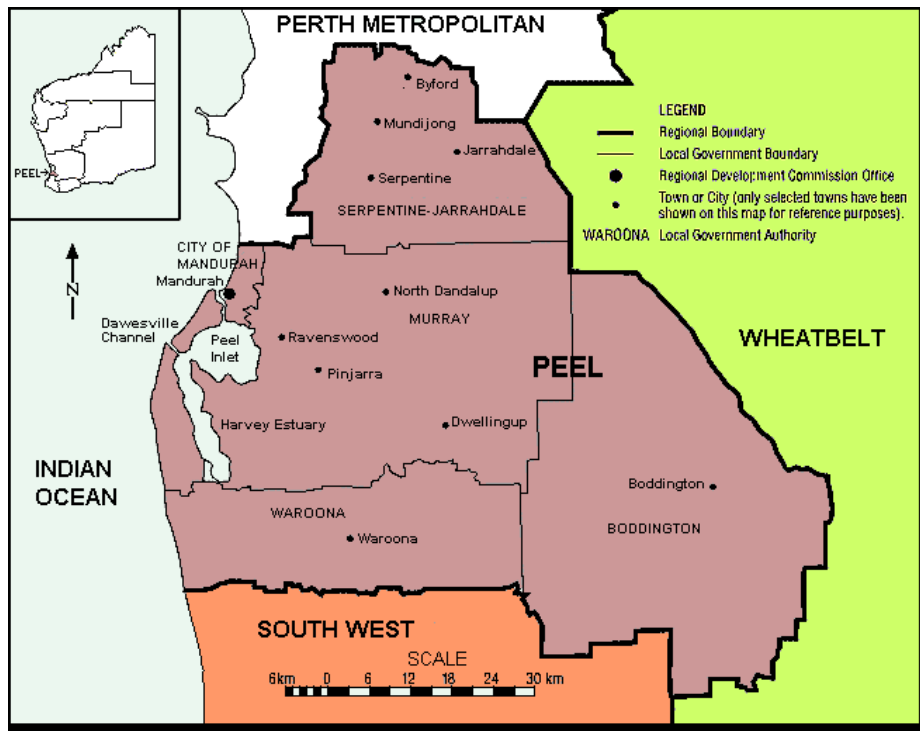




# PEEL DEVELOPMENT COMMISSION ANNUAL REPORT 2008-2009

# The Peel Region of Western Australia



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

In line with State Government requirements, Peel Development Commission's annual report is published in an electronic format, with limited use of graphics and illustrations to help minimise download times. It can be downloaded at [www.peel.wa.gov.au](http://www.peel.wa.gov.au).

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

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

## STATEMENT OF COMPLIANCE

The Hon Brendon Grylls MLA  
Minister for Regional Development

In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Peel Development Commission for the financial year ended 30 June 2009.

The Peel Development Commission was established under the *Regional Development Commissions Act 1993*. In the performance of its functions, the Peel Development Commission complies with all relevant written laws including but not limited to:

- Regional Development Commissions Act 1993;
- Public Sector Management Act 1994;
- Financial Management Act 2006;

In the financial administration of the Peel Development Commission, we have complied with the requirements of the *Financial Management Act 2006* and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys 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.



Kim Horne  
Chairman  
1 September 2009



Maree De Lacey  
Chief Executive Officer  
1 September 2009

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## EXECUTIVE SUMMARY

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

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

The Peel Development Commission's Strategic Plan was reviewed in 2008 and a new Strategic Plan 2009-2014 was completed, setting the strategic direction for the Commission's activities. The Strategic Plan incorporates five outcomes: Government decision-making takes account of Peel issues; The Peel has an evolving, adaptive and diverse economy with increased jobs; Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel; Peel communities are educated, productive, healthy, safe and supportive; the Peel environment is better understood and managed.

The five outcomes are aligned to the goal of regional development in the State Government's strategic framework.

The Commission's detailed report against Overall Effectiveness Indicators is on page 66. There was a slight decrease in the main effectiveness indicator as measured through a client survey but overall the Commission's performance, as measured by the annual customer satisfaction survey, remains very high. It is pleasing to note that almost all outcome areas recorded an increase in customer satisfaction, already from a high base. The Commission's efficiency indicators (measured in average cost per service hour) were lower than the target but were consistent with those of previous years.

The Commission increased FTE by 1 in 2008-09, funded from Royalties for Regions for delivery of the strategic priority project, a revised economic development strategy which will be developed simultaneously with the delivery of key economic development projects.

The Commission's Report on Operations from page 17 details the project outcomes for the Peel Development Commission in 2008-09.

Among other results detailed in the Report on Operations, in 2008-09 the Commission led the penultimate year of two major projects. The first was the \$9 million Boddington Gold Social Infrastructure project and the second was the \$2.64 million Pinjarra-Brunswick Sustainability project. The Boddington project has seen infrastructure delivered for

the communities of Boddington, Murray and Wandering including light industrial land, main street upgrades, improvements to roads; and planning for the Pinjarra bypass, a medical centre and a childcare centre. Among the achievements of the Pinjarra Brunswick Sustainability project this year were: the opening of the Peel Farmers' Market; the coordination of the Peel Tourism Exchange that brought 20 tourism wholesalers into Peel and showcased the marketing of four new tourism packages that were developed through the project; and enabling 46 regional people to obtain further qualifications through increased access to Recognition of Prior Learning.

The most significant change for Commissions this year was the introduction of the Royalties for Regions program, with \$4.4million allocated to each commission for regional services, infrastructure and headworks, along with a major policy focus on local decision-making, capacity building and assisting regional communities to prosper. A detailed report on Royalties for Regions is provided from page 22.

The 'Disclosures and Legal Compliance' section, from page 36, demonstrates that the Commission complied with all legislation and policy requirements. From April 2009 the Office of Shared Services began providing financial, procurement and human resources services to the Peel Development Commission. The Commission reviewed all internal policies in 2008-09 and made significant improvements in areas of financial controls, procurement and contract management.

While the Peel Region has not been immune from the global financial downturn, its strong industrial base, along with the Commission's focus on delivering long term benefits through the projects it supports, has given it a strong foundation for further growth and development.

## CHAIRMAN'S REPORT

2008-09 has seen unprecedented reform of regional development in Western Australia through the introduction of the Royalties for Regions program.

For the Peel Development Commission and the Peel Region, the results were immediate.

In the first round of the \$3.5 million Royalties for Regions Peel Regional Grants Scheme, 26 projects were funded in Peel with a total project value of nearly \$27 million. This means a project value of around \$7.50 was leveraged for every \$1.00 in Royalties for Regions funds. Equally importantly, the approved projects will create over 60 jobs in Peel.

In addition to the contestable grants, Royalties for Regions provided \$780 000 for social infrastructure in Boddington and surrounds this year. Newmont Boddington Gold has a target of 65% of their workforce living within a 50km radius of the US\$2.9 billion Boddington Gold Mine. One of the Commission's highest priorities is to support the Shires of Boddington, Murray and Wandering to build strong sustainable communities in those areas. The Royalties for Regions funds were immediately used not only to start up the Shires' highest priorities, but to leverage Commonwealth Government funding applications totalling over \$10 million in Boddington.

The Peel Development Commission is mindful of the heightened level of responsibility that comes with the Royalties for Regions program. Before implementing the program the Commission obtained independent audits of internal funds management and governance arrangements and strengthened every aspect of the grants assessment and management processes. The Commission has also been a partner in the development of consistent approaches across the State.

The importance of our leadership in the negotiation of the Peel Region Priorities was again demonstrated, with over \$420 million allocated so far by State and Commonwealth governments to the 2008-10 Priorities, including major community, road and utility infrastructure that is broadly supported by all stakeholders in the region, and will position the region to meet the long-term needs of its growing and diverse population.

The Peel Region, despite its many assets, was not immune to the global financial conditions of 2008-09. The Peel Development Commission's strengths include its ability to respond quickly to changing circumstances and to help others to do the same. In early 2009 the Commission organised a forum attended by over 120 people across the region's business sector that gave contemporary, accurate information about the crisis and its implications for the Peel from experts in industry and government. This practical, timely support for the region demonstrates the importance of local responsiveness in regional development.

2008-09 was an exciting year in the work of the Peel Development Commission and in regional development across the state. It has been a privilege to lead the Board of the Peel Development Commission into the new era. I thank my predecessor, Hon John Cowdell, for his wisdom and direction over the past three years. On behalf of the board I also thank the Minister for Regional Development, Hon Brendon Grylls, for his unwavering support for Peel Region and for

regional development in Western Australia. Finally I would like to thank and congratulate the Chief Executive Officer and her staff for their outstanding efforts in pursuing the aims and goals of the commission and therefore the Peel community.

A handwritten signature in black ink, appearing to read 'Kim Horne', with a stylized flourish at the end.

Kim Horne  
Chairman



## OPERATIONAL STRUCTURE

### Enabling Legislation

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

### Responsible Minister

The Peel Development Commission reports to the Hon Brendon Grylls MLA, Minister for Regional Development; Lands. The Minister has the power to direct the Commission, either generally or with respect to a particular matter, on the exercise and performance of its powers, functions and duties under the *Regional Development Commissions Act 1993*. The Commission must give effect to such directions.

### Objects and Powers

Under the *Regional Development Commissions Act 1993*, the objects of the Commission are to:

- Maximise job creation and improve career opportunities in the region;
- Develop and broaden the economic base of the region;
- Identify infrastructure services to promote economic and social development within the region;
- Provide information and advice to promote business development within the region;
- Seek to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area; and
- Generally take steps to encourage, promote, facilitate and monitor the economic development of the region.

For the purposes of achieving those objects, the Commission is to:

- Promote the region;
- Facilitate coordination between relevant statutory bodies and State government agencies;
- Cooperate with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community within the region;
- Identify the opportunities for investment in the region and encourage that investment;
- Identify the infrastructure needs of the region, and encourage the provision of that infrastructure in the region; and
- Cooperate with departments of the Public Service of the State and the Commonwealth, and other agencies, instrumentalities and statutory bodies of the State and the Commonwealth, and local government authorities, in order to promote equitable delivery of services throughout the region.

