	(15,134)	(15,134)
Carrying amount at 30 June 2020	·	-
Gross carrying amount	45,400	45,400
Accumulated amortisation	(45,400)	(45,400)
Accumulated impairment loss		-

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

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.

Subsequent measurement

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

Amortisation of intangible assets

	2020	2019
Amortisation	\$	\$
Computer software	15,134	15,133
Total amortisation for the period	15,134	15,133

As at 30 June 2020 there were no indications of impairment to intangible assets.

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.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Commission have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful life for computer software, which is not integral to the operation of any related hardware is 3 to 5 years.

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Impairment of intangible assets

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Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.

5. Other Assets and Liabilities

This section sets out those assets and liabilities that arose from the Commission's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations.

	Note	2020	2019
		\$	\$
Receivables	5.1	91,170	19,372
Amounts receivable for services	5.2	134,000	134,000
Payables	5.3	49,545	10,973
5.1. Receivables			
		2020	2019
Current		\$	\$
GST receivable		13,170	10,864
Receivables		78,000	8,508
Total current		91,170	19,372

The Commission does not hold any collateral or other credit enhancements as security for receivables.

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

5.2. Amounts receivable for services (Holding Account)

	2020	2019
	\$	\$
Current	-	-
Non-current	134,000	134,000
	134,000	134,000

Amounts receivable for services represent 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.

Amounts receivable for services are considered not impaired (ie. there is no expected credit loss of the Holding Account).

5.3. Payables

	2020	2019
Current	\$	\$
Accrued salaries	-	868
Accrued expenses	2,331	-
Trade payables	47,214	10,105
Balance at end of period	49,545	10,973

Payables are recognised at the amounts payable 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.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

Notes to the Financial Statements continued...

6. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Commission.

	Notes
Lease liabilities	6.1
Finance costs	6.2
Cash and cash equivalents	6.3
Commitments	6.4

6.1. Lease liabilities

(a) The statement of financial position shows the following amounts relating to lease liabilities:

	2020	2019
	\$	\$
Current	-	-
Non-current	-	-
	-	-

(b) The Commission's leasing activities and how these are accounted for.

Lessees were required to classify leases as either finance leases or operating leases until 30 June 2019. From 1 July 2019, at the commencement date, lessees are required to recognise leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Commission uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Commission as part of the present values calculation of lease liability include;

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the Commission exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

(c) Variable Lease payments

Variable lease payments that are dependent on sales are recognised in profit or loss in the period in which the condition that triggers those payment occurs.

(d) Extension and termination options

Periods covered by extension or termination options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(e) Short-term and low-value leases

Payments associated with short-term and low-value leases are recognised as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets that are individually valued less than \$5,000 at cost. This excludes leases with another wholly-owned public sector entity lessor agency. These expenses are included within note 2.3 Other Expenditure. This section should be read in conjunction with note 4.2.

(f) Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modification.

6.2. Finance costs

	2020	2019
	\$	\$
Lease interest expense	286	-
	286	-

'Finance cost' includes the interest component of lease liability repayments.

6.3. Cash and cash equivalents

	2020	2019
	\$	\$
Cash and cash equivalents	855,028	793,402
Total cash and cash equivalents	855,028	793,402
Restricted cash and cash equivalents:		
Salaries and Allowances	24,493	-
Royalties for Regions Fund ^(a)	43,000	205,087
Total restricted cash and cash equivalents	67,493	205,087
Total Current	67,493	205,087
Balance at end of period	922,521	998,489

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

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.

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#### 6.4. Commitments

Non-cancellable operating lease commitments:

|                                                               | 2020     | 2019   |
|---------------------------------------------------------------|----------|--------|
| Commitments for minimum lease payments are payable as follows | \$       | \$     |
| Within 1 year                                                 | -        | 7,278  |
| Later than 1 year and not later than 5 years                  | -        | 15,768 |
| Later than 5 years                                            | <u> </u> | -      |
|                                                               | -        | 23,046 |

These commitments are all GST inclusive.

From 1 July 2019, the Commission has recognised the right-of-use assets and corresponding lease liability for all non-cancellable operating lease commitments, apart from short term and low value leases. Refer to Note 4.2 and 6.1.

