



PEEL DEVELOPMENT COMMISSION

2003-04

Annual Report

## PEEL REGION KEY FEATURES



THEME	SOURCE	DATE
Cultural	DOLA / DMR / DMR / DMR / DMR	2000
Transport	DOLA	1997
Hydrography	DOLA	1997
Towns	CALM	June 1995
LGA Boundaries	DOLA	June 1995
Aboriginal Communities	Aboriginal Affairs Department	1995
REVISED		Nov 2000



PEEL DEVELOPMENT COMMISSION

2003-04

# Annual Report

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# Our Vision

for the Peel Region

"The Peel region develops as a sustainable community that offers growing economic and social opportunities, whilst retaining its environmental appeal as a great place to live and visit".

# Our Mission

"Through leadership and productive partnerships enhance sustainable economic opportunities, strengthen the community and maintain the integrity of the environment".





# STATEMENT OF COMPLIANCE

Bob Kucera, APM, JP, MLA  
Minister for Tourism, Small Business; Sport and Recreation;  
Peel and the South West  
10th Floor, Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

In accordance with Section 66 of the *Financial Administration and Audit Act (1985)*, we hereby submit for your information and presentation to Parliament, the Report of the Peel Development Commission for the financial year ending 30 June 2004.

The report has been prepared in accordance with the provisions of the:

*Financial Administration and Audit Act (1985)*

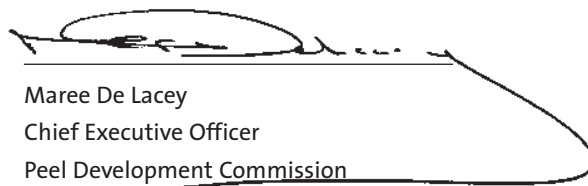
*Public Sector Management Act (1994)*

*Electoral Act (1907)*

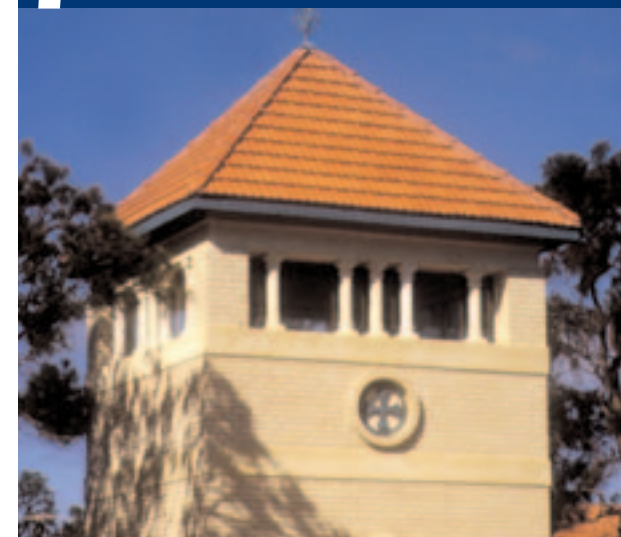
Government and Ministerial Reporting Policies



John Collett  
Chairman  
Peel Development Commission Board  
19 July 2004



Maree De Lacey  
Chief Executive Officer  
Peel Development Commission  
19 July 2004



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# CHAIRMAN'S ADDRESS

2003/04 has seen the delivery of great results in the Peel region through a number of projects that Peel Development Commission has been working on for some time.

These achievements give a tremendous boost to the development of our region.

In September 2003 the Commission co-ordinated the identification of the Peel region priorities through consultation with the region's three peak bodies (Peel Harvey Catchment Council, Peel Community Development Group, Peel Economic Development Unit), the five Local Government Authorities, business representation, the Peel Area Consultative Committee, State Government agencies, and community members. This built on the foundation of the *"Peel Sustainable Development Strategy 2020"* (2002). The priorities were presented to the State Government's Cabinet Standing Committee on Regional Policy in October 2003, and were followed up in December with definition of the region's "top ten" priorities, which were also communicated to State Government agencies. The regional priorities also formed the basis of the region's delegation to Canberra, coordinated by Peel Development Commission. I am

delighted to report that, of 37 priorities identified in late 2003, 28 are either committed and are well on the way to delivery or are significantly advanced toward concrete results.

I am delighted to report on just some of these outcomes in this report.

Contracts were let for the Southern Suburbs Rail construction, and the State Government made the welcome announcement that the arrival of the rail to Mandurah would be brought forward to 2006. This is essential infrastructure for the rapidly-growing southern suburbs of Perth and the Peel region. The Commission is working closely with our partners to maximise the planning and business opportunities that come with the arrival of the rail service to this region.

The continuous build of the Peel Deviation and Kwinana Freeway Extension has received funding commitments from both the State and Federal Governments, with negotiations taking place between both partners at the time of writing. The response of both governments is appreciated, and will see significant benefits to the economic futures of the rapidly growing Peel and South West

regions. I was pleased to continue as the convenor of the Peel Deviation Stakeholders' Group in 2003/04, and thank all of our partners and the State and Federal Governments for collaborating to ensure this important road link is completed as soon as possible.

Peel Region Tourist Rail received a significant boost in funding with commitments from both the State and Federal Governments for construction, including a station and platform in Boddington and the Pinjarra Rail Heritage Precinct. This enables the project to leap forward, building on the \$2.7 million already provided through the current State Government, and giving a major boost to the provision of major regional tourism infrastructure.

2003/04 has seen great progress in resolving the identified shortage of light and general industrial land in Peel region, through a partnership with Landcorp, Department of Planning and Infrastructure, Department of Environment, and local government. We are now well-placed to see the release of land in the short to medium term, as well as strategic planning to meet longer-term demand across the region.

The Commission has co-ordinated a partnership from the building industry, Housing Industry Association, employment and training agencies, schools and Challenger TAFE working together to increase employment of local people into the rapidly-growing building industry. Results have included the launch of Carpentry and Joinery apprenticeship training through Challenger TAFE's Mandurah campus, with 17 places starting in May 2004. We look forward to expanding this partnership model to other growing industries across the region.

The approval of Alcoa's Pinjarra Refinery upgrade brought benefits to jobs and the economy in the region. The Commission has been pleased to work with Alcoa and local business in implementing their "buy local" policy, with terrific results including the awarding of several million dollars worth of contracts into the local business community.

The State Government has recently announced funding for the Peel Region Legal Service, which will provide an innovative, much needed legal service across this region.

We have also seen significant progress on the joint Commonwealth/State \$2.1 million Coastal Catchment Initiatives, focusing on strategies to improve the health of our valued waterways.

Peel Development Commission, with City of Mandurah and Landcorp, was instrumental in the establishment of the Mandurah Ocean Marina. It was particularly pleasing to see the Marina win three awards at the National Marina Awards in 2004, including Australian Marina of the Year.

These results, and more to come, reflect the importance of solid partnerships, and of the strength of the region whose leaders, across all sectors, genuinely work together recognising that each part of the region benefits from a united approach on strategic issues. We have increased our partnership base this year, including formalising a Memorandum of Understanding with Peel Area Consultative Committee, Mandurah Peel Chamber of Commerce and Peel Business Enterprise Centre. This partnership has already seen results in the successful *"Ticket to Export"* seminar for local businesses, and we

anticipate many more benefits to the region through a strong collaborative approach to business and economic development. Further to this, the Peel2020 Partnership was formed in late 2003/04. This brings together regional leaders in economic, social, and environmental sectors, with State, Federal and local government, industry, education and Indigenous leaders, to support planning and leadership of the region's future direction. Again, our focus is on building solid partnerships working together for the positive development of our rapidly-growing region.

The Commission Board has been well served by the dedicated staff of the Commission and on their behalf I acknowledge the leadership and energy of our CEO Ms Maree De Lacey and her team.



JOHN COLLETT

Chairman

Peel Development Commission Board

19 July 2004

"PEEL REGION TOURIST RAIL  
RECEIVED A SIGNIFICANT  
BOOST IN FUNDING WITH  
COMMITMENTS FROM BOTH  
THE STATE AND FEDERAL  
GOVERNMENTS..."

# THE PEEL REGION



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The Peel region covers an area of 5,500 square kilometres extending from 35 to 100 kilometres to the south of Perth's CBD. Peel is Western Australia's smallest region, with its second highest population. The region's geography includes 75 kilometres of Indian Ocean coastline, a wide coastal plain extending through to the Darling Plateau to the east and a large expanse of farmland and native forests inland. The region also encompasses 130 square kilometres of estuary and inland waterways.

The Peel region has an estimated population of 83,000, accounting for 4.25 per cent of Western Australia's population. Peel encompasses the geographic area defined by the boundaries of the City of Mandurah, and the Shires of Boddington, Murray, Serpentine-Jarrahdale and Waroona.

Peel is the fastest growing region in Western Australia and one of Australia's fastest growing. It experienced a 5.4 per cent increase in population in the year to June 2003. In the three decades to 2001, the population of the Peel region increased by 424 per cent from 14,700 in 1971. Over the three decades from 2001 to 2031, the Peel region's population is expected to increase by 136 per cent to total 180,000 persons.