## THE COMMISSION'S BOARD

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

BOARD MEMBER	Meetings Attended
<p><b>MR KIM HORNE (Chair)</b> <i>Ministerial</i></p> <p>Kim Horne has been with Alcoa for over 30 years and is currently Director Environment, Health &amp; Safety and Human Resources for Australia. Prior to his appointment Mr Horne was Manager of Alcoa's Pinjarra Refinery which is one of the world's largest alumina refineries. He has been Manager of Mines for Western Australia and was responsible for Alcoa's bauxite mining operation and mine rehabilitation program. Mr Horne is also President of the Chamber of Minerals and Energy of Western Australia and was the Chairman of the School of Fine Wood. Mr Horne is currently the Chairman of the Western Australian privately owned Logistics Company Mitchell Corp. Mr Horne has lived in the Peel Region for more than 40 years prior to a recent move to facilitate his new roles.</p>	4 of 7
<p><b>MS CHRISTINE GERMAIN (Deputy Chair)</b> <i>Community</i></p> <p>Christine Germain is a long time Waroona resident and has served as a Councillor on the Shire of Waroona for 16 years. She has been actively involved in many community groups including Guides Australia, Waroona Tourist and Information Centre, Waroona Recreation and Aquatic Centre Advisory Committee, Waroona Elderly Citizens, Peel Trails Group, the Murray District Hospital Working Group, Chair of the Waroona Community Health and Resource Centre and LEMAC. Ms Germain is a Life Member of the Waroona Basketball Association and a member of St John Ambulance having been awarded with a 12-year service medal. She is also the Coordinator for Japanese Exchange Students when they visit the Region.</p>	7 of 7
<p><b>CR PAUL CARROTS</b> <i>Local Government</i></p> <p>Paul Carrots has been a Councillor with the Shire of Boddington for 11 years and Deputy Shire President for 2 of those years. Cr Carrots was elected to the position of Shire President in 2007. He is heavily involved in the Boddington community, holding current memberships with the Boddington Sport and Community Club, Boddington Lions Club and the Boddington SES and Marradong Bush Fire Brigade. Cr Carrots is also a Justice of the Peace and a member of the Community Liaison Committee with Worsley Alumina Bauxite Mine. He also owns and operates two small businesses.</p>	5 of 7
<p><b>MS PADDI CREEVEY</b> <i>Community</i></p>	4 of 7

<p>Paddi Creevey has been Mayor of the City of Mandurah for over 3 years and Councillor for 14 years. She has a background in social work and community development. Ms Creevey had worked in the health field as a social worker for 30 years, 20 of those at Community Health in Mandurah. She has been involved in the development of a wide range of community organizations. Ms Creevey is Chair of the Governing Council of Challenger TAFE, Member of the Local Government Advisory Board, the Peel Inlet Management Council and the Peel Regional Planning Committee. She is also Chair of the WALGA Peel Zone.</p>	
<p><b>MRS ELIZABETH HOEK</b> <i>Ministerial</i></p>	<p>7 of 7</p>
<p>Elizabeth Hoek is a long time resident of Boddington and is the Coordinator of the Boddington Old School Community Centre. She has been a Councillor with the Shire of Boddington since 1998 and is heavily involved in the community of Boddington and through various local and Regional committees. Mrs Hoek also owns a small business in Boddington.</p>	
<p><b>PROF KATERYNA LONGLEY</b> <i>Ministerial</i></p>	<p>4 of 7</p>
<p>Kateryna Longley was Pro Vice Chancellor for Regional Development at Murdoch University incorporating the development of Murdoch's Regional campuses at Rockingham and Mandurah until her retirement in late 2005. She was also a Professor of English and Comparative Literature. Professor Longley has served on many committees and boards at a local, national and international level. Her local and regional involvement also includes the Peel Area Consultative Committee, the Mandurah Arts and Cultural Advisory Committee and the Kwinana Industries and Education Partnership. She is currently the Chair of the Cockburn Sound Management Council. In 2001 she was the Western Australian winner of the Telstra Business Woman of the Year and received an Australian Centenary medal for her contribution to business.</p>	
<p><b>CR NOEL NANCARROW</b> <i>Local Government</i></p>	<p>3 of 7</p>
<p>Noel Nancarrow is a retired farmer and has been a Councillor for the Shire of Murray since 1989 and has held the position of Shire President since 1993. Cr Nancarrow represents the Shire of Murray on numerous committees, including the Peel Region Planning Committee. He is currently involved with the Murray Health Centre Working Group for the establishment of a new Health Centre in Pinjarra and also represents the Shire as Deputy Chairman of the Rail Heritage Foundation of WA in Pinjarra. He represents the Shire on the Peel Zone of the WA Local Government Association and also on the Rivers Regional Council. At the 2009 Local Government Convention he received a Distinguished Service Award.</p>	
<p><b>CR LARRY SCOTT</b> <i>Local Government</i></p>	<p>2 of 4</p>
<p>Larry Scott, a Shire Councillor since 2007, is a retired pharmacist, property developer and long time resident of Waroona. Over the past 30 years Cr Scott has been very active in the Waroona community as a business proprietor, volunteer and member of many clubs and community groups.</p>	
<p><b>MR DAVID WADDELL</b> <i>Community</i></p>	<p>7 of 7</p>
<p>David Waddell has been a resident of Mandurah for 7 years and has a background in senior</p>	

<p>corporate management, education and business development. Since moving to Mandurah, Mr Waddell has become actively involved in a range of organizations. In addition to his Board membership his local roles include Chair of the Halls Head Community Branch of the Bendigo Bank and member of the Peel Health Campus Community Advisory Committee. Mr Waddell has served on various subcommittees and has been able to bring both a community and business development focus to the Board. He has also chaired and facilitated a number of conferences, seminars and workshops related to significant aspects of the Peel Region.</p>		
<p><b>MS MAREE DE LACEY</b></p>	<p><i>Chief Executive Officer</i></p>	<p>6 of 7</p>
<p>Maree De Lacey has extensive experience at practitioner, senior and executive levels with non-Government, Commonwealth and State Government sectors. She has over 25 years experience in development of regional infrastructure and services through partnerships with government, business and the community. Ms De Lacey is a Board member of the Forest Heritage Centre, LandCorp and also a member of the Board of Governors of Fairbridge WA.</p>		



*Top From left: Paul Carrotts, Elizabeth Hoek, Kateryna Longley, Paddi Creevy, Larry Scott.  
Bottom from left: Kim Horne, Maree De Lacey, Christine Germain  
Absent: Noel Nancarrow and David Waddell*

## COMMISSION'S STRUCTURE



# PERFORMANCE MANAGEMENT FRAMEWORK

## Outcome Based Management Framework

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

### Our Vision

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

### Our Mission

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

### Our Outcomes

**Government decision making takes account of Peel issues.**

*Peel Region's needs will be effectively represented in Government decision making*

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

*Peel's economy is strong, prosperous and diverse now and into the future*

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

*The Peel's future population will be provided for by applying a coordinated approach to planning and the delivery of infrastructure*

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

*All communities in the Peel will have healthy, safe, enjoyable and supportive environments to live and work, with access to high quality education and local services. The community will be strengthened through providing the conditions that allow all to participate in the life of the region*

**The Peel environment is better understood and managed.**

*The Peel's natural environment will be responsibly managed to protect its diversity for current and future generations*

## Alignment with Government Goals

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

### **Changes to Outcome Based Management Framework**

The Peel Development Commission's outcome based management framework did not change during 2008-09.

### **Shared Responsibilities with other Agencies**

The Peel Development Commission partners with other agencies in all of our work as highlighted in our project summaries in the Report on Operations section. The Commission's Resource Agreement between the Minister for Regional Development, the Chief Executive Officer, the Chairman and the Treasurer (2008-09) did not specify any major across-agency or whole-of-government responsibilities.

# AGENCY PERFORMANCE – REPORT ON OPERATIONS

## Financial Targets

### Actual performance compared to Resource Agreement targets

Financial Targets	2009 Target 000 (1) \$	2009 Actual 000 \$	Variance 000 \$
Total Cost of services (expense limit) (sourced from Income Statement)	7,207	4,872 <sup>1</sup>	2,335
Net Cost of Services (sourced from Income Statement)	6,457	4,811	1,646
Total equity (sourced from Balance Sheet)	277	6,386 <sup>2</sup>	6,109
Net Increase/Decrease in Cash Held (sourced from Cash Flow Statement)	(1,842)	6,114 <sup>2</sup>	4,272
Approved full time equivalent (FTE) staff level	12	13	1

1) The variance between target and actuals is attributable to project funds committed but not spent in 08/09 including a small number of projects in the Boddington Gold Mine Social Infrastructure Package.

2) The variation between target and actuals is attributable to a combination of above and receipt of Royalties for Regions allocations in 2008-09, some of which were not expended in that year but all of which were committed to projects.

### Effectiveness Indicators

Outcome: Development and Promotion of the Peel Region	2007-2008 Actual	2008-2009 Actual	2008-2009 Target
Client satisfaction with the contribution to the Region's economic base	85.8%	83.5%	90%

### Efficiency Indicators

	2004-05 (a)	2005-06 (a)	2006-07 (a)	2007-08 (a)	2008-09 (a)
1. Facilitation and coordination	\$83.12	\$82.92	\$49.54	\$82.05	\$74.73
2. Information and advice	\$83.96	\$88.78	\$53.44	\$45.58	\$45.67

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

	2006-07 Actual	2007-08 Actual	2008-09 Actual	2008-09 Target	Variance
1. Facilitation and coordination	\$50	\$82	\$75	\$312	\$237
2. Information and advice	\$53	\$46	\$46	\$93	\$47

The variation between the average cost per unit of service hour between 2008-09 Budget and 2008-09 Actual is due to the Commissions grants and subsidies expenditure being included in the calculation for the 2008-09 Budget. Grants and subsidies expenditure is excluded from this calculation for the Actual results for the current and prior years.



## Outcome 1: Government decision making takes account of Peel issues.

The Peel Region's needs will be effectively represented in Government decision making.

The Peel Development Commission is the Regional link between State Government policy and our region's aspirations. We provide advice to all levels of government on the region's immediate and long-term needs. We coordinate whole-of-government responses and facilitate partnerships between government, industry and community, to meet those needs.

The Peel Development Commission, with our partners, has a strong track record of negotiating agreement on the region's highest strategic priorities across all sectors in the Peel, and leading collaboration on the delivery of these priorities.

The Commission leads the identification of the annual "Peel Region Priorities", bringing together the considered input of the Region's leaders in local and state government, environmental and community services peak bodies, the Chamber of Commerce and Industry, the Chamber of Minerals and Energy, major non-government agencies and members of Parliament. The Peel Region Priorities are those that can be demonstrated to contribute the most to the overall development of the region, and are consistent with the longer-term aspirations of the Peel 2020 Sustainability Strategy. To be included as priorities they must be well-planned and able to start immediately if funding is secured.

The process for identification of and agreement on priorities is a robust one, resulting in an annual set of priorities agreed broadly by all stakeholders across the region.

In 2007, for the first time, the Commission led the development of priorities over a two-year time frame, 2008-2010, recognising the importance of having a longer term position that could more effectively inform government priorities through State and Commonwealth elections.



Over \$420 million has already been allocated by State and Commonwealth governments to the 2008-10 Priorities including:

- Mandurah Entrance Road;
- Waste water and water supply projects;
- Completion of the new Perth Bunbury Highway;
- Construction of the Greenlands Road connecting the new Perth Bunbury Highway to South West Highway (part of the Pinjarra Southern Bypass);
- Mandurah CBD Redevelopment; and

- Community infrastructure for the Shires of Boddington, Murray and Wandering to meet the needs of a growing population as a result of the recommissioning of the Boddington Gold Mine.

The Regional Priorities are available from the Commission's website at [www.peel.wa.gov.au](http://www.peel.wa.gov.au).

In 2008-09 the Peel Development Commission was a leader in coordinating and providing advice to the government on a range of major issues including the policy framework and guidelines for Royalties for Regions, defining the relationship between the Commonwealth and State governments in regional development, and advising on statewide regional priorities through membership of the Regional Development Council.

### **HIGHLIGHT: ROYALTIES FOR REGIONS**

2008-09 was the first year for the highly successful Royalties for Regions Regional Grants Scheme. In its first round, the \$3.5 million contestable grants scheme saw 73 applications to the Peel Development Commission, requesting over \$11.7 million for a total project value over \$40 million.

From the many excellent proposals, funds were approved to 26 projects with a total project value of nearly \$27 million, demonstrating the importance of Royalties for Regions in leveraging additional funds into the region.

One of the major funding recipients, Fairbridge WA, immediately used their approved grant to gain approval for over \$600 000 from another funder and to strengthen major funding applications elsewhere. Upon completion of Stage 7 of Fairbridge's redevelopment, 22.5 jobs will be available and their highly successful training and employment programs for Indigenous people will be expanded.

In total the approved projects will create over 60 jobs in Peel.

A list of successful applications is on page 21.

In addition to the contestable funds, Royalties for Regions provided \$780 000 for social infrastructure in Boddington and surrounds. This will support the Shires of Boddington and Murray to maximise the community benefit from the US\$2.9 billion Newmont Boddington Gold expansion. The funds were immediately used not only to start up the Shires' highest priorities, but to leverage Commonwealth Government funding applications totalling over \$10 million in Boddington.