# Notes to the Financial Statements continued...

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#### 7. Financial instruments and Contingencies

|                                   | Notes |
|-----------------------------------|-------|
| Financial instruments             | 7.1   |
| Contingent assets and liabilities | 7.2   |

#### 7.1. Financial Instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

|                                                  | 2020      | 2019      |
|--------------------------------------------------|-----------|-----------|
|                                                  | \$        | \$        |
| Financial assets                                 |           |           |
| Cash and cash equivalents                        | 855,028   | 793,402   |
| Restricted cash and cash equivalents             | 67,493    | 205,087   |
| Receivables <sup>(a)</sup>                       | 78,000    | 8,508     |
| Total financial assets                           | 1,000,521 | 1,006,997 |
| Financial liabilities                            |           |           |
| Financial liabilities measured at amortised cost | 49,545    | 10,973    |
| Total financial liabilities                      | 49,545    | 10,973    |
|                                                  |           |           |

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

#### 7.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### **Contingent assets**

No Contingent assets exist as at 30 June 2020.

#### **Contingent liabilities**

No Contingent liabilities exist as at 30 June 2020.

#### 8. Other Disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

|                                                        | Note |
|--------------------------------------------------------|------|
| Events occurring after the end of the reporting period | 8.1  |
| Initial application of Australian Accounting Standards | 8.2  |
| Key management personnel                               | 8.3  |
| Related party transactions                             | 8.4  |
| Related bodies                                         | 8.5  |
| Affiliated bodies                                      | 8.6  |
| Remuneration of auditor                                | 8.7  |
| Equity                                                 | 8.8  |
| Supplementary financial information                    | 8.9  |
| Explanatory statement                                  | 8.10 |

#### 8.1. Events occurring after the end of the reporting period

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

#### 8.2. Initial application of Australian Accounting Standards

#### AASB 15 – Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* for annual reporting periods on or after 1 July 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

• Identifying contracts with customers

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- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 income of Not-for-Profit Entities. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by the Commission.

The Commission adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information will be restated under this approach and the Commission recognises the cumulative effect of initially applying the Standards as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

Refer to Note 3.1 to 3.3 for the revenue and income accounting policies adopted from 1 July 2019.

There was no impact on retained earnings on 1 July 2019 as a result of adopting AASB 15 and AASB 1058.

#### AASB 16 – Leases

From 1 July 2019, AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The main changes introduced by the new Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as a right-of-use asset and lease liability, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (valued less than \$5,000) where the lessor is not a WA State Government agency. The operating lease and finance lease distinction for lessees no longer exists.

The Commission has applied the modified retrospective approach on initial adoption. As permitted under the specific transition provisions in the standard, comparatives have not been restated. The cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings. Lease liabilities recognised are measured at present value of the remaining lease payments, discounted using the incremental borrowing rate.

The Commission is permitted on a lease-by-lease basis to apply the following practical expedients.

- (a) A single discount rate may be applied to a portfolio of leases with reasonably similar characteristics.
- (b) Commission relies on its assessment of whether leases are onerous applying AASB 137 Provisions, Contingent Liabilities and Contingent Assets immediately before 1 July 2019 as an alternative to performing an impairment review, the Commission shall adjust the right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application.



- (c) Exclusion of initial direct costs from the measurement of right-of-use asset at the date of initial application.
- (d) Use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

AASB 16 takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- (a) Right of use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate (2.5%) on 1 July 2019.
- (b) Depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income.
- (c) The total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the statement of cash flows.

For leases previously classified as finance leases in 2019, the carrying amount of the lease asset and lease liability immediately before transition has been used as the carrying amount of the right-of-use asset and the lease liability as of 1 July 2019.

Measurement of lease liabilities:

| Operating lease commitments disclosed as at 30 June 2019<br>Discounted using incremental borrowing rate at date of initial application | \$<br>20,951<br><u>20,254</u> |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Lease liability recognised at 1 July 2019                                                                                              | <u>20,254</u><br>4.125        |
| Non-current lease liabilities                                                                                                          | 16,129                        |