Significant building and construction activity has accompanied the region's rapid population growth. In 2003/04, the value of all building approvals totalled \$429 million, an increase of 31 per cent over the previous financial year. In 2003/04, the Peel region accounted for 8.2 per cent of the total value of building approvals in Western Australia. Within the Peel region, two-thirds of the value of building approvals involved the construction of new houses. Though from a low base, there was also a 34 per cent growth in the value of alteration and refurbishment of established houses in the Peel region from \$8.3 million in 2002/03 to \$11.1 million in the financial year 2003/04. More significantly, the value of non-residential approvals for new buildings in the Peel region increased to \$58.7 million in 2003/04, a 272 per cent growth over the previous financial year.

Underscoring its population growth and demand for residential and private commercial construction is the region's need for additional infrastructure. This includes the State Government's commitment to the completion of the Southern Suburbs Railway to Mandurah and the State and Federal Governments' commitments to the extension of the Kwinana Freeway and Peel Deviation.

Besides construction, the economic drivers of the Peel economy include mining, manufacturing and retail trade. In 2003, the Shires of Boddington, Murray and Waroona provided the feedstock for Western Australia's total output of alumina valued at \$3.1 billion. In 2004, Alcoa commenced the efficiency upgrade of its refinery in Pinjarra which will increase the State's revenue from alumina exports by up to \$160 million per annum. The manufacturing industry, with over 3,300 jobs, accounts for 15.8 per cent of total employment in the Peel region. Two-thirds of employment within the manufacturing industry involves value-adding to the region's mineral wealth.

At present, the capacity of the region's manufacturing and service industries to generate additional employment is hampered by the availability of suitable industrial land, the development of which is given the highest priority by the Peel Development Commission for 2004/05. Progress is already being made in this important area through a partnership of the Peel Development Commission with Landcorp, Department of Planning and Infrastructure, Department of Environment and Local Governments.

Retail trade, with approximately 4,000 jobs, is the largest employing industry sector accounting for 19 per cent of the Peel's workforce. Health and community services (8.9%), property and business services (7.5%), construction (7.5%) and education (7.3%) combined account for another 31 per cent of the Peel region's workforce.

The Peel Development Commission has been instrumental in establishing and supporting the Peel Economic Development Unit (PEDU), a unique partnership with the region's five Local Governments whose focus is regional economic growth and increased employment.

The Peel Development Commission recognises that the development of a diversified regional economy also requires the promotion of an educated, healthy, safe and supportive community, within the framework of valuing and protecting the natural environment. The Commission's leadership in the development of the Peel Region Tourism Railway, and support for the Jarrahdale Heritage Park are among the many projects where the preservation

of the region's natural beauty is synchronised with employment and business opportunities that simultaneously enhance each local community's heritage and 'sense of place'.

During 2002/03, the region's tourism industry accommodated 465,500 domestic overnight visitors, accounting for 97 per cent of total overnight visitors to the Peel region. Ninety-six per cent of these domestic visitors were intrastate visitors while another 4 per cent were interstate visitors. In the same period, the Peel region accommodated 14,800 international overnight visitors.

The Commission's commitment to a strong regional community is further underpinned by its continued support for the Peel Community Development Group (PCDG). The PCDG comprises individuals, agencies and groups from the community services sector across the region. The Commission is working with the PCDG on strategies to address critical regional priorities including youth sexual assault, domestic violence and homelessness.

The Peel region also supports a highly diverse agricultural sector centred on dairy and beef cattle, and orchard fruit cultivation. Vegetables, wool, eggs, flowers and pasture are also produced in increasing quantities within the region. In 2003, the Peel region also accounted for 13 per cent of the value of log production - at the mill gate - in Western Australia, valued at \$11 million.

The Peel Development Commission also seeks to value and protect the region's environment through the partnership it fosters among stakeholders of the Peel Harvey Catchment Council (PHCC). As a region-wide collaboration, the PHCC's priorities for the sustainable management of the Peel's waterways, among others, will continue to receive support from the Peel Development Commission.

*Information Sources: Population – Australian Bureau of Statistics (ABS) Estimated Resident Population (2003 data is preliminary); Population Projections – Indicators of Regional Development in Western Australia, Department of Local Government and Regional Development (2003); Building – ABS Building Approvals, WA; Mining – Department of Industry and Resources, WA; Employment Industry Sectors – ABS Working Population Profile (2001 Census); Tourism – Peel Tourism Perspective, Western Australian Tourism Commission; Timber – Forest Products Commission, WA.*





# REPORT ON ACTIVITIES AND ACHIEVEMENTS

The Commission's goals and activities are undertaken in accordance with the Regional Development Commissions Act (1993), the Government's Regional Development Policy '*Regional Western Australia – A Better Place to Live*', the Commission's *Statement of Corporate Intent* and within the parameters of the Commission's Chief Executive Officer's Performance Agreement with the Premier of Western Australia. These documents are inter-linked and the activities listed in all these documents are reflected below.

## UNDERSTANDING, PARTNERING AND DELIVERING BETTER OUTCOMES FOR THE REGIONS

### Peel Sustainable Development Strategy 2020

In 2002 the Peel region produced the State's first Regional Sustainable Development Strategy, through Peel Development Commission and in partnership with a number of other community and government agencies. The Strategy's steering group was chaired by David Templeman MLA, Member for Mandurah.

The Strategy has evolved since then, with many of the identified actions already in progress. In 2003 further stakeholder and

community consultation identified the priorities for 2004/05. These priorities were presented to the Cabinet Standing Committee on Regional Policy and were communicated to all relevant State Government agencies, and the Federal Government, for consideration in their budget processes.

These priorities also formed the basis for a delegation of regional leaders who met with Federal Ministers in March 2004 to discuss federal funding options. The delegation comprised representation from Peel Development Commission, all five Local Governments, Peel Area Consultative Committee, Fairbridge and Murdoch University, Peel Economic Development Unit and Peel Harvey Catchment Council. The delegation met with 11 Ministers in two days.

As a result of all of this work, 28 of the 37 identified priority strategies for 2004/05 are either committed or in active progress with others still being considered by agencies.

The next step in development of the Sustainable Development Strategy is to form the Peel 2020 Partnership. The Sustainable Development Strategy steering group will form the nucleus of this group,

but it will be broadened to include leaders of the economic, environmental and social peak bodies in the region, with State, Federal and Local Government representation, industry and education representation, and Indigenous leaders.

The Peel 2020 Partnership held its first meeting in June 2004. Using the Peel 2020 Sustainable Development Strategy as its basis, this Partnership will continue planning and implementing strategies for the immediate and long-term future of the Peel Region.

### Regional Development Scheme (RDS) 2003/2004

Fifty five applications were received for the 2003/2004 round of Regional Development Scheme funding. The value of projects seeking financial support was \$6,638,397. The total funding sought from the \$400,000 Scheme was \$1,235,741. An additional \$9,500 has been added to the 2003/2004 total of \$400,000 Scheme. These monies were from previous rounds of RDS and included unspent funds or previously funded projects that did not proceed.

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The Scheme provides assistance across the Peel region to projects that assist with economic and social development and environmental management. Twenty seven projects were funded across these sectors:

<b>Economic</b>	18	\$288,500
<b>Environmental</b>	3	\$ 33,000
<b>Social</b>	6	\$ 88,000
<b>Total</b>		<b>\$409,500</b>

The projects funded through this round of the Regional Development Scheme are expected to have an outcome of an additional 136 jobs throughout the region with the majority falling into the economic sector. In addition to this a number of the funded projects stimulate employment that is unable to be substantiated immediately, such as with the work undertaken with business development.

The funded projects were:

- Shire of Serpentine/Jarrahdale (\$21,000) To assist with construction of an amphitheatre in the Jarrahdale Heritage Park.
- Shire of Murray (\$23,000) To assist with the upgrade to Cooper's Mill and Picnic Area on Culeenup Island, Yunderup.
- Craftwest Centre for Contemporary Craft (\$40,000) Contribution towards the Designing Futures Product Commercialisation Program.
- Allambee Counselling Inc (\$30,000) To assist with provision of a youth counselling service for those who have experienced sexual assault.
- Peel Economic Development Unit (\$25,000) To assist with the employment of a Business Development Manager to seek opportunities and encourage business development in the Peel region.
- Serpentine/Jarrahdale Youth Activity Group (\$11,000) To assist with purchase of a training room/office/kitchen that will allow youth an area to watch safety videos, showcase awards and provide a meeting/lunch area.
- Birds Australia, WA Inc (\$8,000) To contribute to the Hooded Plover Conservation in the Yalgopus Lakes Wetland System.
- Shire of Boddington (\$9,500) To allow completion of the Camper's Kitchen within the Council Caravan Park.
- Supporting Our Seniors and Disabled Inc (\$5,000) To assist with a partnership with FESA and Community Police to visit seniors in their homes to assess their security risks and to install smoke detectors.
- Mandurah Water Rescue (\$10,000) To assist with the replacement of their main rescue boat.
- Peel Business Enterprise Centre (\$10,000) Capital assistance for construction of Mandurah Small Business Incubator.
- Shire of Boddington (\$11,500) To assist with the establishment of Boddington Youth Centre.
- Shire of Boddington (\$20,000) To assist with a financial feasibility study for the Boddington Open Range Zoo.
- Murdoch University Rockingham Campus (\$5,000) Contribution to UniTrack to provide places for Year 12 students to access University courses to encourage them to continue to higher education.