Peel Development Commission recognised the responsibility that accompanies such a significant policy and funding change. Before implementing the Regional Grants Scheme the Commission engaged an independent auditor to assess all grants management processes and procedures, and implemented all subsequent recommendations. The Commission also obtained external expertise to assist with the financial components of the business cases in all applications. All corporate services policies have been reviewed, and training has been provided to all staff in governance, project management and grant management.

2008-09 was the final year of the Peel Regional Development Scheme. This scheme provided \$534,000 to assist 26 projects with a total value of \$2.2 million during the year of review, within the priority areas of employment creation;

education and training; caring for the environment; social initiatives; and infrastructure. Since its inception in 2001 the Peel Regional Development Scheme contributed funding to 244 projects across the region with a total project value of \$33.8 million.

**How our community told us we did in this outcome area:**

Outcome	2008 Client Satisfaction	2009 Client Satisfaction
Enhanced Government decision-making based on a thorough understanding of regional issues.	80.1%	81.2%
Effective Government service delivery to the region that is responsive to the needs of diverse communities.	72.8%	75.0%

## Royalties for Regions: 2008-09 Regional Grants Scheme

APPLICANT	PROJECT	FUNDING 2008-09	FUNDING 2009-10	FUNDING 2010-11
Fairbridge WA	Fairbridge Village Redevelopment Program Stage 7	\$600,000	\$720,180	\$500,000
Forest Heritage Centre	FHC Redevelopment & Expansion Project	\$504,000	-	-
City of Mandurah	Rushton Park Sporting Facilities	\$450,000	-	-
Pinjarra Harness Racing Club Inc	New Pavilion for Patron Usage	\$395,000	\$350,000	-
City of Mandurah	Ocean Road Active Reserve & Recycled Wastewater Scheme	\$305,000	-	-
Midway Community Care	Community Access Centre	\$250,000	-	-
LandCorp	Nambeelup Baseline Investigations	\$150,000	-	-
Shire of Boddington	Boddington Retirement Village Development	\$136,000	-	-
Shire of Murray	Cantwell Park Universal Access Playspace	\$100,000	-	-
Shire of Serpentine Jarrahdale	Byford Community Hub & Centre for Family Support	\$100,000	-	-
Pat Thomas Memorial Community House Inc	Collocated Outreach Offices	\$90,000	-	-
Shire of Serpentine Jarrahdale	Mundijong Changerooms & Multi Purpose Community Facility	\$90,000	-	-
Shire of Boddington	Swimming Pool Heating & Services	\$58,270	-	-
Department of Agriculture & Food	Identification of Precinct Sites for Agrifood Processing Plant	\$50,000	-	-
Peel Community Development Group	Bindjareb Trail - Stage 1 & 2	\$37,555	-	-
Port Bouvard Pistol & Small Bore Rifle Club Inc	Clubhouse Building	\$35,260	-	-
Boddington Old School Inc	Community Integration New & Old Residents	\$30,000	-	-
Quambie Park Waroona Inc	Quambie Park Landscape Enhancement	\$27,250	-	-
Employment Law Centre of WA	Community Legal Education, Training & Further Assistance for Regions	\$19,115	\$20,995	-
Southern Region Leadership Inc	Assisting Peel Communities to become supportive community leaders	\$19,000	-	-
Waroona Playgroup Inc	Waroona Playgroup Outdoor Toddler Patio	\$11,250	-	-
Mandurah Senior College Auspicing Peel Education & Training Campus Board	PET Campus: To the Future	\$10,000	-	-
Mandurah Youth Commitment Inc	Eyes on Tomorrow Engagement Program	\$10,000	-	-
Shire of Waroona	Hamel Eco-Historic Precinct Wetland Trail Project	\$9,800	-	-
Event Assist	Waroona Events Tourism Initiative 2009-2011	\$7,500	-	-
K9 Dog Rescue Group	K9 Business Plan	\$5,000	-	-

## 2008-09 Regional Development Scheme (Final Round)

APPLICANT	PROJECT	FUNDING
Shire of Murray	Develop a Community Facilities and Services Plan for the Shire	\$50,000
Shire of Murray	Undertake the Pinjarra Town Centre Growth Strategy	\$40,000
Peel Chamber of Commerce and Industry Inc	Contribution to the tourism initiative HATS (Hotel and Tour Shuttle Bus)	\$35,000
Challenger TAFE	This new mentoring program 'Seniors Supporting Juniors' will assist students in learning and achieving trade qualifications	\$34,769
Peel Community Development Group	Regional Community Development Coordinator	\$30,000
Peel Farmers Market Inc	Contribution towards the Market Manager to establish and operate the Peel Farmers Market commencing December 2008.	\$25,000
Peel CLAG	New initiatives of the Peel Integrated Mosquito Management Plan	\$25,000
Allambee Counselling	Trauma Counselling for CALD (Culturally and Linguistically Diverse) women from war torn areas	\$24,282
Forest Heritage Centre	Commence works for the Educational Walk Trail and Interpretive Signage	\$20,000
Bluearth Institute	Contribution towards the Peel Partnership which will commence to roll out the Bluearth program into more schools within the Peel Region.	\$20,000
Shire of Murray	Prepare the Shire's Tourism Strategy with future direction, consideration of icons, visitor centres etc	\$20,000
Serpentine Jarrahdale Telecentre	Assist in a joint partnership with the Tourism Association and establish a Visitor Information Service	\$15,798
Waroona Bowling and Social Club Inc	Resurface bowling greens and provision of fencing to the area	\$15,000
Moorditj Foundation Pty Ltd	Assist Gnaala Kaarla Booja to undertake strategic planning and a site assessment of the 'Old Café' in Boddington	\$15,000
Peel Chamber of Commerce and Industry Inc	Establish the new initiative 'PeelFest' Expo	\$15,000
Landcare SJ Inc	Host the 'Great Garden Series' in 2009	\$15,000
Boddington Old School Inc	Employ an administration trainee to assist with the daily running of the centre	\$13,000
Waroona District High School	Continue the successful Families and Schools Together program	\$12,595
Fairbridge WA Inc	Establish the business case for the Fairbridge Caravan Park	\$10,000
Boddington Old School Inc	Youth Art 'Restart' program	\$10,000
Festival of Youth Inc	Peel Career and Employment Expo and Road Show	\$9,000
Canoe Trail Friends of Mandurah and Pinjarra Inc	Print canoe trail guidelines for the region	\$8,985
Shire of Boddington	Boddington Youth Centre Assistant	\$8,000
Event Assist Inc	Two tourism initiatives/events for Waroona in 2009	\$5,000
City of Mandurah and Shire of Murray	Active Ageing project, phase 2, securing opportunities for seniors	\$27,500
City of Mandurah	Review and update the regional Sporting and Recreation Facilities Plan	\$30,000

## Outcome 2: The Peel has an evolving, adaptive and diverse economy with increased job opportunities for all members of the community.

Peel's economy is strong, prosperous and diverse now and into the future

The Peel Development Commission works with all spheres of government, industry, and the community to ensure the Region has what it needs to enable a strong economy and job growth, now and in the long-term.

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The Peel is Western Australia's third largest mineral producing region.

The global financial crisis has presented similar challenges for the Peel Region as for the rest of the world, despite its status as Western Australia's fastest growing region with one of the fastest growing regional economies. The region has particular vulnerability in such economic conditions, with an economy strongly dependent on minerals and construction, higher unemployment than the state average, a high retiree population, and a large number of fly-in-fly-out residents.

The Peel Development Commission's highest priorities include strengthening the region's economy and creating jobs. Our role includes facilitation of infrastructure and economic opportunities that will strengthen the Peel and support our major industries and small and medium businesses, and attract investment.

In March 2009 the Peel Development Commission coordinated a major seminar for small and medium businesses to give accurate information on the implications of the global financial crisis and to help business people to make the right decisions for their businesses. The industry forum "*Surviving to Thrive in Business – Economic Conditions in WA from a Peel-Harvey Perspective*" was attended by over 120 people from across the region's business sector. Presentations were provided by the Chamber of Minerals and Energy of WA, Alcoa, Boddington Gold Mine, Satterley Property Group, the Chamber of Commerce and Industry of WA and Business Dynamics (a business development group). Feedback consistently indicated that the seminar was well-timed and useful for businesses managing in a period of uncertainty.

The Peel Development Commission's Capability Register is an on-line database of regional businesses that can provide services or products especially to major infrastructure and mining projects. The register is located on the Commission's website [www.peel.wa.gov.au](http://www.peel.wa.gov.au). In 2008-09 35 new businesses registered themselves. The register is regularly accessed by major industry and project proponents to obtain the contact details of Peel's businesses and help them to 'buy local' when sourcing supplies and products for major projects.

The Peel Development Commission continually explores new investment opportunities for the region, including regularly hosting delegations of potential investors from overseas. In October 2008 the Commission gave support to the City of Mandurah for a major delegation from Zhoushan in China. The Commission also encourages our region's businesses to grow into the export market, and facilitated a major forum with Austrade to provide information about potential export opportunities for our region's businesses.

The tourism sector is an important economic contributor to the Peel Region, with the potential to become stronger given the many unique and attractive features of the Peel including our easy access from the major metropolitan, interstate and overseas markets. In 2008-09 the Peel Development Commission facilitated the development of 4 new marketable tourism packages. As a component of the Pinjarra-Brunswick Sustainability Strategy, the Commission supported regional businesses to form partnerships to increase their market visibility and attractiveness, particularly to international and interstate visitors. The Commission also coordinated the Peel Tourism Exchange which brought 20 wholesalers into the Peel Region, giving our region's operators unique and valuable exposure to far bigger interstate and overseas markets.

#### SKILLED MIGRATION

The Commission continues to provide assessment, certification and support for skilled migration applications on behalf of the Department of Immigration and Citizenship and the State Migration Centre.

The following table shows the activity undertaken by the Commission from 1 July 2008 to 30 June 2009 compared to the previous year.

	2007-08	2008-09
Regional Sponsored Migration Scheme	44	57
Regional Temporary Business (Long Stay) 457	26	22
Skilled Independent Regional	118	35
General Visa Inquiries	418	452

#### HIGHLIGHT: THE PEEL FARMERS' MARKET

In 2007 funding of \$100,000 was provided by the Commission to appoint an Agribusiness Officer in Waroona to develop opportunities for farmers in the Peel and South West. This innovative program has been managed in partnership with the South West Development Commission, Department of Agriculture and Food and Harvey Water.

The purpose of the extension program was to identify opportunities for farmers in the Pinjarra-Brunswick Region that would assist with new high value food products, including marketing and improving or diversifying land use. The development of a Peel Farmers' Market was identified as a high value marketing opportunity for the Peel Region in light of its rapid land use change. The Peel Farmers' Market was officially opened on 6 December 2008 in Pinjarra.

Since then, the Market has operated every Saturday between 8am and 12pm. There are between 16 and 21 stalls on average with a range of products including organic meats, fruits and vegetables, marron, cut flowers, nursery plants, olive oils and some spectacular processed goods such as jams, chutneys and cheeses from across the region. Economic analysis shows that, on average, the markets are turning over \$24,000 per event and have regular repeat customers.

Funds of \$50,000 provided by the Commission through the 2008-09 Regional Development Scheme have allowed the Peel Farmers' Market Association to engage the services of a Market Manager to manage the day-to-day operations of the market and to increase both the profile and number of stall holders for the Peel Farmers' Market. The Association is currently showing a small margin of profit and it is envisaged that this will increase as the markets grow.

Working with the Peel Campus of Challenger TAFE, the Peel Farmers' Market provided workplace training for two trainee Baristas for 10 weeks. This has resulted in the Farmers' Market employing one of the trainees as a Barista. The Farmers' Market plans to continue to build a strong relationship with Challenger TAFE to provide further work experience opportunities.