#### 8.3. Key management personnel

The Commission has determined key management personnel to include Chief Executive Officer, members of the accountable authority, senior officers of the Commission working at DPIRD and the Minister that the Commission assists. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the commission for the reporting period are presented within the following bands:

| Compensation of members of the accountable authority | 2020    | 2019    |
|------------------------------------------------------|---------|---------|
| Compensation band (\$)                               | _       |         |
| 0 - 10,000                                           | 7       | 6       |
| 40,001 - 50,000                                      | -       | 1       |
| 50,001 - 60,000                                      | 1       | -       |
| Compensation of senior officers (\$)                 |         |         |
| 150,001 - 160,000                                    | 1       | -       |
| 160.001 - 170.000                                    | -       | 1       |
| 230,001 - 240,000                                    | 1       | -       |
| 250,001 - 260,000                                    | -       | 1       |
|                                                      | 2020    | 2019    |
|                                                      | \$      | \$      |
| Short-term employee benefits                         | 419,133 | 397,845 |
| Post-employment benefits                             | 39,542  | 40,138  |
| Other long-term benefits                             | 13,343  | 38,713  |
| Total compensation of key management personnel       | 472,018 | 476,696 |

The total compensation includes the superannuation expense incurred by the Commission in respect of members of the Commission.

#### 8.4. Related parties

The Commission is a wholly owned and controlled entity of the State of Western Australia. Related parties of the commission include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- · associates and joint ventures, of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

#### Material transactions with other related entities

Outside of normal citizen type transactions with the commission there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or Jointly controlled) entities.

#### 8.5. Related bodies

The Peel Development Commission had no related bodies.

#### 8.6. Affiliated bodies

The Peel Development Commission had no affiliated bodies.

#### 8.7. Remuneration of auditors

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

|                                                                          | 2020<br>\$ | 2019<br>\$ |
|--------------------------------------------------------------------------|------------|------------|
| Auditing the accounts, financial statement controls, and key performance | Ψ          | Ψ          |
| indicators                                                               | 25,000     | 25,000     |
| 8.8. Equity                                                              |            |            |
|                                                                          | 2020       | 2019       |
|                                                                          | \$         | \$         |
| Contributed equity                                                       |            |            |
| Balance at start of period                                               | 137,770    | 137,770    |
| Balance at end of period                                                 | 137,770    | 137,770    |
| Accumulated surplus                                                      |            |            |
| Balance at start of period                                               | 981,415    | 1,096,300  |
| Result for the period                                                    | (75,283)   | (114,885)  |
| Balance at end of period                                                 | 906,132    | 981,415    |
| Total equity at end of period                                            | 1,043,902  | 1,119,185  |

Notes to the Financial Statements continued...

#### 8.9. Supplementary financial information

#### (a) Write-Offs

During the financial year, \$2,045 (2019 -: Nil) was written off by the Delegated Authority.

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

There were no losses of public money and public and other property during the financial year.

#### (c) Gift of public property

There was no gift of public property during the financial year.

#### 8.10. Explanatory statement

The Commission is exempt from TI 945 Explanatory Statement as their Total Cost of Services is below \$10 million for the two most recent consecutive comparative periods

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# **Key Performance Indicators**

# 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 2020.

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Patricia Creevey Chair 18 September 2020

Andrew Ward Chief Executive Officer 18 September 2020

# Additional Key Performance Indicator information

### **Summary of Key Performance Indicators**

| Indicators                                                                                                      | FY20<br>Target | FY20<br>Actual | Variation |
|-----------------------------------------------------------------------------------------------------------------|----------------|----------------|-----------|
| <i>Effectiveness Indicator</i><br>Client satisfaction with the contribution to the Region's economic base       | Not measured   |                |           |
| <i>Efficiency Indicators</i><br>Service 1: Facilitate and coordination<br>Average cost per unit of service hour | \$117          | \$117          | -\$0      |
| Service 2: Advice and information<br>Average cost per unit of service hour                                      | \$70           | \$74           | -\$4      |

#### Additional key performance indicator information

#### **Overall Effectiveness Indicators**

The Commission measures its effectiveness indicators through an annual client perceptions survey, conducted by an independent market research company.

Due to COVID-19 restrictions, and pursuant to Treasurer's instruction (TI) 904 para (3)(i) the commission sought and obtained an exemption from reporting the key effectiveness indicator for the 2019-20 financial year. The values provided below represent prior years results only.

| Desired outcome:<br>Development and promotion<br>of the Peel region       | 2015-16<br>Actual | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>Actual |
|---------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Client satisfaction with<br>contribution to the region's<br>economic base | 89%               | 87%               | 82%               | 85%               |

Source: Perth Market Research

## **Efficiency Indicators**

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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 –<br>average cost per hour of<br>service | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>Actual | 2019-20<br>Target | 2019-20<br>Actual | Variance |
|---------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|
| Service 1 Facilitation and coordination                       | \$100             | \$102             | \$86              | \$117             | \$117             | \$0      |
| Service 2 Advice and information                              | \$57              | \$53              | \$53              | \$70              | \$74              | -\$4     |

Note 1: Operating cost information is sourced from the Statement of Comprehensive Income total cost of service excluding grants and subsidies.