## REPORT ON ACTIVITIES AND ACHIEVEMENTS



- Shire of Waroona (16,500) To assist with the Hamel Eco-Historic Precinct Project.
- Tourism Council Western Australia (\$10,000) To assist with a tourism business development mentoring program for the Peel region.
- Lifeline WA (\$10,000) To assist with workshops that will provide local community members become better equipped to assist in suicide prevention.
- Peel Horse Industry Council (\$10,000) To assist with employment of an Executive Officer to progress the aims and objectives of the Peel Horse Industry Development Plan.
- Peel Sport and Recreation Network Inc (\$20,000) To assist with a series of consultancies which will gather information and data relating to the possible future development of a sporting and recreational complex at Fiegerts Road.
- Peel Region Fish Stocking and Management Association (\$15,000) To assist with the purchase and importing of reef ball moulds that will be deployed into canal developments in Mandurah in an effort to enhance the marine environment.
- Peel Regional Soccer Council/City of Mandurah (\$10,000) To assist with design and concept plans and pre-construction planning of centre for sporting, recreational and vocational excellence.
- Shire of Serpentine/Jarrahdale (\$9,000) Contribution towards a Community High School Business Plan to progress the establishment of a high school within the Shire.
- Heritage Council of WA (\$15,000) To assist with the provision of a Heritage Officer to give advice on local heritage issues.
- Shire of Murray (\$15,000) Assistance to undertake a 12 month ground water monitoring program that will progress an increase of Light Industrial land in the Peel region.
- Peel Economic Development Unit (\$15,000) To assist with the appointment of a Regional Marketing Manager who will act as a single point of contact to achieve economic benefits for the region.
- Peel Community Development Group (\$20,000) To continue with the Peel Community Vision Process that will involve business, government, community and Indigenous organizations.
- Peel Community Development Group (\$15,000) To assist with the implementation of the PCDG Strategic Plan 2003 -2006.

### GROWING A DIVERSIFIED ECONOMY

#### Industrial Land

Peel Development Commission has recognised that the development of the region's economic base is a high priority but the lack of suitably zoned and developed industrial land is a major constraint. Pivotal to the region's ability to provide employment for its rapidly expanding population is the need to expedite the development of the Nambeelup Industrial Area in the Shire of Murray, and generally increase the amount of light and general industrial land available.

The Commission brought together partners including Landcorp, Department of Planning and Infrastructure, Department of Environment, and Local Governments who have agreed to three simultaneous priorities for the Peel region all of which are being actively progressed:

- Progress the release of industrial land at Pinjarra as soon as possible;
- Identify and overcome barriers to the release of land at Nambeelup; and



- Undertake strategic planning for the medium – long term availability for light/general industrial land in the Peel.

A due diligence study on expanding the Pinjarra Light Industrial Area is underway and will be completed by the end of August 2004. This is being funded equally by the Peel Development Commission, LandCorp and the Shire of Murray. A water monitoring program has also commenced in relation to the proposed expansion which is to be completed by June 2005 and which was funded through the State Government's Regional Development Scheme. It is anticipated that there will be clear direction in relation to industrial land in Pinjarra in 2004.

The required studies and analyses are underway at the Nambeelup site with an expectation of clear direction in relation to the development of this larger site in 2004/05.

The Commission is funding an industrial land demand study into the current and future needs in the Peel region. It is expected to be completed by the end of August 2004 and will form the basis for short, medium and long-term planning for industrial land in the region.

### **Peel Economic Development Unit Business Development Manager**

The Business Development Manager, located at Peel Development Commission, has been proactive and innovative in liaising with the local business community, local governments and other stakeholders to achieve positive outcomes – partnerships, managing development opportunities, expediting development processes, and increasing business expansion into the region. A feature of the region now is the strong working relationship and collaborative arrangements between the Commission, Chamber of Commerce, Peel Area Consultative Committee and the Peel Business Enterprise Centre.

Through a proactive approach the Manager's priority tasks have evolved but the main focus is as the first point of contact for the region for businesses with investment inquiries, managing opportunities, liaising with local companies, raising the region's profile and maintaining a solid business network. The Manager is an active participant in such initiatives as Harvest Highway, organic industry, business seminars and the Business Retention and Expansion program.

The position also provides valuable support and advice on key regional infrastructure projects and to PEDU members on business development projects.

Through the efforts of the Manager overseas business migration is now a prominent feature of the Peel business landscape. A process was initiated to develop a Business Capability Directory for use by Alcoa World Alumina and its contractors when seeking tenders for the Pinjarra Refinery Efficiency Upgrade. The Manager's strong links within the building industry and concerns with the long term supply of tradespeople and the use of unskilled labour from outside of the Peel region has seen positive developments in the trade training area and an increase use of local unskilled people on building sites.

The following is an estimate of outcomes by the Business Development Manager in key strategic areas with companies which have either relocated into the region or where an existing local company has expanded its operations. It is based on the Manager having been an integral part of the process that led to the outcome:

“THROUGH THE EFFORTS OF  
THE MANAGER OVERSEAS  
BUSINESS MIGRATION IS  
NOW A PROMINENT FEATURE  
OF THE PEEL BUSINESS  
LANDSCAPE...”

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## REPORT ON ACTIVITIES AND ACHIEVEMENTS

Period	Number of Companies	Direct Dollar Investment	Indirect Dollar Investment	Direct Employment	Indirect Employment
Jan - June 2003	8	\$4,150,000	\$1,000,000	12	20
July – Dec 2003	12	\$2,000,000	\$ 600,000	40	45
Pending	10	\$53,500,000	NA	195 - 235	NA

### Indigenous Enterprise Development

The aim of the Indigenous Business Facilitation project, managed by an Indigenous Economic Development Officer (IEDO) and funded by the Department of Industry and Resources, and the Office of Aboriginal Economic Development, is to improve wealth creation and economic sustainability for Aboriginal families, communities and individuals, through:

- Encouraging participation and activities leading to an increased involvement in determining the Aboriginal community's economic development priorities;
- Encouraging Aboriginal people to participate in decision making processes that impact on policy development, planning, and the provision and monitoring of programs that focus on economic sustainability;

- Promoting effective and sustainable enterprise partnerships;
- Enhancing business and management competencies through governance and small business development training; and
- Promoting and advocating government programmes and services available to Indigenous businesses.

The Commission, through the Indigenous Economic Development Officer, has facilitated the initiation of the Noongar Arts Industry and other business opportunities, encouraged and assisted the growth of private sector business and the development of government and industry partnerships. Also the IEDO has negotiated the delivery of industry recognised training from registered training organisations to assist with improved employment opportunities for Aboriginal people.

As a result of these initiatives 24 Aboriginal people have been engaged by Fairbridge Village as trainees with the potential for future full time employment, and a further four have secured traineeships or full time employment.

### Peel Deviation

Peel Development Commission is a partner in the Peel Deviation Stakeholders' Group, representing stakeholders from Peel and South West regions with a shared interest in facilitating a collaborative approach between governments to complete the Peel Deviation as soon as possible. The Commission's chairman is convenor of the Stakeholder Group, which met with Federal and State Government Ministers to encourage this collaboration and funding throughout 2003/04.

The proposed route requires approximately 70 kilometres of dual carriageway to be constructed. It extends the Kwinana Freeway to Mandurah, bypassing to the east of the City. The Peel Deviation will link this Freeway extension to the dual carriage Old Coast Road via the eastern side of the Peel Inlet and Harvey Estuary. This will provide a continuous dual carriageway between Perth and the Southwest of Western Australia.

In June 2004 the Federal Government announced a funding commitment towards the construction of the Peel Deviation and Kwinana Freeway extension in a continuous build. The State Government has already expended funds toward planning and land acquisition, and has further funds committed. Negotiations are in progress between the State and Federal Governments in relation to funding and scheduling of construction.

### Peel Region Tourist Railway

Peel Development Commission leads the construction of this tourism infrastructure in the Shires of Murray and Boddington. The Commission funded a business plan in December 2003, following which funding was secured from both Federal and State Governments for new infrastructure works

at Pinjarra and Boddington. \$845,000 was secured from the Federal Government with matching commitment from the State Government. Funding will be used to construct the Pinjarra Station precinct, carriage shed, locomotive workshop and museum building, and infrastructure at Boddington.