Additionally, the Peel Farmers' Market has provided a venue to link the Peel Region's community groups to the local community to help promote and raise funds for their individual causes. A free stall is provided to community groups to run the Market's sausage sizzle with all proceeds going to the groups. To date the Market has provided this service to following: Coolup CWA; Pinjarra/Waroona Youthcare; Pinjarra Primary School P&C; Pinjarra Scouts; Mandurah Wildlife Rescue; Mandurah Water Rescue; Relay for Life; Mandurah Senior College; and the Australian Cystinosis Support Group.

**How our community told us we did in this outcome area:**

Outcome	2008 Client Satisfaction	2009 Client Satisfaction
A diversified regional economy	68.8%	73.2%
Enhanced regional investment	73.4%	78.2%



## Outcome 3: Community and economic infrastructure is planned and delivered to meet the needs of current and future generations of Peel.

The Peel's future population will be provided for by applying a coordinated approach to planning and the delivery of infrastructure.

The Peel Development Commission works with all levels of government, industry and the community, to ensure the long-term needs of this rapidly-growing and diverse region are recognised, planned for and delivered. We work across sectors to leverage funding and to support coordinated planning and infrastructure delivery.

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The Peel Development Commission facilitates the provision of well-planned community infrastructure, taking into account the immediate and long-term needs of the region's people wherever they live.

Industrial land remains one of the highest infrastructure priorities. The Peel Development Commission leads the coordination of all relevant agencies to address this need. As one of the priorities, LandCorp has released Stage 1 of Pinjarra Industrial Estate, comprising 24 lots, ranging in size from 0.2 to 1 hectare. This estate helps meet the immediate need for general and light industrial land. The Commission, with the Shire of Murray and LandCorp, assisted anchor tenant Murray Engineering to relocate from outside Peel to the Pinjarra Industrial Estate, bringing the opportunity for over 50 new jobs.

The Commission also coordinates agency collaboration for the development of Nambeelup Estate to meet medium to long term needs.

In 2008-09 Royalties for Regions funding was provided to LandCorp to undertake baseline soil, water quality and wetland investigations. The Commission is also supporting the planning and development of smaller industrial estates in Boddington, Serpentine Jarrahdale and Waroona. In the latter half of 2009 the Shire of Boddington will release for sale its first light industrial subdivision (currently subdivided into six lots, totalling 2.7 hectares). The catalyst for this subdivision was Newmont Boddington Gold Mine recommissioning, with the development of the subdivision being financially supported (by \$1.2 million) through the State Government's Boddington Social Infrastructure Package, administered by the Commission.

The Peel Development Commission provided \$1 million in funds to the Shire of Waroona for the Waroona Town Centre Redevelopment, which has seen completion of the Drakesbrook Place vehicle and pedestrian access, the Drakesbrook Place amenities, and stage 2 of underground power. The final stages of this major redevelopment will be complete in 2009.

## HIGHLIGHT: BODDINGTON COMMUNITY INFRASTRUCTURE PROJECT

One of the Peel Development Commission's highest infrastructure priorities is the Newmont Boddington Gold community infrastructure project. The Commission leads the project and facilitates the provision of community infrastructure to meet the needs of the growing population in Boddington and surrounds, created by the recommissioning of the US\$2.9 billion Boddington Gold Mine.

The population of Boddington is projected to double over the next 5 years as a result of the re-opening of the Newmont Boddington Gold Mine, Australia's largest open cut gold mine. This will include workers from the mine and their families and other businesses and essential workers who will support them. Newmont Boddington Gold has a target of 65% of its workers living in the 50km radius of the Mine, which includes Boddington and parts of Murray and Wandering Shires. These three Shires offer diverse and stunning country living options.

The Boddington Gold Mine starts operation in 2009 with an estimated operational workforce of 650. It will contribute \$550 million/year to the Peel regional economy and \$770 million/year to the Western Australian state economy.

Additionally, the BHP Billiton Worsley Alumina Expansion is estimated to cost \$1 billion with an increase in output from 3.5 to 4.6 million tons of bauxite. The mine is located in Boddington and its life is estimated to be 49 years with employment peaking at 500 by the end of 2009. 60% of the construction workforce lives within 100 kilometres of the mine.

State government agencies have committed \$37 million to community infrastructure including electricity upgrades, road works and hospital upgrades in Boddington. The Commission has coordinated State agencies' planning, with school upgrades, health and other services being met by the relevant agencies.

During 2008-09 the Commission administered State funding of \$9 million for planning and infrastructure for the Shires of Boddington, Murray and Wandering including light industrial land, main street upgrades, improvements to roads, planning for the Pinjarra by-pass, a medical centre and a childcare centre.

In addition, the Royalties for Regions funding contributed \$780 000 in 2009 for further infrastructure priorities including a road train turnaround as part of the main street upgrades and the design for a recreation facility. These funds were also used to help leverage funding applications worth over \$10 million with the Commonwealth Government.

One of the Commission's priorities is to ensure that there is sufficient diverse housing in Boddington and surrounds to support Newmont Boddington Gold's incentives for workers to live locally. The Commission has worked extensively with all spheres of government, the private and not-for-profit sectors and developers, both locally and throughout WA,



[www.agoldenopportunity.com.au](http://www.agoldenopportunity.com.au)

to explore options for flexible housing and to encourage development of housing for rental and purchase. At 30 June 2009, 39 titled residentially zoned lots were available in Boddington. An additional 59 residential lots are expected to have titles by the end of 2009. The Commission is working with a range of partners to increase the availability of affordable housing stock to buy or rent. Negotiations with developers, the Commonwealth Government and the not-for-profit sector will, if successful, result in up to 600 houses being constructed over the next 10 years in addition to those that will come onto the market through normal turnover.

**How our community told us we did in this outcome area:**

Outcome	2008 Client Satisfaction	2009 Client Satisfaction
Improved regional infrastructure	73.0%	75.4%

## Outcome 4: Peel communities are educated, productive, healthy, safe and supportive.

All communities in the Peel will have healthy, safe, enjoyable and supportive environments to live and work, with access to high quality education and local services. The community will be strengthened through providing the conditions that allow all to participate in the life of the Region.

The Peel Development Commission works with all levels of government, industry and the community to plan for, and facilitate the development of community services and infrastructure that will meet the diverse needs of our rapidly-growing population into the future. Ensuring access to lifelong education options is a major focus.

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The Peel Development Commission is committed to overcoming Peel's issues of high unemployment and industry skills shortages. A major focus of the Commission is working with partners to identify and address both of these issues for the long term.

One of the Commission's priorities is to ensure that our region's people, wherever they live in the region, can access training that leads to sustainable jobs. Not only does this support our target of reducing unemployment, but it supports a well-trained workforce for our industry and business sectors. The Commission, through funding to Challenger TAFE, has seen 46 regional people obtain further qualifications through increased access to Recognition of Prior Learning. In addition, funding from the Commission has assisted Challenger TAFE to deliver a program to 12 schools in the region that gives young people experience in various trades before deciding on their career paths.

The Peel Development Commission, through funding to the Small Business Centre Peel, has given 25 regional businesses access to one-on-one assistance with business assessment and planning to improve their competitiveness for major tenders. A target of 40 businesses receiving this assistance will be met by the end of 2009.

The Peel Community Foundation, supported by the Peel Development Commission, was launched in September 2008. The Peel Community Foundation operates under the WA Community Foundation Inc (WACF) as its trustee. In 2008-09 Alcoa Australia's Pinjarra Refinery matched the State Government's \$100,000 funding and other funds and support were received from Community First International and George Weston Foods. The first round of community grants were made, heralding the start of a major opportunity for anyone to make a contribution to the Peel Region that will last in perpetuity. Information about the Peel Community Foundation can be found at [www.wacf.org.au](http://www.wacf.org.au)

The Peel Community Development Group (PCDG) is a peak body providing regional leadership in identifying and responding to community social needs. The PCDG was established in 2001 and is an independent not-for-profit organisation hosted by the Peel Development Commission. It works to support and strengthen a sustainable community sector in the Peel Region.

### WORKFORCE DEVELOPMENT STRATEGY

The Peel Development Commission leads the implementation of the Peel Workforce Development Strategy in partnership with representatives from the Department of Education and Training and Challenger TAFE. The strategy, the first of its kind in WA, positions the region into the future to meet the changing workforce needs.

A larger stakeholder group, comprising representatives from each of the local governments, Department of Sport and Recreation, Tourism WA, Peel Chamber of Commerce and Industry and Small Business Centre Peel, has taken responsibility for the broader implementation of the strategy. The aim of the strategy is to reduce the unemployment rate within the Peel to that of the WA state average, over a ten year period (2006 – 2016). This will be achieved by:

- Maximising employment and training opportunities for the people of the Peel;
- Minimising the occurrence of skills shortages;
- Building community support for local industry;
- Building individual and community capacity to access training/employment opportunities; and
- Contributing to local, State and Commonwealth government decisions about spending in the region.

This initiative has already enjoyed significant success, with 27 of the 44 identified action items already completed or becoming part of the various stakeholders and government departments' ongoing operations. Some of these achievements include Mandurah Youth Commitment hosting an annual employment Expo for young people, Challenger TAFE providing increased training opportunities such as delivering the Diploma of Builders Registration and a combined nursing/aged care qualification in partnership with Murdoch University, and the Peel Development Commission developing a Housing Affordability Strategy for the region. The Peel Workforce Development Strategy and the Peel Development Commission have been the catalyst in driving these initiatives to ensure the Peel Region is well positioned to capitalise on the large economic growth expected in the future.

#### **HIGHLIGHT: LOCAL JOBS FOR LOCAL PEOPLE**

As part of the \$2.6 million Pinjarra Brunswick Sustainability Strategy the Peel Development Commission provided \$330,000 funding over a three year period to Challenger TAFE to provide training, skills recognition and support to local people and businesses. This program was designed to address the skills shortage in the Peel and to ensure local people have access to training that will help them to gain sustainable jobs.

Challenger TAFE conducted an extensive assessment of the training needs of employers and employees throughout the Peel, to determine what labour and/or skill shortages the region may be experiencing and which local residents and workers would benefit from formal recognition of their existing skills or further skills training. In 2008 this program:

- Conducted pre-apprentice welding training at Boddington District High School for ten students. Seven students have gained apprenticeships with Newmont and elsewhere;
- Facilitated the Waroona Youth Leadership which has produced a number of successful outcomes for participants. Two students are in the New Opportunities for Women (NOW) course running at Waroona as they were able to put their leadership learning into practice. One student gained sufficient credits from the Leadership course to assist with entry into a desired university program;

- Provided training for twenty Indigenous students from the Boddington area for the Wider Opportunities for Work, including a Certificate I in Hospitality (kitchen operations). Four people were employed by Sodexho, a food and catering business servicing the Newmont Boddington Gold Mine, and another gained a traineeship. The remainder moved into other forms of employment or training in the region; and
- Assisted 46 local people to obtain TAFE qualifications through Recognition of Prior Learning. This spanned 35 qualifications and a total of 18,878 Student Curriculum Hours.

This highly successful program is working to ensure that residents of the Peel Region have access to training and employment opportunities and that the region is well positioned for the future.



#### How our community told us we did in this outcome area:

Outcome	2008 Client Satisfaction	2009 Client Satisfaction
Lifelong learning in the region	75.7%	81.0%
Enhanced quality of regional lifestyles	76.3%	79.4%
Safe and cohesive regional communities	66.3%	76.0%

## Outcome 5: The Peel environment is better understood and managed.

The Peel's natural environment will be responsibly managed to protect its diversity for current and future generations.

The Peel Development Commission works with all sectors to promote the region's beautiful environment and iconic waterways and to coordinate efforts to protect these significant community, economic and environmental assets.

The Peel Region has the unique asset of 137 kilometres of inland waterways, one of our most recognised features and a recognised iconic asset across Australia. The Peel community has been clear in surveys conducted by the Commission that the health of the environment, and particularly the waterways, is one of their highest priorities.

The Peel Development Commission recognises the importance of our waterways as an economic, community and environmental treasure, and is a major partner in several key strategies to ensure they remain healthy for future generations.