Note 2: Service hours calculated in both the 2019-20 target and actual results use a modified calculation method consistent with DPRID and other RDC's that use an hour's calculation. Hours include all paid hours of staff and contractors but exclude annual and long service leave or unpaid overtime.

Note 3: The target cost per hour is an estimated figure based on budgeted expenditure and staffing levels.

#### Comments

The difference between target and actual was not material.



# **Ministerial directives**

No Ministerial directives were received during the reporting period.

# **Other financial disclosures**

# 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 2019–20.

## Employment and industrial relations

Staff Profile

|                     | As at 30 June<br>2019 | As at 30 June<br>2020 |
|---------------------|-----------------------|-----------------------|
| Full time permanent | 5.0                   | 4.0                   |
| Part time permanent | 1.6                   | 3.94                  |
| Full time contract  | 1.0                   | 1.0                   |
| Part time contract  | 0.5                   | 0.0                   |
| Part time casual    | 0.0                   | 0.0                   |
| Total (FTE)         | 8.1                   | 8.94                  |

## 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.

#### Workers compensation

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

## Personal use of credit cards

Credit cards are issued to two 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.

# **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 meetings**

During the reporting period, the Commission's Board met on five 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                |
|-------------------------------|------------|---------------------|
| Paddi Creevey — Chair         | 3/5        | 26/09/17 – 30/06/21 |
| Alan Cransberg — Deputy Chair | 5/5        | 10/06/19 – 30/06/22 |
| Rhys Williams                 | 5/5        | 29/01/18 – 31/12/20 |
| Michelle Rich                 | 5/5        | 29/01/18 – 31/12/20 |
| David Doepel                  | 3/3        | 20/01/20 – 31/12/22 |
| Michelle Sidebottom           | 5/5        | 10/09/18 – 30/06/21 |
| Andrew Taggart                | 1/2        | 12/11/18 – 31/12/19 |
| Andrew Ward                   | 5/5        | CEO                 |

# **Board and Committee remuneration**

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

| <b>Board Member</b>      | Type of<br>remuneration* | Period of<br>membership | Gross amount<br>\$ |
|--------------------------|--------------------------|-------------------------|--------------------|
| Paddi Creevey            | Stipend                  | 12 months               | 45,600             |
| Alan Cransberg           | Stipend & Sitting Fees   | 12 months               | 8,221              |
| Michelle Rich            | Sitting Fees             | 12 months               | 1,866              |
| Michelle Sidebottom      | Sitting Fees             | 12 months               | 3,110              |
| Rhys Williams            | Sitting Fees             | 12 months               | 2,488              |
| David Doepel             | Sitting Fees             | 5 months                | 1,244              |
| Andrew Taggart           | Sitting Fees             | 6 months                | 1,244              |
| Peter Cooke <sup>^</sup> | Sitting Fees             | 12 months               | 416                |
| Total                    |                          |                         | 64,189             |

^ Transform Peel Strategic Advisory Committee member)

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# **Other legal requirements**

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# 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:

| Туре                            | Supplier                   | \$       |
|---------------------------------|----------------------------|----------|
| Advertising agencies            | -                          | Nil      |
| Market research organisations   | Survey Monkey              | 257.85   |
| Polling organisations           | -                          | Nil      |
| Direct mail organisations       | Mailchimp                  | 954.65   |
|                                 | Australia Post             | 896.06   |
| Media advertising organisations | Fairfax Media              | Nil      |
|                                 | Community Newspaper Group  | Nil      |
|                                 | Facebook (Posts – various) | 58.96    |
| Total                           |                            | 2,167.52 |

## Disability Access and Inclusion Plan outcomes

Peel Development Commission is committed to promoting an inclusive environment in which all people can access our services and facilities. In 2018, the Commission was included under the umbrella of the overarching Department of Primary Industries and Regional Development (DPIRD) Disability Access and Inclusion Plan (DAIP) 2018–2023. This plan is designed to ensure all people are considered in all Commission activities and services and 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 DPIRD Disability Access and Inclusion Plan 2018–2023 outlines the following outcomes:

- **Outcome 1:** People with disability 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 disability have the same opportunities as other people to access the offices and other facilities of the Peel Development Commission.
- **Outcome 3:** People with disability 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 disability receive the same level and quality of service from the staff of the Peel Development Commission as other people receive.
- **Outcome 5:** People with disability have the same opportunities as other people to make complaints to the Peel Development Commission.
- **Outcome 6:** People with disability 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.