During the year infrastructure works were carried out at Pinjarra and Dwellingup railway yards to improve the safety and operational requirements of the tourist railway. Works included upgrades of utility services, installation of hardstand working areas, installation of a water tank tower and repairs to existing buildings. Termite control systems were also installed to protect heritage listed structures. Work commenced on the installation of pedestrian access paths between the platforms and design completed to erect the footbridge at Pinjarra.

A parcel of land was secured at Boddington to become the construction and maintenance depot for the Tullis Bridge to Boddington section of the railway. An engineering analysis of the Tullis Bridge structure has been completed prior to restoration and design of the Pinjarra Station has commenced.

### Building Industry Skills

The longer term supply of skilled tradespeople to the building and construction industry was raised with the Peel Development Commission by key Building and Construction industry people who have expressed concerns about the availability of suitably skilled people in the Peel region. The expected long term healthy nature of the construction industry in the Peel region offers opportunities for local people to gain access to worthwhile careers.

The Commission formed a Building Industry Skills Stakeholder Group with a commitment to improving employment opportunities for local people through apprenticeships and other strategies. Key members within the Building and Construction industry are involved as strategic partners in this group, along with Challenger TAFE, schools, employment groups, the Housing Industry Association and others. The aim of the group is to increase the number of Peel residents, particularly young people, employed in local growth industries such as the Building and Construction industry.



## REPORT ON ACTIVITIES AND ACHIEVEMENTS

An early concrete outcome of this work was the Peel Campus of Challenger TAFE's first intake of carpentry and joinery apprentices in June 2004.

### Export Readiness

In 2003/04 businesses in the Peel region were invited by the Peel Development Commission and its partners to take advantage of the strong market for Australian products and services internationally. The Ticket to Export seminar, held on 20 April 2004, showcased the scope of assistance that is on offer to potential exporters. The seminar was opened by the Hon. Bob Kucera, Minister for Small Business and the Peel. This seminar gave businesses information about the right contacts and support networks to help them on the road to success in exporting.

Presentations about the assistance available to potential exporters were made by Austrade, Department of Industry and Resources, and the Small Business Development Corporation. Local business operators, Corrina Herbert of ESMO Marketing, and Bill Meyerink of Grain Exporters Australia, featured as guest speakers and shared their exporting experiences.

The Peel Development Commission coordinated the seminar in partnership with the Small Business Development Corporation, Peel Business Enterprise Centre, the Mandurah Peel Region Chamber of Commerce, the Department of Industry and Resources, Austrade and the Peel Area Consultative Committee.

Feedback from participants and presenters at the seminar has been very positive. The partners intend for this to be the first of a series of workshops and seminars in the Peel Region. The events will increase the export-readiness of regional businesses and industry, thereby strengthening the regional economy and job creation opportunities.

### Aquaculture and Horticulture Expansion

Both the horticulture and aquaculture industries in the Peel region encompass a broad range of economic activities. The global outlook for many horticultural and aquaculture products from Western Australia is very positive. Both industries have the potential to develop strong export trade opportunities. Preliminary studies have shown that the Peel region has a good climate and soils capable of producing a diverse range of products and is well located to both airport and port facilities.

The Commission is undertaking two studies that will assist the State Government and private enterprise in assessing opportunities to expand sustainable aquaculture and horticulture in the Peel region. The reports will provide important base data for investors, joint ventures or entrepreneurs to be able to make sound business decisions on the viability of expanding either the aquaculture or horticulture industries in the Peel region. The horticulture study has been jointly funded by the Commission, Department of Agriculture, Harvey Water and the Shire of Waroona. The Commission is funding the aquaculture study. Both of these studies will be completed in the latter part of 2004.

### Jarrahdale Heritage Park

The establishment of a Heritage Park at Jarrahdale will celebrate the significant role of Jarrahdale and the timber industry in the early development of the colony. The project is being led by the Shire of Serpentine-Jarrahdale with partners including the Commission and the National Trust of WA. The Jarrahdale Heritage Park is envisaged as a major tourism project for the community of Jarrahdale and the Peel region. The Commission was instrumental in securing the land for the Park.

“PRELIMINARY STUDIES  
HAVE SHOWN THAT THE PEEL  
REGION HAS A GOOD CLIMATE  
AND SOILS CAPABLE OF  
PRODUCING A DIVERSE RANGE  
OF PRODUCTS...”

The Peel Development Commission continues to provide support for implementation of the Development and Management Plan for the Jarrahdale Heritage Park.

Some of the outcomes of this initiative include enhanced tourism and retail opportunities, employment and training opportunities and a sense of place promoted to the Jarrahdale and wider communities. The heritage and cultural significance of Jarrahdale will be promoted through enhanced interpretation and environmental sustainability incorporated in the development principles. The Peel region is already the State's most popular day trip destination. This project will add to the region's tourist and cultural attractions thus increasing visitor numbers to the Peel region.

## Waroona Town Centre Redevelopment

Peel Development Commission continues to support the Waroona Town Centre redevelopment as a regional priority. It involves enhancement of the commercial and cultural centre of Waroona, with objectives including increased business confidence and employment generation. It is a comprehensive and long-term strategy and was finalised, with

community consultation, in December 2003. The Commission has provided funding support for planning, and has assisted with liaison with State and Federal funding bodies.

The Strategy has four elements to be implemented over the next four years. Finalisation of all four elements is projected by the Shire to cost over \$4 million.

## Fairbridge Village Redevelopment Program

The Commission supported Fairbridge's successful application to the State Government's Regional Infrastructure Fund in 2002/03 and in 2003/04 supported the Stage 6 Redevelopment of Fairbridge as a regional priority. Outcomes from funding received by Fairbridge include the employment of 3 tradespeople, 1 being Indigenous, and the appointment of 11 Construction Trainees, 10 being Indigenous. Outcomes from the traineeships has been 1 moving into an apprenticeship, 1 to further training and 8 successfully completing their Certificate 2. An outcome of funding for Stage 6 has led to the creation of 7 new apprenticeships, of which 6 positions are for Indigenous young people.

## Boddington Open Range Zoo

In 2000 the Boddington Development Group presented a submission to the Zoological Gardens Board for the establishment of a Country Zoo in the Shire of Boddington. Senior management from Perth Zoo visited a potential site in Boddington. Perth Zoo indicated an interest in establishing a zoo facility within regional WA (in addition to the city zoo), particularly for the larger animals that would benefit from an 'open range' facility.

The Peel Development Commission has secured first refusal from Alcoa on a 1400 ha portion of Hotham Farm as a possible site for the project. The Shire of Boddington has agreed, in principle, to favourably consider the rateable value of the site if the zoo is established.

The Commission has established an Open Range Zoo Taskforce consisting of Perth Zoo, Shire of Boddington, Peel Development Commission, CALM, WA Tourism Commission, Department for Planning and Infrastructure, Department Treasury and Finance, Curtin University, Worsley Alumina, Boddington Gold Mine, Peel Area Consultative Committee and Boddington Aboriginal interests. This Taskforce is managing the completion of a feasibility study by December 2004.

"THIS PROJECT WILL ADD  
TO THE REGION'S TOURIST  
AND CULTURAL ATTRACTIONS  
THUS INCREASING VISITOR  
NUMBERS TO THE  
PEEL REGION..."

# 19

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## EDUCATED, HEALTHY, SAFE AND SUPPORTIVE COMMUNITIES

### Peel Community Development Group

The Peel Community Development Group was formally incorporated on 29 July 2003. The Group has strengthened its role as a peak regional body incorporating membership from individuals, agencies and groups in the community services sector.

The Group has successfully pursued its four main objectives of:

- promoting and supporting services that meet the community's needs;
- promoting and supporting community cohesion;
- developing the capacity of groups, professionals and leaders in the community; and
- improving coordination of community development initiatives.

The Commission has continued to support the Group's operations by employing its Coordinator, providing office accommodation and other in-kind support, as well as providing funding towards operating costs and the implementation of the Group's Strategic Plan for 2003-2006.

A Memorandum of Understanding between the Commission and the Group was signed on 30 April 2004, outlining mutual roles and responsibilities, as well as a staged process for the Group to move towards operational independence.

## VALUING AND PROTECTING THE ENVIRONMENT

### Peel Waterways Economic Development and Recreation Management Plan

*The Economic Development and Recreation Management Plan for the Peel Waterways* was completed in October 2002. The Peel Development Commission contributed to the Plan and funding was also contributed by Local Governments, the Water and Rivers Commission and the Federal Government through the Regional Assistance Program. There were ninety eight recommendations related to issues such as water quality, recreational boating facilities, planning for strategic sites and potential economic development opportunities. The major recommendation was the need for further consideration and investigation into the establishment of a Peel Waterways Institute.

In 2003 the Minister for the Environment established a Local Implementation Committee under the Chairmanship of David Templeman MLA, Member for Mandurah. The role of the Committee is to prepare an Implementation Strategy. Representation on the Committee is predominately State Government agencies and Local Government, and includes Peel Development Commission. Responsibility for each recommendation has been determined and Committee members are working on implementation strategies.