The Peel Development Commission was a partner in the development of the Peel-Harvey Water Quality Improvement Plan which was released in 2008-09. The Commission undertook the Water Sensitive Urban Design Project which provided a regional policy approach for guiding best practice in residential development that protects the waterways and catchment. By 2008-09 four out of Peel's five local government authorities had adopted the policy within their local planning frameworks.

The Peel Development Commission is a partner in an initiative of the Peel Harvey Catchment Council with the Commonwealth Government's Department of Climate Change - the Peel Climate Change Adaptation Project. The project is building local government capacity in the Peel Region to adapt to the predicted impacts of climate change through the development of regional climate change policies for two priority themes – biodiversity and emergency management.

### How our community told us we did in this outcome area:

Outcome	2008 Client Satisfaction	2009 Client Satisfaction
Conserved and restored natural and built heritage	67.0%	75.8%
Improved environmental management	72.4%	79.4%

## SIGNIFICANT ISSUES AND TRENDS

Peel is the third largest mineral producing region in Western Australia, with its value of production accounting for 7% of State output. In 2008 the Shires of Boddington, Murray and Waroona provided feedstock for Western Australia's total output of alumina, valued at \$4.9 billion. In 2008, the region's alumina output accounted for 20% of the world's alumina production. The region's alumina output increased 1% to 12.25mt in calendar year 2008. This represents a 4.18% increase in the value of alumina amounting to a record \$4.9 billion<sup>1</sup>. The State Government also collected royalties valued at \$78 million from the production of alumina.

The \$2.9 billion Newmont Boddington Gold Mine starts operating in 2009 and will be Australia's largest open cut mine.

Despite the global financial crisis, the regional economy remains strong. Peel is the fourth largest regional economy in Western Australia and the third fastest growing.

Much of the Peel's economic activity is driven by mining developments and population growth, with the main industry sectors being mining, construction, manufacturing, other services and retail. Together, these make up 72% of the Gross Regional Product.

The Region has a number of significant major projects underway with a capital expenditure exceeding \$6.5 billion, generating over 1 000 jobs. These projects include the Boddington Gold Mine, BHPB Worsley, the Kwinana Freeway Extension (Forrest Highway), the Sebel Hotel, Fairbridge Village and the Mandurah Entrance Road.

Like many regions, Peel's small and medium businesses are a big part of the regional economy, and the Commission has a strong focus on ensuring the conditions for their continued growth are in place. In 2008-09 there were 1122 new business registrations in the region; a reduction of 2.1% on the previous year. This represents the region's first negative growth over the past five year period. The rate of the slowdown is small compared to that of the State which experienced a 40% reduction in new business registrations during the same period. The most popular industry sectors for new businesses in the region were retailing; personal services; cleaning services; health services; hairdressing and beauty salons; business services; business administrative services; landscaping and gardening services.

The Peel Region continues to have the fastest growing population in regional WA, and this is reflected in the Peel Development Commission's proactive approach to planning for the long-term service and infrastructure needs. From 1998 to 2008, Peel's average annual population growth rate was 3.6%, compared to 1.8% for the State and 1.6% for Regional Western Australia. The region's population is estimated to grow to 128,757 by 2015 representing an average annual growth of 3.9%, more than double the State's estimated growth of 1.5%. The population projection for the five years from 2015 to 2020 reflects an average annual growth of 2.9% which although slightly lower than in previous years, remains higher than the State's estimated growth of 1.3%.

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<sup>1</sup> [www.dmp.wa.gov.au/1525.aspx#1597](http://www.dmp.wa.gov.au/1525.aspx#1597)



There is some misperception about our age distribution, with the Peel traditionally having a high older population. However, our younger population is growing in number. 19% of the Region's population is aged between 0 - 14 years, compared to 19.7% for the State. 62.5% of the population is aged between 15 – 64 years (68.4% state). The Region has a higher proportion of people aged over 65 years than the State figures, accounting for 18.2% and 11.9% of the population respectively.

One of the Commission's main focuses is the creation of local jobs for local people, at the same time supporting our business and industry sectors to grow. The gap in unemployment levels in Peel and the rest of the State has narrowed in recent years but unemployment remains higher than the State average at 4%, slightly above the regional WA rate of 3.6% and state rate of 3.0%.

Tourism is an important contributor to the region's economy. In 2008 a new luxury hotel opened on the waterfront in Mandurah and another luxury hotel is planned for Port Bouvard. In the year ending December 2008 the region experienced a reduction in both intrastate and international visitors of 12.5% and 8% respectively. However interstate visitors increased 115% to an estimated 43,000. This is in contrast to the State which experienced a 10.1% reduction in interstate visitors. Overall, the total visitors to the Region fell by 5.7% compared to the State which experienced an 8% reduction.

# DISCLOSURES AND LEGAL COMPLIANCE

## Certificate of Financial Statements for the Year ended 30 June 2009

The accompanying financial statements of the Peel Development Commission have been prepared in compliance with the provisions of the Financial Management Act 2006, from proper accounts and records, to present fairly the financial transactions for the financial year ending 30 June 2009 and the financial position as at 30 June 2009. 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.



Kim Horne  
Chairman  
31 August 2009



Maree De Lacey  
Chief Executive Officer  
31 August 2009



Helen Slater  
Manager Corporate Services  
31 August 2009



## Auditor General

### **INDEPENDENT AUDIT OPINION**

**To the Parliament of Western Australia**

**PEEL DEVELOPMENT COMMISSION  
FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS  
FOR THE YEAR ENDED 30 JUNE 2009**

I have audited the accounts, financial statements, controls and key performance indicators of the Peel Development Commission.

The financial statements comprise the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

#### **Commission's Responsibility for the Financial Statements and Key Performance Indicators**

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### **Summary of my Role**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer [www.audit.wa.gov.au/pubs/AuditPracStatement\\_Feb09.pdf](http://www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf).

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

**Peel Development Commission**

**Financial Statements and Key Performance Indicators for the year ended 30 June 2009**

**Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Peel Development Commission at 30 June 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission 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; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2009.



COLIN MURPHY  
AUDITOR GENERAL  
4 September 2009

## FINANCIAL STATEMENTS

PEEL DEVELOPMENT COMMISSION

### Income Statement

For the year ended 30 June 2009

	Note	2009	2008
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	5	1,055,881	1,139,997
Supplies and services	6	374,617	269,610
Depreciation and amortisation	7	20,099	20,716
Accommodation expenses	8	147,141	140,038
Grants and subsidies	9	3,249,286	3,822,888
Other expenses	10	<u>24,902</u>	<u>34,369</u>
<b>Total cost of services</b>		<u>4,871,926</u>	<u>5,427,618</u>
<b>Income</b>			
<i>Revenue</i>			
Other revenue	11	<u>61,018</u>	<u>179,876</u>
<b>Total income other than income from State Government</b>		<u>61,018</u>	<u>179,876</u>
<b>NET COST OF SERVICES</b>		<u>4,810,908</u>	<u>5,247,742</u>
<b>INCOME FROM STATE GOVERNMENT</b>			
	12		
Service appropriations		4,662,000	4,917,000
Grants from Government agencies		1,711,030	630,110
Royalties for Regions Fund		<u>4,440,000</u>	<u>-</u>
<b>Total income from State Government</b>		<u>10,813,030</u>	<u>5,547,110</u>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<u>6,002,122</u>	<u>299,368</u>

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

## PEEL DEVELOPMENT COMMISSION

**Balance Sheet***For the year ended 30 June 2009*

	Note	2009	2008
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	22	1,327,853	532,740
Restricted cash and cash equivalents	13	5,318,999	-
Receivables	14	<u>124,360</u>	<u>45,311</u>
<b>Total Current Assets</b>		<u>6,771,212</u>	<u>578,051</u>
<b>Non-Current Assets</b>			
Amounts receivable for services	15	152,000	179,000
Plant and equipment	16	46,788	25,753
Intangible assets	17	<u>559</u>	<u>6,216</u>
<b>Total Non-Current Assets</b>		<u>199,347</u>	<u>210,969</u>
<b>TOTAL ASSETS</b>		<u>6,970,559</u>	<u>789,020</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	19	375,917	243,677
Provisions	20	<u>151,730</u>	<u>108,015</u>
<b>Total Current Liabilities</b>		<u>527,647</u>	<u>351,692</u>
<b>Non-Current Liabilities</b>			
Provisions	20	<u>56,720</u>	<u>53,258</u>
<b>Total Non-Current Liabilities</b>		<u>56,720</u>	<u>53,258</u>
<b>TOTAL LIABILITIES</b>		<u>584,367</u>	<u>404,950</u>
<b>NET ASSETS</b>		<u>6,386,192</u>	<u>384,070</u>
<b>EQUITY</b>			
Contributed equity	21	137,770	137,770
Accumulated surplus/(deficit)		<u>6,248,422</u>	<u>246,300</u>
<b>TOTAL EQUITY</b>		<u>6,386,192</u>	<u>384,070</u>

The Balance Sheet should be read in conjunction with the accompanying notes.

## PEEL DEVELOPMENT COMMISSION

**Cash Flow Statement***For the year ended 30 June 2009*

	Note	2009	2008
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		4,622,000	4,872,000
Holding account drawdowns		67,000	45,000
Royalties for Regions Fund		4,440,000	-
Grants from Government agencies		<u>1,711,030</u>	<u>630,110</u>
<b>Net cash provided by State Government</b>		<u>10,840,030</u>	<u>5,547,110</u>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(1,011,233)	(1,010,551)
Supplies and services		(544,197)	(540,857)
Grants and subsidies		(3,147,210)	(3,733,703)
GST payments on purchases		(364,103)	(431,389)
Other payments		(24,902)	(34,369)
<b>Receipts</b>			
User charges and fees		76,624	212,615
GST receipts on sales		61,213	29,926
GST receipts from taxation authority		263,367	370,600
<b>Net cash provided by/(used in) operating activities</b>	22	<u>(4,690,441)</u>	<u>(5,137,728)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-current physical assets		<u>(35,477)</u>	<u>(14,462)</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>(35,477)</u>	<u>(14,462)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		6,114,112	394,920
Cash and cash equivalents at start of period		<u>532,740</u>	<u>137,820</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	22	<u><u>6,646,852</u></u>	<u><u>532,740</u></u>

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

PEEL DEVELOPMENT COMMISSION  
**Statement of Changes in Equity**  
For the year ended 30 June 2009

	Note	2009	2008
<b>Balance of equity at start of period</b>		<u>137,770</u>	<u>137,770</u>
<b>CONTRIBUTED EQUITY</b>	21		
Balance at start of period		<u>137,770</u>	<u>137,770</u>
Balance at end of period		<u>137,770</u>	<u>137,770</u>
<b>ACCUMULATED SURPLUS/(DEFICIT)</b>	21		
Balance at start of period		246,300	(23,857)
Change in accounting policy (b)		<u>-</u>	<u>(29,211)</u>
Restated balance at start of period		246,300	(53,068)
Surplus/(deficit) for the period		<u>6,002,122</u>	<u>299,368</u>
Balance at end of period		<u>6,248,422</u>	<u>246,300</u>
<b>Balance of equity at end of period</b>		<u><u>6,386,192</u></u>	<u><u>384,070</u></u>
Total income and expense for the period (a)	(a)	<u>6,002,122</u>	<u>299,368</u>

(a) The aggregate net amount attributable to each category of equity is: surplus \$6,002,122 (2008: surplus \$299,368)

(b) The asset capitalisation threshold was increased from \$1,000 to \$5,000 on 1 July 2008

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



## **1 Australian equivalents to International Financial Reporting Standards**

### **General**

The Commission's financial statements for the year ended 30 June 2009 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Commission has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the Australian Accounting Standards Board (AASB) and formerly the Urgent Issues Group (UIG).