A copy of the **DPIRD Disability Access and Inclusion Plan 2018–2023** can be found on the Commission's website and intranet.

# Other legal requirements continued...

# 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.

| <b>Compliance item</b>                                                            | Significant action taken to monitor and ensure compliance                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Sector Standards<br>(PSS)<br>Nil breach claims                             | <ul> <li>Regularly updated information about Standards included on the Peel<br/>Development Commission internal information system and within induction<br/>materials as well as being provided to the Board.</li> <li>Ongoing awareness-raising process conducted on the standards.</li> <li>Transactions audited internally as a standard operating procedure.</li> </ul> |
|                                                                                   | <ul> <li>Annual presentation to Board members from the Public Sector Commissioner<br/>outlining public sector standards, board ethos and good governance principles.</li> </ul>                                                                                                                                                                                             |
| WA Code of Ethics<br>Nil reports                                                  | <ul> <li>The WA Code of Ethics forms part of induction materials and is listed on the Peel<br/>Development Commission internal information system. Ethics is a standing topic<br/>for all executive and staff meetings.</li> </ul>                                                                                                                                          |
| Peel Development<br>Commission Code of<br>Conduct<br>Nil breach claims or reports | <ul> <li>Code of Conduct is accessible on the Commission's Sharepoint site and hard copies<br/>are available to staff and Board members (signed off on induction).</li> <li>Code of Conduct is part of all inductions for Board and staff members.</li> </ul>                                                                                                               |

## 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 the revised plan adopted in November 2015. Our plan is currently under review with the revised plan to be tabled by November 2020.

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

# **Government policy requirements**

# Substantive equality

Substantive equality recognises that while some systems and processes may outwardly appear as nondiscriminatory, they may not be fully responsive to the needs and aspirations of different people and groups and, as a result, can unintentionally create further inequalities. Peel Development Commission is committed to identifying and eliminating institutional barriers wherever they exist.

## 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. Significant efficiencies have been realised in 2019–20 through the adoption of DPIRD corporate processes and procedures for OSH.

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 during induction of new staff;
- Establishment of an OSH Workplace Committee that meets on a quarterly basis;
- Adoption of DPIRD Hazard/incident reporting procedures; and
- Open access to both grievance resolution procedures and Employee Assistance Program (EAP) services.

# Government policy requirements continued...

The Commission ensures compliance with the injury management requirements of the *Workers Compensation and Injury Management Act 1981* by adopting relevant DPIRD corporate 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.

|                                                                                                         | Target<br>2018-19   | Actual<br>2018-19 | Target<br>2019-20   | Actual<br>2019-20 |
|---------------------------------------------------------------------------------------------------------|---------------------|-------------------|---------------------|-------------------|
| Number of fatalities                                                                                    | 0                   | 0                 | 0                   | 0                 |
| Lost time injury/disease incidence rate                                                                 | 0                   | 0                 | 0                   | 0                 |
| Lost time injury and/or disease incident rate                                                           | 0                   | 0                 | 0                   | 0                 |
| Lost time injury and/or disease severity rate                                                           | 0                   | 0                 | 0                   | 0                 |
| Percentage of injured workers returned to work                                                          |                     |                   |                     |                   |
| i) within 13 weeks                                                                                      | 0                   | 0                 | 0                   | 0                 |
| ii) within 26 weeks                                                                                     | n/a                 | n/a               | n/a                 | n/a               |
| Percentage of managers trained in occupational safety,<br>health and injury management responsibilities | Greater<br>than 80% | 100%              | Greater<br>than 80% | 100%              |

# Government Building Training Policy

Peel Development Commission does not enter into building and construction contracts; these are managed by the Department of Finance, Building Management and Works, on our behalf and will therefore be reported on in their annual report.

Minor maintenance work may be contracted in relation to the Commission's offices but these contracts would be below the \$2 million threshold.





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