The Peel Development Commission is working with regional partners such as Local Government, Department of Training, Murdoch University and the community to develop a concept for the proposed Peel Waterways Institute. There is a strong focus on including research and training, interpretation of the natural environment, the development of best practise methodology for natural resource management and tourism opportunities.

During the next financial year a business case will be developed to support the establishment of the Institute.



## Water Sensitive Design Framework

In March 2003 the Commonwealth Department of Environment and Heritage, in partnership with the WA State Government, initiated the Coastal Catchment Initiative in the Peel-Harvey Catchment. Peel-Harvey has been identified as a catchment of national significance through being negatively influenced by issues such as poor and declining water quality, changing land uses and increasing urban and population pressures.

The Peel Development Commission is managing the development of a Water Sensitive Design Framework for the Peel-Harvey. This project will establish a consistent approach to development in the Peel-Harvey System to minimise the discharge of phosphorus-contaminated runoff. It is proposed to establish water sensitive design (WSD) principles, performance standards and land-use planning prescriptions to ensure phosphorus export rates from new development and subdivision is minimised and maintained to meet water quality targets set under the proposed Water Quality Improvement Plan and Environmental Protection Policy for the

Peel-Harvey System. The proposed Model Planning Provisions will address urban residential, commercial, industrial and special rural development.

There will be positive environmental and social outcomes through alternative stormwater management and education and awareness raising for community members related to inputs to the waterways from fertiliser use.

## WA Cleaner Production Statement

In June 2002, the Peel Development Commission became a signatory to the 'WA Cleaner Production Statement' through the WA Sustainable Industry Group. Cleaner Production is receiving growing world acclaim as a practical and effective way for organisations to save money while improving their environmental performance. While some managers still consider cleaner production outside the scope of their small business concerns, top operators are increasingly recognising its competitive and strategic advantages.

In 2003/04 the Peel Development Commission together with the Curtin University Centre of Excellence in Cleaner Production held a seminar for

representatives from Local Government and small business to provide information on the principles of cleaner production. The seminar, funded by the Peel Development Commission, also featured examples of Western Australian small businesses that had successfully incorporated cleaner production principles into their operations.

In addition, the Commission undertook a cleaner production audit of its own operations. Recommendations for improved eco-efficiency were adopted and subsequent changes to lighting regimes, recycling and energy use have been successfully implemented. The Commission has also adopted the State Government commitment to the reduction of greenhouse emissions through the increased use of gas powered vehicles.

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# CORPORATE PROFILE

## Establishment

The Peel Development Commission was established by the State Government on 1 January 1993 under Section 21 of the *Public Service Act (1978)*.

## Enabling Legislation

The Peel Development Commission has been established under the *Regional Development Commissions Act (1993)*.

## Legislation Impacting on Commission Activities

In the performance of its functions, the Peel Development Commission complies with the following statutes:

- *Financial Administration and Audit Act (1985)*
- *Public Sector Management Act (1994)*
- *Salaries and Allowances Act (1975)*
- *Public and Bank Holidays Act (1972)*
- *Equal Opportunity Act (1984)*
- *Equal Opportunity Amendment Acts (1988 and 1992)*
- *Government Employees Superannuation Act (1987)*

- *Minimum Conditions of Employment Act (1993)*
- *Occupational Health and Safety Act (1985)*
- *Workers Compensation and Rehabilitation Act (1981)*
- *Workplace Agreements Act (1993)*
- *Industrial Relations Act (1979)*
- *State Supply Commission Act (1991)*
- *Freedom of Information Act (1992)*
- *Unclaimed Moneys Act (1990)*
- *Disability Services Commission Act (1993)*
- *Library Board of WA Act (1951)*

In its financial administration the Peel Development Commission has complied with the requirements of the *Financial Administration and Audit Act (1985)* and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of monies, the acquisition and disposal of public property and the incurring of liabilities have been in accordance with the legislative provisions.

In accordance with subsection 31(1) of the *Public Sector Management Act (1994)*, the Peel Development Commission has:

- in its administration complied with public sector standards in human resource management, the code of ethics and its code of conduct; and
- put in place procedures designed to ensure such compliance and conducted appropriate internal checks to satisfy itself that it has complied.

No applications have been lodged which have caused the Commission to review the standards or any matter pertaining to them.

At 30 June 2004 the Commission is unaware of any circumstances that would render the particulars included in this document misleading or inaccurate.



## CORPORATE PROFILE

### Responsible Minister

The Commission is responsible to the Hon Bob Kucera, MLA, and Minister for Tourism, Small Business, Sport and Recreation, Peel and the South West.

### Board

Upon proclamation of the *Regional Development Commissions Act (1993)* on 8 April 1994, a Board of Management was established as the Accountable Authority of the Commission.

Under this Act the Minister is provided with the authority to appoint Board Members, not exceeding nine in number, including the Chairman and the Deputy Chairman. These appointments are made with one third being community representatives of the region, one third nominated by Local Government and one third appointed at the Minister's discretion.

The membership of the Commission's Board at 30 June 2004 comprised:

COMMUNITY	OFFICE	APPOINTMENT ENDS
Mr Mark Anderson	Chairman	October 2004
Mr John Collett		October 2005
Cr Christine Germain		October 2006
LOCAL GOVERNMENT		
Cr Tom Cornock	Deputy Chair	October 2004
Cr Elizabeth Hoek		October 2005
Cr Paul Fitzpatrick		October 2006
MINISTERIAL		
Mayor Keith Holmes	Deputy Chair	October 2004
Cr Jan Star		October 2005
Mr Colin Lane		October 2006
CHIEF EXECUTIVE OFFICER		
Ms Maree De Lacey		

## PROFILE OF BOARD MEMBERS

**John Collett** - John has been a resident of Mandurah for 27 years. He comes from a background of community relations and corporate communications and brings considerable business knowledge to the Commission. John is a member of a number of community Boards and committees including the Board of Governors of Fairbridge and the Mandurah Motorcycle Charity Ride Association. John represents the Commission on the Murdoch University Peel Campus Steering Committee, the Central Mandurah Redevelopment Taskforce and the Peel 2020 Steering Committee. John is currently the Chairman of the Peel Development Commission Board.

**Jan Star** – Jan is heavily committed to regional development in the Peel region. She is a longstanding Councillor, and former President, of the Shire of Serpentine Jarrahdale and has served on a number of critical committees in the region and the State. Jan has a strong interest and background in Natural Resource Management planning, policies and actions. Jan is Chair of the Peel-Harvey Catchment Council Inc and is currently Deputy Chair of the Commission.

**Mark Anderson** - Mark moved to the Peel region in 1998 to take up the position of Development Officer at Fairbridge Village, near Pinjarra, where he oversaw its successful redevelopment program. He has worked throughout the rural and remote regions of WA from the Kimberly to the South West for over 17 years, in a variety of community and youth agencies. Mark is actively involved in many advisory committees and Boards at the Regional, State and national level. In 2002/03 he retired as the Chairperson of the State Youth Affairs Council of WA. He has a strong commitment to the future development of the young people and families of the Peel region and to building a stronger and more sustainable region.

**Tom Cornock** - Tom is a Councilor with the Shire of Murray. He is a resident of Dwellingup, is retired and a very active member of the Peel community serving on various committees such as the Dwellingup History and Visitor Information Centre Management Committee as Chairperson and as Deputy Chairperson of the Peel Economic Development Unit. Tom is also a member of the Lane Poole Reserve Management Committee.

**Paul Fitzpatrick** – Paul is a descendant of a pioneering family in the Shire of Waroona. His experience is in business development and marketing, and stems from areas in education, employment and industrial relations, to co-founding an international technology company developing and marketing 'Smart Homes' and 'Smart Farms' in Australia and overseas. Paul is a member of the Waroona Economic Development Unit, Peel Olive Association and South West Regional Partnership Group. He was elected Shire President in May 2003 and Chair of Peel Economic Development Unit in September 2003.

**Christine Germain** – Christine is a long time resident and Councillor of the Shire of Waroona. She has been actively involved in many community groups including St John Ambulance, Waroona Tourist and Information Centre, Waroona Recreation and Advisory Committee, Peel Trails Group and Peel Region Tourism Association. She is currently Acting Manager/Secretary of the Pinjarra Trotting Club.

**Elizabeth Hoek** – Elizabeth has been a Councillor with the Shire of Boddington since 1998. She has been heavily involved in the community of Boddington and through various regional committees. Elizabeth is a self employed retail proprietor in Boddington.

**Keith Holmes** - Keith has been Mayor of the City of Mandurah since 1995. He has a background in education and small business. His experience as Councillor and Mayor for the City of Mandurah Council has seen him involved directly in issues related to Mandurah and the Peel region. Through his well-established contacts with many community groups, Keith has developed a sound appreciation of the issues within the region.