### **Early Adoption of Standards**

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No standards and interpretations that have been issued or amended but are not yet effective have been early adopted by the Commission for the annual reporting period ended 30 June 2009.

## **2 Summary of Significant Accounting Policies**

### **(a) General Statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions (TI's). Several of these are modified by the TI's to vary the application, disclosure, format and wording.

The Financial Management Act and the TI's are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

### **(b) Basis of Preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

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

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

The judgements that have been made in the process of applying the Commission's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date do not have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(c) Reporting Entity**

The reporting entity is the Peel Development Commission.

**(d) Contributed Equity**

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers, other than as a result of a restructure of administrative arrangements, in the nature of equity contributions 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 contributions (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.

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.

**(e) Income**

**Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

*Sale of goods*

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

*Rendering of services*

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

*Service Appropriations*

Service Appropriations are recognised as revenues at nominal value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited into the Commission's bank account or credited to the holding account held at of Treasury.

*Grants, donations, gifts or other non-reciprocal contributions*

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

**Gains**

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

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

*Capitalisation/Expensing of assets*

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

*Initial recognition and measurement*

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

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

*Subsequent measurement*

After recognition as an asset, the cost model is used for the measurement of plant and equipment. Items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

#### *Depreciation*

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

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

Computing hardware	3 years
Furniture, fixtures & fittings	10 years
Office equipment	5 years

### **(g) Intangible assets**

#### *Capitalisation/Expensing of assets*

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

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost value is their fair value at the date of acquisition

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

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

Software	2 to 5 years
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### **(h) Impairment of Assets**

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

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

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet date irrespective of whether there is any indication of impairment.

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

### **(i) Leases**

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

**(j) Financial Instruments**

In addition to cash, the Authority has two categories of financial instrument:

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

These have been disaggregated into the following classes:

Financial Assets

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

Financial Liabilities

- Payables
- Bank overdraft
- WATC/Bank borrowings
- Other borrowings
- Finance lease liabilities
- Amounts due to the Treasurer

Financial Assets

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

Financial Liabilities

- Payables

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

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

**(k) Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalents assets comprise cash on hand.

**(l) Accrued Salaries**

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its net fair value.

**(m) Amounts Receivable for Services (Holding Account)**

The Commission receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

**(n) Receivables**

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance

account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

**(o) Payables**

Payables are recognised 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 they are generally settled within 30 days.

**(p) Provisions**

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

**(i) Provisions - Employee Benefits**

***Annual Leave and Long Service Leave***

The liability for annual and long service leave expected to be settled within 12 months after the end of the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and 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 balance sheet date.

***Superannuation***

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

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

The Commission has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Commission to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Commission makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and the GESBS Schemes.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is

recouped by the Treasurer for the employer's share.

## **(ii) Provisions - Other**

### *Employment On-Costs*

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

## **(q) Superannuation Expense**

The following elements are included in calculating the superannuation expense in the Income Statement:

(a) Defined benefit plans - For 2007-08, the change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and

(b) Defined contribution plans - Employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS)

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided in the current year.

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

## **(r) Comparative Figures**

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

## **3 Judgements made by management in applying accounting policies**

A judgement that has been made in the process of applying accounting policies that has a significant effect on the amounts recognised in the financial statements relates to:

Operating lease commitments:

The Commission has entered into a commercial lease and has determined that the lessor retains all the significant risks and rewards of ownership of the property. Accordingly, the lease has been classified as an operating lease.

## **4 Disclosure of Changes in Accounting Policy and Estimates**

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

The Commission has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2008 that impacted on the Commission:

Review of AAS 27 'Financial Reporting by Local Governments', AAS 29 'Financial Reporting by Government Departments' and AAS 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:

AASB 1004 'Contributions';

AASB 1050 'Administered Items';  
 AASB 1051 'Loand Under Roads';  
 AASB 1052 'Disaggregated Disclosures';  
 AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]; and  
 Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain substantially unchanged. AASB 1050, AASB 1051 and AASB 1052 do not apply to Statutory Authorities. The other Standards and Intepretation make some modifications to disclosures and provide additional guidance, otherwise there is no financial impact.

### Voluntary changes in Accounting Policy

At the end of March 2009, the Commission rolled into the Department of Treasury and Finance's Shared Services Centre. Prior to the roll-in, the Commission maintained an asset capitalisation threshold of \$1,000. Following the roll in and in accordance with Treasurer's Instruction 1101, the asset capitalisation threshold for the Commission was raised to \$5,000.

In accordance with the requirements of AASB 108, the Commission has accounted for this change by retrospectively adjusting the opening balance of the accumulated surplus/(deficiency) account for the earliest prior period possible and by adjusting the relevant financial statement comparative amounts disclosed for the prior period presented, as if the new accounting policy had always been applied.

As a result of applying the \$5,000 capitalisation threshold to the Commission's assets as at July 1, 2007 a number of the financial statement line items presented in the 2007/08 comparative financial statements have been changed

Plant and equipment and Intangible asset balances as at July 1, 2007 were altered as follows after the capitalisation change:

	June 2007 Balances prior to change in capitalisation policy	June 2007 Balances after change incapitalisation policy
Plant & Equipment		
Office equipment		
At cost	299,826	57,209
Accumulated depreciation	<u>(250,287)</u>	<u>(33,200)</u>
	<u>49,539</u>	<u>24,009</u>
Intangible assets		
Computer software		
At cost	84,420	23,993
Accumulated amortisation	<u>(66,525)</u>	<u>(9,779)</u>
	<u>17,895</u>	<u>14,214</u>
Total	<u><u>                                </u></u>	<u><u>                                </u></u>

67,43438,223

Net Difference \$29,211

Depreciation for 2007-08 decreased from \$25,948 to \$12,718 after the capitalisation change  
 Amortisation for 2007-08 decreased from \$9,375 to \$7,998 after the capitalisation change  
 Supplies and Services for 2007-08 increased by \$12,421 after the capitalisation change as a result of more assets being expensed rather than capitalised

It was determined that the earliest practical period that this change in accounting policy could be applied was as at July 1, 2007. The net effect of the change in capitalisation policy was a net decrease in the Plant and equipment and Computer software asset categories of \$29,211 which is reflected in an adjustment to the accumulated surplus/(deficiency) account for this amount (refer Changes in Equity account for disclosure).

#### Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by T11101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Authority has not applied early the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Commission but are not yet effective. Where applicable, the Commission plans to apply these Standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/after	
AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Commission does not expect any financial impact when the Standard is first applied.		1 January 2009
	<b>2009</b>	<b>2008</b>
<b>5 Employee Benefits Expense</b>		
Wages and salaries(a)	860,168	826,026
Superannuation – defined contribution plans(b)	88,183	119,795
Long service leave(c)	(15,131)	7,038
Annual Leave(c)	66,299	55,930
Other employee related expenses	<u>56,362</u>	<u>131,208</u>
	<u>1,055,881</u>	<u>1,139,997</u>

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.

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

(c) Includes a superannuation contribution component.

#### 6 Supplies and Services



Communication	15,132	23,113
Administration expenses	182,571	64,921
Consumables	27,103	34,055
Vehicle lease costs	44,127	49,954
Other expenses	<u>105,684</u>	<u>97,567</u>
	<u>374,617</u>	<u>269,610</u>
<b>7 Depreciation and amortisation expense</b>		
<b>Depreciation</b>		
Computing hardware	12,627	12,487
Furniture, fixtures & fittings	1,340	231
Office equipment	475	-
Total depreciation	<u>14,442</u>	<u>12,718</u>
<b>Amortisation</b>		
Computer software	<u>5,657</u>	<u>7,998</u>
Total amortisation	<u>5,657</u>	<u>7,998</u>
<b>Total depreciation and amortisation</b>	<u><u>20,099</u></u>	<u><u>20,716</u></u>
<b>8 Accommodation expenses</b>		
Lease rentals	131,949	126,442
Cleaning	<u>15,192</u>	<u>13,596</u>
	<u>147,141</u>	<u>140,038</u>
<b>9 Grants and subsidies</b>		
Project Related Grants	2,921,119	3,322,888
Regional Development Scheme	323,929	500,000
Royalties for Regions Scheme	4,238	-
	<u>3,249,286</u>	<u>3,822,888</u>
<b>10 Other Expenses</b>		
Audit costs	<u>24,902</u>	<u>34,369</u>
	<u>24,902</u>	<u>34,369</u>

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 20 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

**2009**

**2008**

**11 Other Revenue**

Recurrent

61,018	179,876
<u>61,018</u>	<u>179,876</u>

**12 Income from State Government**

Appropriation received during the year:

Service appropriation (a)

4,662,000	4,917,000
4,662,000	4,917,000

Grants received from Government agencies

1,711,030	630,110
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Royalties for Regions Fund:

- Regional Infrastructure and Headworks Account (b)

4,440,000	-
<u>10,813,030</u>	<u>5,547,110</u>

<sup>(a)</sup> Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

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

**13 Restricted cash and cash equivalents**

Current

Royalties for Regions Fund

4,372,631	-
<u>4,372,631</u>	<u>-</u>

**14 Receivables**Current

Trade Debtors

29,705 45,311

GST Receivable

94,655 -

<u>124,360</u>	<u>45,311</u>
----------------	---------------

**15 Amounts Receivable for Services**

\$

\$

Current

Non-current

152,000	179,000
<u>152,000</u>	<u>179,000</u>

Represents the non-cash component of service appropriations. It is restricted in that it can only

be used for asset replacement or payment of leave liability.

	<b>2009</b>	<b>2008</b>
<b>16 Plant and equipment</b>		
Computing hardware		
At cost	72,098	58,616
Accumulated depreciation	<u>(45,490)</u>	<u>(32,863)</u>
	<u>26,608</u>	<u>25,753</u>
Furniture, fixtures & fittings		
At cost	14,864	-
Accumulated depreciation	<u>(1,340)</u>	<u>-</u>
	<u>13,524</u>	<u>-</u>
Office equipment		
At cost	7,131	-
Accumulated depreciation	<u>(475)</u>	<u>-</u>
	<u>6,656</u>	<u>-</u>
	<u>46,788</u>	<u>25,753</u>

Reconciliation

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out below.

<b>2009</b>	Computing hardware	Furniture, fixtures & fittings	Office Equipment	Total
Carrying amount at start of year	25,753	-	-	25,753
Additions	13,482	14,864	7,131	35,477
Depreciation	<u>(12,627)</u>	<u>(1,340)</u>	<u>(475)</u>	<u>(14,442)</u>
Carrying amount at end of year	<u>26,608</u>	<u>13,524</u>	<u>6,656</u>	<u>46,788</u>
<b>2008</b>				
Carrying amount at start of year	-	-	49,539	49,539
Derecognition of assets (change in accounting policy)	-	-	(25,530)	(25,530)
Additions	14,462	-	-	14,462
Transfers	23,778	231	(24,009)	-
Depreciation	<u>(12,487)</u>	<u>(231)</u>	<u>-</u>	<u>(12,718)</u>
Carrying amount at end of year	<u>25,753</u>	<u>-</u>	<u>-</u>	<u>25,753</u>

**17 Intangible assets**

Computer software	23,993	23,993
At cost		
	<u>(23,434)</u>	<u>(17,777)</u>
Accumulated amortisation		
	<u>559</u>	<u>6,216</u>

#### Reconciliation

Reconciliation of the carrying amounts of Intangible assets at the beginning and end of the reporting period are set out below.

<b>2009</b>	Computing software
Carrying amount at start of period	6,216
Depreciation	<u>(5,657)</u>
Carrying amount at end of period	<u><u>559</u></u>
<b>2008</b>	
Carrying amount at start of period	17,895
Derecognition of assets (change in accounting policy)	(3,681)
Depreciation	<u>(7,998)</u>
Carrying amount at end of period	<u><u>6,216</u></u>

## 18 Impairment of Assets

There were no indications of impairment of property, plant and equipment, and intangible assets as at 30 June 2009

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2009 have either been classified as assets held for sale or written-off

## 19 Payables

### Current

Trade payables	106,284	145,201
Other payables	20,503	-
GST payable	-	28,285
Accrued expenses	238,020	56,552
Accrued salaries	<u>11,110</u>	<u>13,639</u>
	<u>375,917</u>	<u>243,677</u>
	<b>2009</b>	<b>2008</b>

## 20 Provisions

### Current

Employee benefits provision		
Annual leave <sup>(a)</sup>	102,968	69,549
Long service leave <sup>(b)</sup>	<u>36,234</u>	<u>32,207</u>
	<u>139,202</u>	<u>101,756</u>
Other provisions		
Employment on-costs (c)	<u>12,528</u>	<u>6,259</u>
	<u>12,528</u>	<u>6,259</u>
	<u><u>151,730</u></u>	<u><u>108,015</u></u>
<u>Non-current</u>		
Long service leave <sup>(b)</sup>	<u>52,037</u>	<u>46,201</u>
	<u>52,037</u>	<u>46,201</u>
Other provisions		
Employment on-costs (c)	<u>4,683</u>	<u>7,057</u>
	<u>4,683</u>	<u>7,057</u>
	<u><u>56,720</u></u>	<u><u>53,258</u></u>

<sup>(a)</sup> Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	72,078	48,663
More than 12 months after balance sheet date	<u>30,890</u>	<u>20,886</u>
	<u>102,968</u>	<u>69,549</u>

<sup>(b)</sup> Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of reporting date	18,589	16,523
More than 12 months after reporting date	<u>17,645</u>	<u>15,684</u>
	<u>36,234</u>	<u>32,207</u>

<sup>(c)</sup> The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense is included in note 11 'Other expenses'.

Movement in Employment on-cost provision

Carrying amount at start of year	13,316	16,157
Additional provisions recognised	<u>3,895</u>	<u>(2,841)</u>
Carrying amount at end of year	<u>17,211</u>	<u>13,316</u>

## 21 Equity

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

Contributed equity		
Balance at start of period	137,770	137,770
Balance at end of period	137,770	137,770
Accumulated surplus(deficit)		
Balance at start of period	246,300	(23,857)
Change in accounting policy	-	(29,211)
Restated balance at start of period	246,300	(53,068)
Result for the period	6,002,122	299,368
Balance at end of period	6,248,422	246,300

## 22 Notes to the Cash Flow Statement

2009

2008

### Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	6,646,852	532,740
	6,646,852	532,740

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

Net cost of services	(4,810,908)	(5,247,742)
Non-cash items:		
Depreciation expense	7,259	-
(Increase)/decrease in assets:		
Current receivables	15,606	32,739
Increase/(decrease) in liabilities:		
Current payables	160,525	13,131
Current provisions	43,715	50,562
Other current liabilities		45,191
Grants received from WA Government agencies	1,711,030	630,110
Non-current provisions	3,462	(52,325)
Net change in GST receivables/payables	(122,940)	-
Net cash provided by/(used in) operating activities	(2,992,251)	(4,528,334)

<b>23 Commitments</b>	<b>2009</b>	<b>2008</b>
Lease Commitments		
Commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statements are payable as follows:		
Within 1 year	159,283	151,600
Later than 1 year and not later than 5 years	93,880	328,087
	<u>253,163</u>	<u>479,687</u>
Representing:		
Cancellable operating leases	38,745	27,616
Non-cancellable operating leases	214,418	452,071
	<u>253,163</u>	<u>479,687</u>
Non-cancellable operating lease commitments		
Commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statements are payable as follows:		
Within 1 year	135,422	129,163
Later than 1 year and not later than 5 years	78,996	322,908
	<u>214,418</u>	<u>452,071</u>

## 24 Explanatory Statement

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% or \$30,000.

### Significant variances between estimated and actual result for 2009

	2009 Estimate	2009 Actual	Variation
Employee benefits expenses	1,060	1,056	4
Supplies and services	534	375	159
Grants & subsidies	5,353	3,249	2,104
Other expenses	95	25	70
Other revenue	120	61	59

#### Supplies and services

The variance is due to increased grant delivery and some reductions in some service costs.

#### Grants and subsidies

The variance reflects the committed but not delivered funding in the Boddington Gold Social Infrastructure Package.

#### Other expenses

Variation is attributable to the costs of fleet vehicles being allocated to this item in the past. These are now allocated under Supplies and Services.

#### Other revenue

Variation includes the previous provision of fully recoupable expenses for PCDG that are no longer supplied.

### Significant variances between actual results for 2008 and 2009

	2009	2008	Variance
<b>Expenses</b>			
Employee benefits expenses	1,055,881	1,139,997	(84,116)
Supplies and services	374,617	269,610	105,007
Accommodation expenses	147,141	140,038	7,103
Grants and subsidies	3,249,286	3,822,888	(573,602)
Other	24,902	34,369	(9,467)
<b>Income</b>			
Other	61,018	179,876	(118,858)
Service appropriation	4,662,000	4,917,000	(255,000)
Grants from Government agencies	1,711,030	630,110	1,080,920

#### Employee benefits expense

The reduction in employee benefits reflects the staff restructure undertaken.

#### Supplies and services

The variance is due to increased grant delivery and reductions in some service costs.

#### Grants and subsidies



Variation includes the completion of some projects in 2008 and also some committed but not delivered projects in 2009.

Other

Other income in 2008 included recoups for services supplied to PCDG that are no longer supplied.

Grants from government agencies

In 2009 this included 1,211 unspent funds from DOIR allocated to the Boddington Gold Social Infrastructure Package.

**25 Financial Instruments****(a) Financial Risk Management Objectives and Policies**

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

*Credit risk*

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

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 26(c) 'Financial Instrument Disclosures' and Note 14 'Receivables'

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

*Liquidity risk*

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due. The Commission is exposed to liquidity risk through its trading in the normal course of business.

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

*Market risk*

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or value of its holdings of financial instruments.

The Commission does not trade in foreign currency and is not materially exposed to other price risks. Other than as detailed in the interest rate sensitivity analysis table at Note 26 (c) , the Commission is not exposed to interest rate risk because cash and cash equivalents are non-interest bearing and has no borrowings other than the Treasurer's advance (non-interest bearing).

**(b) Categories of Financial Instruments**

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows

	<b>2009</b>	<b>2008</b>
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	1,327,853	532,740
Restricted cash and cash	5,318,999	

equivalents		-
Loans and receivables(a)	181,705	224,311
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	375,917	243,677

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

**(c) Financial Instrument Disclosures**

*Credit Risk and Interest Rate Exposures*

The following table discloses the Commission's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the balance sheet date is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

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

The Commission does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

## Interest rate exposures and ageing analysis of financial assets

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure		Past due but not impaired							Impaired financial assets	
			Variable Interest Rate	Non-Interest Bearing	Up to 3 months	3-12 months	1-2 years	2-3 years	3-4 years	4 - 5 years	More than 5 years		
<b>Financial Assets</b>													
<b>2009</b>	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalent assets		1,327,853		1,327,853	-	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents		5,318,999		5,318,999	-	-	-	-	-	-	-	-	-
Receivables		29,705		29,705	-	-	-	-	-	-	-	-	-
Amounts receivable for services		152,000		152,000	-	-	-	-	-	-	-	-	-
		6,828,557	-	6,828,557	-	-	-	-	-	-	-	-	-
<b>2008</b>													
Cash and cash equivalent assets		532,740		532,740	-	-	-	-	-	-	-	-	-
Receivables		45,311		45,311	-	-	-	-	-	-	-	-	-
Amounts receivable for services		179,000		179,000	-	-	-	-	-	-	-	-	-
		757,051	-	757,051	-	-	-	-	-	-	-	-	-

### Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes interest and principal cash flows. An adjustment for discounting has been made where material.

**Interest rate exposures and maturity analysis of financial liabilities**

	Average Effective Interest Rate %	Carrying Amount \$	Variable Interest Rate \$	Non- Interest Bearing \$	Adjustment for discounting \$	Total Nominal Amount \$	Up to 3 months \$	3-12 months \$	1-2 years \$	2 - 3 years \$	3 - 4 years \$	4 - 5 years \$	More than 5 years \$
<u>Financial Liabilities</u>													
<b>2009</b>													
Payables		375,917		375,917	-	375,917	4,988	-	-	-	-	-	-
		375,917		375,917	-	375,917	4,988	-	-	-	-	-	-
<u>Financial Liabilities</u>													
<b>2008</b>													
Payables		243,677		243,677	-	243,677	-	-	-	-	-	-	-
		243,677		243,677	-	243,677	-	-	-	-	-	-	-

*Interest rate sensitivity analysis*

None of the Commission's financial assets and liabilities at the balance sheet date are sensitive to movements in interest rates. In that case movements in interest rates have no impact on the surplus for the period and equity

*Fair Values*

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

**26 Remuneration of members of the accountable authority and senior officers**Remuneration of Members of the accountable authority

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

\$	2009	2008
0 - 10,000	9	9
The total remuneration of members of the accountable authority is:	<u>31,547</u>	<u>22,355</u>

The total remuneration includes the superannuation expense incurred by the Authority in respect of members of the Accountable Authority

Remuneration of Senior Officers

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

160,001 - 170,000	1	1
The total remuneration of senior officers is:	<u>166,557</u>	<u>160,939</u>

The total remuneration includes the superannuation expense incurred by the Authority in respect of senior officers other than senior officers reported as members of the Accountable Authority.

No senior officers are members of the Pension Scheme

**27 Remuneration of Auditor**

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

Auditing the accounts, financial statements and performance indicators	<u>22,500</u>	<u>20,400</u>
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**28. Schedule of Income and Expenses by Service**

	Facilitation & Coordination		Information & Advice			TOTAL
	2009	2008	2009	2008	2009	2008
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	950,293	1,025,997	105,588	114,000	1,055,881	1,139,997
Supplies and services	337,155	242,649	37,462	26,961	374,617	269,610
Depreciation	18,089	18,644	2,010	2,072	20,099	20,716
Accommodation expenses	132,427	126,034	14,714	14,004	147,141	140,038
Grants and subsidies	2,924,357	3,440,599	324,929	382,289	3,249,286	3,822,888
Other expenses	22,412	30,932	2,490	3,437	24,902	34,369
<b>Total cost of services</b>	<b>4,384,733</b>	<b>4,884,856</b>	<b>487,193</b>	<b>542,762</b>	<b>4,871,926</b>	<b>5,427,618</b>
<b>Income</b>						
Other revenue	54,916	161,888	6,102	17,988	61,018	179,876
<b>Total income other than income from State Government</b>	<b>54,916</b>	<b>161,888</b>	<b>6,102</b>	<b>17,988</b>	<b>61,018</b>	<b>179,876</b>
<b>NET COST OF SERVICES</b>			<b>481,091</b>	<b>524,774</b>	<b>4,810,908</b>	<b>5,247,742</b>

	4,329,817	4,722,968				
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriation	4,195,800	4,425,300	466,200	491,700	4,662,000	4,917,000
Grants from Government Agencies	1,539,927	567,099	171,103	63,011	1,711,030	630,110
Royalties for Regions Fund	3,996,000	-	444,000	-	4,440,000	-
<b>Total income from State Government</b>	<u>9,731,727</u>	<u>4,992,399</u>	<u>1,081,303</u>	<u>554,711</u>	<u>10,813,030</u>	<u>5,547,110</u>
<b>Surplus/(deficit) for the period</b>	5,401,910	269,431	600,212	29,937	6,002,122	299,368

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



## Certification of Detailed Key Performance Indicators for the Year Ended 30 June 2009

We hereby certify that the Key Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Peel Development Commission's performance, and fairly represent the performance of the Commission for the financial year ending 30 June 2009.