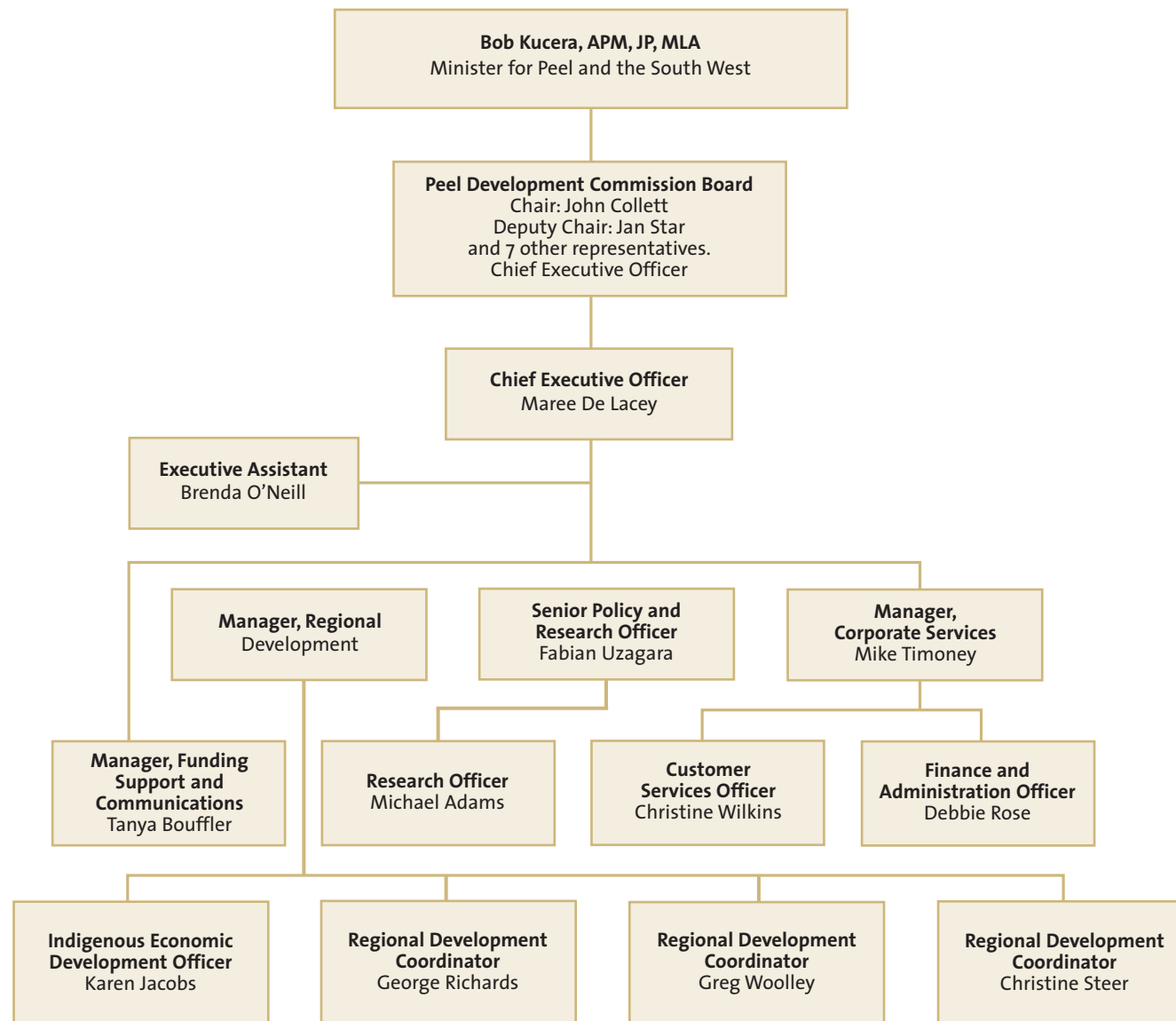
**Colin Lane** - Colin is a long time resident of the Peel region and has diverse business interests. He is the owner and Manager of Lane Ford Mandurah and also has agricultural landholdings in the region. Colin is involved in many community Boards and committees and has a strong interest in the sustainable economic development of the Peel region.

**Maree De Lacey** - Maree has had extensive experience at practitioner, senior and executive levels with non government, Commonwealth and State Government sectors. She brings to the Commission over twenty years' experience in developing regional community infrastructure and services through partnerships with government, business and community.

## CORPORATE PROFILE



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CORPORATE SERVICES

Compliance with Public Sector Standards

The *Human Resource Policies and Procedures Manual* has been developed to incorporate the Public Sector Human Resource Standards, policies and procedures, as well as internal policies relating to the Workplace Agreement, Code of Conduct, Equal Employment Opportunity and employee benefits, services and regulations. The Chief Executive Officer remains responsible for compliance with Public Sector standards and ethical codes.

External parties are used to ensure compliance with Public Sector standards where staff movements are concerned. The standards relating to transfer, secondment, termination, redeployment and discipline are rarely invoked. Performance management is conducted in accordance with the Commission's guidelines.

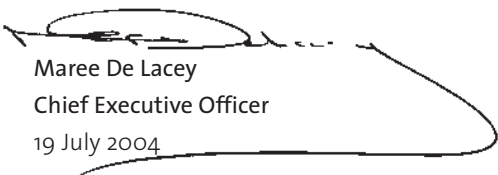
The Commission continues to promote a working environment free from harassment and discrimination. Professional development to assist staff in responding to inappropriate behaviour and a grievance resolution procedure are in place. These policies and procedures are part of the induction process.

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

In the administration of the Peel Development Commission, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.

The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged:	nil
Number of breaches found, including multiple breaches per application:	nil
Number still under review:	nil

  
Maree De Lacey  
Chief Executive Officer  
19 July 2004

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 senior officers.

Disability Services

In planning for the office accommodation consideration to the Disability Services Plan was applied. It is acknowledged that although access within the working environment may be considered restrictive to clients/employees with specific disabilities, alternative procedures and policies have been developed and are incorporated into the existing Plan to ensure widespread access to the Commission and its resources.

The Commission will, on request, alter the format of its publications to suit the communication requirements of people with disabilities.

“THE COMMISSION  
CONTINUES TO  
PROMOTE A WORKING  
ENVIRONMENT FREE FROM  
HARASSMENT AND  
DISCRIMINATION...”



## CORPORATE PROFILE

The Commission's plan was originally formulated in 1996 and has since been updated. Further modifications will take place as the needs and priorities of disabled people change.

### Occupational Health, Safety and Welfare

Occupational Health, Safety and Welfare policies continue to be reviewed and monitored as required by the changing needs of the Commission and its improved working environment.

#### Freedom of Information

There have been no Freedom of Information requests. The Commission's Freedom of Information Co-ordinator is the Manager Corporate Services.

Applications may be lodged at the Commission at the addresses given on page one.

### Customer Focus

The current Customer Service Charter is available at points of customer access including the Commission's website ([www.peel.wa.gov.au](http://www.peel.wa.gov.au)). In achieving planned goals, many of the Commission's 2003/04 projects have had direct outcomes relating to the interests of the following groups:

- women;
- Indigenous people;
- the disabled;
- youth; and
- seniors.

### Equal Employment Opportunity (EEO)

The Commission adheres to EEO policies:

- there is a provision for EEO input on the agenda of every routine staff meeting;
- all supervisors are aware of their EEO responsibilities;
- it is free from sexual and racial harassment;
- it is free from discrimination against its staff, potential staff and clientele.

### Staff Development

Staff has received a total of 117 hours of professional development provided by parties external to the Commission.

### Language Services

The Commission does not have a linguistically diverse clientele; however, should the need arise, it will arrange the services required to overcome communication difficulties.

### Women

The Commission provides an environment, which has:

- flexible work practices helping staff to balance home and work commitments;
- an emphasis on personal security;
- provides opportunities for professional development to all staff; and
- complies strictly with EEO policies.

### Workers' Compensation

No claims were received during the 2003/04 year.

#### Staff Profile

	30 June 2004	30 June 2003
Full Time Permanent	10	10
Part Time Permanent	1	0
Full Time Contract	6	4
Part Time Contract	0	0

Record Keeping Plan (RKP)

As required by the State Records Act, the Commission has compiled a RKP which has been submitted to the State Records Office for approval. Training in record keeping for Corporate Service staff is provided at induction, and at later times by external providers.

Public Interest Disclosures

The Manager Corporate Services has been appointed as a Public Interest Disclosure Officer. The Commission has adopted the guidelines on policy and procedures published by the Office of the Public Sector Standards Commissioner.

There were no disclosures made to the Commission during the reporting period.