Kim Horne  
Chairman  
31 August 2009



Maree De Lacey  
Chief Executive Officer  
31 August 2009



Helen Slater  
Manager Corporate Services  
31 August 2009

## Overall Effectiveness Indicators

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

The effectiveness of the Commission in achieving its outcomes is determined by undertaking an annual client/stakeholder survey. In 2008-09 the Commission engaged an independent market research consultancy to undertake its Client Survey.

The Commission provided a database of their clients which included local governments, Commonwealth and State government agencies, and private organisations. The database comprised of 856 clients. Respondents from this sampling frame were sent an email which introduced the survey and, utilising email and telephone, follow-ups occurred to encourage sufficient responses to ensure statistical reliability. In order to achieve survey response randomization from the initial sampling frame, only 700 of the initial 856 clients were sent an introductory email and survey link.

A total of 311 surveys were completed. This represents an overall response rate of 44.4% of the sample that were contacted and a 36.3% response rate from all clients in the sampling frame. The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of key clients within a possible sampling error of +/- 5%.

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

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

A percentage score has been calculated below to determine an overall satisfaction rating for this area. This historical outcome is included for the 2007-2008 client survey for comparison purposes.

<b>Outcome: Development and Promotion of the Peel Region</b>	<b>2007-2008 Actual</b>	<b>2008-2009 Actual</b>	<b>2008-2009 Target</b>
Client satisfaction with the contribution to the Region's economic base	85.8%	83.5%	90%

Satisfaction levels were slightly reduced in 2009 in comparison with previous years, although the satisfaction levels still remain high. The Commission is working with our regional partners to identify strategies for improvement in this area.

## Efficiency Indicators

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

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

Both services are measured in cost per service hour.

	2004-05 (a)	2005-06 (a)	2006-07 (a)	2007-08 (a)	2008-09 (a)
1. Facilitation and coordination	\$83.12	\$82.92	\$49.54	\$82.05	\$74.73
2. Information and advice	\$83.96	\$88.78	\$53.44	\$45.58	\$45.67

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

	2006-07 Actual	2007-08 Actual	2008-09 Actual	2008-09 Target	Variance
1. Facilitation and coordination	\$50	\$82	\$75	\$312	\$237
2. Information and advice	\$53	\$46	\$46	\$93	\$47

The variation between the average cost per unit of service hour between 2008-09 Budget and 2008-09 Actual is due to the Commissions grants and subsidies expenditure being included in the calculation for the 2008-09 Budget. Grants and subsidies expenditure is excluded from this calculation for the Actual results for the current and prior years.

## OTHER DIRECTIVES AND FINANCIAL DISCLOSURES

### Ministerial Directives

No Ministerial directives were received during the financial year.

### Pricing Policies of Services Provided

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

### Employment and Industrial Relations

#### *Staff Profile*

	As at 30 June 2008	As at 30 June 2009
Full time permanent	9	10
Part time permanent	2	2
Full time contract	1	1
Part time contract	0	0
<b>Total (FTE)</b>	<b>12</b>	<b>13</b>

#### *Staff Training and Development*

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

During 2008-09, employees were collectively involved in 115 hours of training and development courses and seminars at a cost of \$5,811.

#### *Occupational Health, Safety and Welfare, and Workers Compensation*

No workers' compensation claims were received during the 2008-09 financial year. Occupational health, safety and welfare policies were reviewed and monitored by the Manager for Corporate Services

### **Governance Disclosures**

#### **Contracts with Senior Officers**

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

The Commission funded grants through the Regional Development Scheme and funds grants through the Royalties for Regions Regional Grants Scheme of which Board members may be members of the recipient

organisation. The Peel Development Commission assesses each grant proposal according to specific criteria, with the Board approving or recommending to the Minister the successful applications. Where there is potential for a conflict of interest, officers and Board members do not participate in decision-making processes and this is documented.

***Other Legal Requirements***

**Compliance with *Public Sector Management Act 1994 31 (1)***

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

Compliance issues	Significant action taken to monitor and ensure compliance
<p><b>Public Sector Standards (PSS)</b></p> <p>Nil breach claims</p>	<ul style="list-style-type: none"> <li>• Regularly updated information about Standards included on the Peel Development Commission internal information system and within induction materials as well as being provided to the board.</li> <li>• Ongoing awareness-raising process conducted on the standards.</li> <li>• Training provided to grievance officers and persons on recruitment panels to ensure compliance with relevant standards.</li> <li>• Transactions audited internally as a standard operating procedure.</li> </ul>
<p><b>WA Code of Ethics</b></p> <p>Nil reports of non compliance with WA Code of Ethics</p>	<ul style="list-style-type: none"> <li>• The WA Code of Ethics form part of induction materials and is listed on the Peel Development Commission internal information system.</li> <li>• Ethics is a standing topic for all executive and staff meetings.</li> </ul>
<p><b>Peel Development Commission Code of Conduct</b></p> <p>Nil breach claims or reports</p>	<ul style="list-style-type: none"> <li>• Code of Conduct is accessible on intranet and hard copies 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>



Maree De Lacey  
 Chief Executive Officer  
 1 September 2009

## Advertising

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

Market research organisations	\$ 4,372
Advertising agency services	\$ 5,768
Market advertising promotion campaigns	-
<b>Total</b>	<b>\$ 10,140</b>

Payments totalling \$1,800 (inc GST) or more during the reporting year were made to each of the following organisations:

Asset Research	\$ 4,372
AdCorp	\$ 5,768

## Disability Access and Inclusion Plan Outcomes

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

- Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the Peel Development Commission;
- Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Peel Development Commission;
- Outcome 3: People with disabilities receive information from Peel Development Commission in a format that will enable them to access the information as readily as other people are able to access it;
- Outcome 4: People with disabilities receive the same level and quality of service from the staff of the Peel Development Commission as other people;
- Outcome 5: People with disabilities have the same opportunities as other people to make complaints to the Peel Development Commission; and
- Outcome 6: People with disabilities have the same opportunities as other people to participate in public consultation by the Peel Development Commission.

During 2008-09 the Commission achieved the following against the outcomes:

	Total number of planned strategies	Number of strategies completed	Number of strategies partially completed	Number of contracts Undertaking DAIP activity
Outcome 1	2	1	1	0
Outcome 2	1	1	0	0
Outcome 3	2	1	1	0
Outcome 4	1	1	0	0
Outcome 5	1	0	1	0
Outcome 6	1	0	0	0

Number of contracts providing a service to the public consistent with the Disability Access and Inclusion Plan	0
Total number of contracts providing a service to the public	0
Provided a copy of our DAIP directly to agents and contractors upon awarding contract	Yes
Identified our DAIP in tender and contract documents as an important document in terms of providing services to the public	Yes
Provided a hyper-link in tendering documentation to our DAIP	Yes
Provided correspondence to the agent or contractor about our DAIP	Yes

### Recordkeeping Plans

As required by the *State Records Act 2000* the Commission maintains a Record Keeping Plan which was approved by the State Records Office. The Commission's recordkeeping system has been maintained with the installation of an updated version of RecFind electronic file storage and cataloguing software.

Accompanying the update to the recordkeeping system:

- All Commission staff were provided with training in the use of the upgraded software;
- Training in the use of RecFind has been included as a component of the Commission's staff induction process.

### Office of Shared Services

From the 16 April 2009 the Office of Shared Services (OSS) provides financial, procurement and human resources services. The centralising of these services aims to standardise delivery of administrative services across government. In addition, the Commission has engaged OSS for provision of Chief Financial Officer Support, which will provide the following assistance:

- Provide an appropriately qualified and skilled individual to assist the client agency CFO to undertake their role;
- Facilitate the preparation of the agency's annual financial statements; and

- Facilitate the preparation of any other financial statements or financial information required by other statutory or legal obligations (eg submissions to TIMS, acquittals of grants).
- Provision of general advice (as required) covering:
  - Changes in the agency's governance and reporting requirements;
  - ERC submissions and Cabinet hearing presentations (only for financial statement matters);
  - Risk management policy and practice
  - Financial implications of, and financial risks to, the agency's current and projected services (financial modelling);
  - The agency's future financial management and capability options;
  - The agency's ongoing financial performance;
  - Training programs to develop financial management skills within the agency;
  - External (OAG) audit outcome coordination and management; and
  - Other advice as required.

## **Government Policy Requirements**

### **Corruption Prevention**

In compliance with the Premier's Circular *2005/02: Corruption Prevention*, the Commission ensured all members of the executive team and Board were familiar with the *Notification Guidelines for Principal Officers of Public Authorities* (Third Edition, February 2005) circulated by the Corruption and Crime Commission of Western Australia.

Commission executive also ensured all staff and the Board were aware of their responsibility regarding the requirement to notify suspected misconduct. This is also a component of the Commission's Induction Manual.

### **Occupational Safety and Health**

In compliance with the Premier's Circular *2007/12: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector*, the Commission is required to report on occupational safety and health performance in the year of review.

- The Peel Development Commission's staff work together to achieve a standard of excellence in occupational safety and health management in our own workplace;
- Peel Development Commission does this by operating in accordance with occupational safety and health legislation, regulations and approved codes of practice, by making all employees and contractors aware of their OSH responsibilities through access to OSH information and training and by encouraging all staff to take leadership in OSH matters with a common view to improve OSH outcomes.; and
- Peel Development Commission is committed to assisting injured workers to return to work as soon as medically appropriate and will adhere to the requirements of the *Workers' Compensation and Injury Management Act 1981* in the event of a work related injury or illness. The Executive supports the injury management process and recognises that success relies on the active participation and



cooperation of the injured worker. Whenever possible, suitable duties will be arranged internally having regard for the injured worker's medical restrictions.

<b>Report of Annual Performance for 2008-09</b>		
<b>Indicator</b>	<b>Actual</b>	<b>Target</b>
<b>Number of fatalities</b>	Zero (0)	Zero (0)
<b>Lost time injury/diseases (LTI/D) incidence rate</b>	Zero (0)	Zero (0)
<b>Lost time injury severity rate</b>	Zero (0)	Zero (0)

The following publications are available at [www.peel.wa.gov.au](http://www.peel.wa.gov.au)

1. *Mandurah and Peel Business Survey (2007)*: A report on the findings of a major survey of business proprietors from Mandurah and the surrounding Shires of Serpentine-Jarrahdale, Waroona, and Murray.
2. *Peel Region Infrastructure Plan (2006)*: An analysis of identified infrastructure needs with recommendations on implementation across the Peel Region.
3. *Peel Workforce Development Strategy (2006)*: A strategic document that addresses the supply of, and demand for, a labour force in the Peel Region.
4. *Peel 2020 Sustainability Strategy (2006)*: the final report of the development of a sustainability strategy and vision for Peel Region.
5. *Needs Analysis for the Shires Impacted by Re-opening of the Boddington Gold Mine (2008)*: This publication provides an assessment of housing, infrastructure and community service needs flowing from the re-development of the Boddington Gold Mine.

The following publications are available by contacting the Commission on 9535 0000

1. *Business and Lifestyle Opportunities in the Peel Region (2006)*: An informative document that explains the reasons why people choose to live and work in the Peel Region. Used for regional migration initiatives.
2. *Peel Economic Perspective (2006)*: An overview of the economy, infrastructure and industries of the Peel Region.
3. *The Development of Horticulture in the Peel Region (2004)*: A final report to determine the potential for the expansion of the Peel Region horticultural sector.
4. *Peel Geographic Perspective (2003)*: Provides an easily understood profile of the geographic features of the Peel Region and their impact on its development.

**Peel Development Commission**

45 Mandurah Terrace

PO Box 543 Mandurah WA 6210

Tel (08) 9535 0000 Fax (08) 9535 2119

Email [peel@peel.wa.gov.au](mailto:peel@peel.wa.gov.au)

International phone +61 8 9535 0000 fax +61 8 9535 2119