*Electoral Act 1907 section 175ZE*

In compliance with section 175ZE of the *Electoral Act 1907*, the Peel Development Commission is required to report on 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 report are as follows:

Expenditure with	
Advertising Agencies	Nil
Expenditure with	
Market Research Agencies	Nil
Expenditure with Polling	
Agencies	Nil
Expenditure with Direct	
Mail Agencies	Nil
Expenditure with Media	
Advertising Agencies	\$36,316

TOTAL EXPENDITURE	\$36,316
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Payments (incl GST) totalling \$1,600 or more during the reporting year were made to each of the following:

Market Force Productions	\$17,111
Media Decisions WA	\$4,011
WA Newspapers	\$9,900

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# Financials



# PERFORMANCE INDICATORS

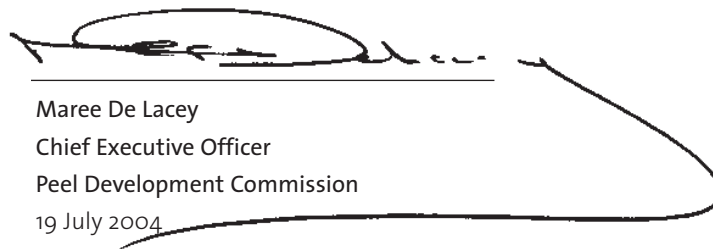
## CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2004

We hereby certify that the 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 Peel Development Commission for the financial year ended 30 June 2004.



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John Collett  
Chairman  
Peel Development Commission Board  
19 July 2004



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Maree De Lacey  
Chief Executive Officer  
Peel Development Commission  
19 July 2004

# PERFORMANCE INDICATORS



AUDITOR GENERAL

## INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**PEEL DEVELOPMENT COMMISSION  
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2004**

### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Peel Development Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended June 30, 2004.

### **Scope**

#### ***The Board's Role***

The Board is responsible for developing and maintaining proper records and systems for preparing performance indicators.

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

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

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it 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 performance indicators.

D D R PEARSON  
AUDITOR GENERAL  
August 13, 2004

# PERFORMANCE INDICATORS

## OUTCOME

Development and promotion of the Peel region

This is achieved through the Commission's Objectives:

- maximise job creation and improve career opportunities;
- develop and broaden the region's economic base;
- identify and market the comparative advantages of regional industry;
- facilitate the development of infrastructure and service delivery to promote economic and social development;
- provide information and advice to promote development of the region;
- seek to ensure that the general standard of government services, and access to those services in the region, meet the needs of the community;
- encourage the development of robust communities and build a greater sense of community cohesion;

- ensure that management of natural resources is an integral part of the planning process and procedures associated with the development of the region; and
- generally take steps to encourage, promote, facilitate and monitor the economic and social development of the region.

## PERFORMANCE INDICATORS REQUIREMENT

Treasury's Instruction 904 requires accountable authorities to provide information enabling users to assess the performance of an agency in achieving its outcomes. This assessment is assisted by the provision of performance indicators.

### Effectiveness Indicators

The outcome sought by the Commission is the development and promotion of the Peel region. The effectiveness of the Commission in achieving these outcomes is determined by undertaking an annual Client Survey. In 2003/04, the Commission engaged an independent market research consultancy to undertake its Client Survey.

The Commission provided a database of 307 individuals who had been key clients

and stakeholders during 2003/04. From this list, 253 clients were randomly selected by the research consultant for the survey sample. Using the telephone as the primary means of contact, 176 surveys were successfully completed providing a response rate of 76.5 per cent of the sample. 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 +/- 5per cent. The sampling error range for this survey is 4.83 per cent.

The results from this survey period show an increase in the percentage of respondents who had their expectations met or exceeded in this survey period compared with 2002/2003. The only exception to this was for promoting the Peel region, which experienced a decrease in this score. The satisfaction rate reported below represents the percentage of stakeholders who indicated that the Commission has met or exceeded their expectations.

# PERFORMANCE INDICATORS

Question	Satisfaction Rate 2003/2004	Satisfaction Rate 2002/2003	Satisfaction Rate 2001/2002
How effective is the regional leadership exhibited by the Peel Development Commission in the development of the Peel region?	94.2%	88.2%	89.9%
How effective is the Commission in expanding the economic base of the Peel region?	88.0%	73.7%	73.4%
Please rate the Commission's performance in contributing to the expansion of infrastructure in the Peel region.	82.4%	79.0%	85.9%
Please rate the Commission's performance in assisting and stimulating employment and training opportunities.	91.5%	73.0%	75.0%
Please rate the Commission's performance in encouraging investment in the Peel region.	94.8%	84.2%	85.0%
Please rate the Commission's performance and contribution in enhancing and protecting the region's environment.	83.5%	81.6%	81.7%
Please rate the Commission's performance in promoting the Peel region.	91.8%	97.4%	91.7%
Please rate how the Commission performs in enhancing the region's sense of community.	90.9%	81.6%	84.6%

## EFFICIENCY INDICATORS

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

- (1) facilitation and co-ordination; and
- (2) information and advice.

Both outputs are measured in service hours.

### Cost per Service Hour

Specific infrastructure costs relating to the construction of the Peel Region Tourist Railway (2003-04 - \$413,824), Mandurah Ocean Marina projects (2003-04 - \$102,455),

Reconstruction of the Dwellingup to Boddington Railway (\$101,680), and Grants and Subsidies (2003/2004 - \$602,968) have been excluded from the calculations of the efficiency indicators because they are not considered to be directly attributable to the production of outputs.

	2001/2002 actual	2002/003 actual	2003/2004 actual	Variance
Key Output 1	\$76.81	\$89.03	\$82.03	(7.9%)
Key Output 2	\$75.59	\$78.79	\$82.28	4.4%

# FINANCIAL STATEMENTS

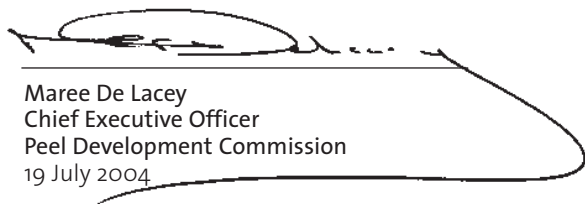
## CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

The accompanying financial statements of the Peel Development Commission have been prepared in compliance with the provisions of the *Financial Administration and Audit Act (1985)*, from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2004 and the financial position as at 30 June 2004.

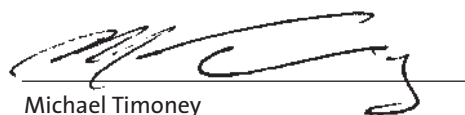
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



John Collett  
Chairman  
Peel Development Commission Board  
19 July 2004



Maree De Lacey  
Chief Executive Officer  
Peel Development Commission  
19 July 2004



Michael Timoney  
Principal Accounting Officer  
Peel Development Commission  
19 July 2004

## FINANCIAL STATEMENTS



## AUDITOR GENERAL

## INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**PEEL DEVELOPMENT COMMISSION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004**

**Audit Opinion**

In my opinion,

- (i) the controls exercised by the Peel Development Commission provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at June 30, 2004 and its financial performance and cash flows for the year ended on that date.

**Scope*****The Board's Role***

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

***Summary of my Role***

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements 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.

**D D R PEARSON**  
AUDITOR GENERAL  
August 13, 2004

# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2004

		2004	2003
<b>COST OF SERVICES</b>			
<b>Expenses from ordinary activities</b>			
Employee expenses	2	1,005,799	1,065,666
Supplies and services	3	773,602	541,343
Depreciation expense	4	35,385	57,739
Administration expenses	5	199,581	184,811
Accommodation expenses	6	134,234	128,709
Grants & subsidies	7	602,968	177,273
Capital user charge	8	35,940	89,500
<b>Total cost of services</b>		<b>2,787,509</b>	<b>2,245,041</b>
<b>Revenues from ordinary activities</b>			
<i>Revenue from operating activities</i>			
User charges and fees	9	36,659	63,970
Local government grants		49,000	91,000
Other grants		20,500	0
Commonwealth grants and contributions	11	192,636	63,636
<i>Revenue from non-operating activities</i>			
Other revenues from ordinary activities	10	18,453	0
<b>Total revenues from ordinary activities</b>		<b>317,248</b>	<b>218,606</b>
<b>NET COST OF SERVICES</b>		<b>2,470,261</b>	<b>2,026,435</b>
<b>REVENUES FROM STATE GOVERNMENT</b>	12		
Output appropriation(1)		2,758,000	1,485,000
Resources received free of charge		0	11,500
Liabilities assumed by the Treasurer		303,389	0
Grant received from government agencies		485,750	119,184
<b>Total revenues from State Government</b>		<b>3,547,139</b>	<b>1,615,684</b>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS.</b>		<b>1,076,878</b>	<b>(410,751)</b>

# STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2004

		2004	2003
<b>Current Assets</b>			
Cash assets	20	1,842,163	1,107,726
Receivables	13	43,316	18,327
Other assets	15	13,393	1,869
<b>Total Current Assets</b>		<u>1,898,872</u>	<u>1,127,922</u>
<b>Non-Current Assets</b>			
Amounts receivable for outputs	14	194,000	151,000
Plant and Equipment	16(a)	69,019	67,994
<b>Total Non-Current Assets</b>		<u>263,019</u>	<u>218,994</u>
<b>Total Assets</b>		<u>2,161,891</u>	<u>1,346,916</u>
<b>Current Liabilities</b>			
Payables	17	40,701	55,396
Provisions	18	123,873	507,297
Other liabilities	19	173,466	65,947
<b>Total Current Liabilities</b>		<u>338,040</u>	<u>628,640</u>
<b>Non-Current Liabilities</b>			
Provisions	18	33,205	62,278
<b>Total Non-Current Liabilities</b>		<u>33,205</u>	<u>62,278</u>
<b>Total Liabilities</b>		<u>371,245</u>	<u>690,918</u>
<b>NET ASSETS</b>		<u>1,790,646</u>	<u>655,998</u>
<b>Equity</b>	20		
Contributed equity		137,770	80,000
Accumulated surplus		1,652,876	575,998
<b>TOTAL EQUITY</b>		<u>1,790,646</u>	<u>655,998</u>

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



# STATEMENT OF CASH FLOWS

for the year ended 30 June 2004

	2004	2003
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		
Output appropriations	2,715,000	1,420,000
Capital contribution	50,000	50,000
Holding account drawdown	7,000	
<b>Net cash provided by State Government</b>	<b>2,772,000</b>	<b>1,470,000</b>
Utilised as follows:		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Employee costs	(1,166,862)	(852,805)
Supplies and services	(1,584,909)	(957,614)
Capital User Charge	0	(89,500)
GST payments on purchases	(155,394)	(94,580)
GST payments to taxation authority	(44,058)	(37,026)
<b>Receipts</b>		
User charges and fees	17,865	63,970
Local government grants	49,000	91,000
Commonwealth grants and contributions	192,636	63,636
Grants received from government agencies	485,750	122,308
Other grants	20,500	0
GST receipts on sales	36,638	29,320
GST receipts from taxation authority	147,683	84,245
<b>Net cash provided by/(used in) operating activities</b>	<b>(2,001,151)</b>	<b>(1,577,046)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of non-current physical assets	(36,412)	(50,000)
<b>Net cash provided by/(used in) investing activities</b>	<b>(36,412)</b>	<b>(50,000)</b>
Net increase/(decrease) in cash held	734,437	(157,046)
Cash assets at the beginning of the financial year	1,107,726	1,264,772
<b>CASH ASSETS AT THE END OF THE FINANCIAL YEAR</b>	<b>1,842,163</b>	<b>1,107,726</b>

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2004

### 1 Significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

#### General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

#### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which as noted are measured at fair value.

#### (a) Output Appropriations

Output Appropriations are recognised as revenues in the period in which the Authority gains control of the appropriated funds. The Authority gains control of appropriated funds at the time those funds are deposited into the Authority's bank account or credited to the holding account held at the Department of Treasury and Finance.

#### (b) Contributed equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position.

#### (c) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Commission obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

#### (d) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Authority has passed control of the goods or other assets or delivery of the service to the customer.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

## (e) Acquisition of Assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

## (f) Depreciation of non-current assets

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

Depreciation is calculated on a straight line basis using rates which are reviewed annually. Useful lives for each class of depreciable asset are:

Furniture and fittings	10 years
Office equipment	3 to 5 years
Computing hardware	3 to 5 years
Computing software	3 to 5 years
Other Fittings	10 years

## (g) Employee Benefits

### Annual Leave

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

### Long Service Leave

"The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits, and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. This method of measurement of the liability is consistent with the requirements of Accounting Standard AASB 1028 "Employee Benefits".

### Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The Pension Scheme and the pre-transfer benefit for employees who transferred to the Gold State Superannuation Scheme are unfunded and the liability for future payments is assumed by the Treasurer.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2004

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by payment of employer contributions to the GESB.

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The GESB's records are not structured to provide the information for the Authority. Accordingly, deriving the information for the Authority is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

### Employment Benefit On-cost

Employee benefit on-costs, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses.

### (h) Leases

The Commission has entered into a number of operating lease arrangements for the rent of the office building and motor vehicles where the lessor effectively retains all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

### (i) Cash

For the purpose of the Statement of Cash Flows, cash is cash assets.

### (j) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 60 days overdue.

### (k) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Commission considers the carrying amount approximates net fair value.

### (l) Payables

Payables, including accruals not yet billed, are recognised when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

### (m) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

### (n) Comparative Figures

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

(o) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain areas, to the nearest dollar.

## 2 Employee expenses

	2004	2003
Wages and salaries	812,416	790,678
Long Service Leave	13,709	49,149
Annual Leave	66,285	69,218
Superannuation	104,059	147,040
Workers' Compensation Insurance	9,330	9,581
	<u>1,005,799</u>	<u>1,065,666</u>

## 3 Supplies and Services

Consultants and contractors	773,602	541,343
	<u>773,602</u>	<u>541,343</u>

## 4 Depreciation expense

Furniture and fittings	3,141	3,136
Office equipment	4,610	5,784
Other fittings	3,333	19,777
Computing hardware	20,866	24,548
Computing software	3,435	4,494
	<u>35,385</u>	<u>57,739</u>

## 5 Administration expenses

Communication	37,330	33,011
Consumables	73,847	70,865
Maintenance	26,097	17,982
Other staff costs	62,307	62,953
	<u>199,581</u>	<u>184,811</u>

## 6 Accommodation expenses

Lease rentals (incl. motor vehicle leases)	125,043	119,624
Cleaning	9,191	9,085
	<u>134,234</u>	<u>128,709</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

	2004	2003
<b>7 Grants &amp; subsidies</b>		
Project Related Grants	203,468	177,273
2003/04 Regional Development Scheme Grants	399,500	0
	<u>602,968</u>	<u>177,273</u>
<b>8 Capital User Charge</b>	35,940	89,500
A capital user charge rate of 8% has been set by the WA Government and represents the opportunity cost of capital invested in the net assets of the Authority used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets.		
<b>9 User charges and fees</b>		
Recoup from Regional Development Scheme	0	35000
Website software rental	1,200	1863
Project contributions	18,715	24,000
Alcoa contribution to visioning workshop (2003/04)	4,667	0
Sale of publications and videos	0	0
Charge for administration overheads	5,000	0
Other	7,077	3,107
	<u>36,659</u>	<u>63,970</u>
<b>10 Other revenue</b>		
Decrease in superannuation liability.	18,453	0
<b>11 Commonwealth grants and contributions</b>		
Project funding	192,636	63,636

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

## 12 Revenues (to)/from Government

Appropriation revenue received during the year:

Output appropriations

Capital appropriations

2004	2003
2,758,000	1,485,000
-	-
<u>2,758,000</u>	<u>1,485,000</u>

Resources received free of charge

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

- Office of the Auditor General

Commencing with the 2003-04 audit, the Office of the Auditor General will be charging a fee for auditing the accounts, financial audit (\$14 850) will be due and payable in the 2004-05 financial year.

0	11,500
0	11,500

Liabilities assumed by the Treasurer

Superannuation payout on behalf of Peel Development Commission

303,389	0
303,389	0

Grants received from government agencies

485,750	119,184
485,750	119,184
<u>3,547,139</u>	<u>1,615,684</u>

## 13 Receivables

Current

Trade debtors

GST Receivable

20,673	7,144
22,643	11,183
43,316	18,327

## 14 Amounts receivable for outputs

Non - current

194,000	151,000
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This asset represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

## 15 Other Assets

Prepayments

13,393	1,869
<u>13,393</u>	<u>1,869</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

## 16(a) Plant and equipment

Furniture and fittings at cost  
Accumulated depreciation

2004	2003
26,470	24,053
(13,919)	(10,774)
12,551	13,279

Office equipment at cost  
Accumulated depreciation

89,119	71,442
(74,280)	(69,670)
14,839	1,772

Other fittings at cost  
Accumulated depreciation

11,109	174,755
(9,027)	(169,340)
2,082	5,415

Computing hardware at cost  
Accumulated depreciation

140,190	141,575
(103,771)	(100,610)
36,419	40,965

Computing software at cost  
Accumulated depreciation

55,752	55,752
(52,624)	(49,189)
3,128	6,563

Total of property plant and equipment

69,019	67,994
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## 16(b) Plant and Equipment (con't)

Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment at the beginning and end of the current financial year are set out below.

2004

	Furniture and fittings \$	Office equipment \$	Other fittings \$	Computing hardware \$	Computing software \$	Total \$
Carrying amount at start of year	13,279	1,772	5,415	40,965	6,563	67,994
Additions	2,415	17,677		16,320		36,412
Disposals	(2)			(17,704)		(17,706)
Depreciation	(3,141)	(4,610)	(3,333)	(20,866)	(3,435)	(35,385)
Depreciation - write back on disposal				17,704		17,704
Carrying amount at end of year	12,551	14,839	2,082	36,419	3,128	69,019



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

## 17 Payables

ATO - PAYG  
ATO - FBT  
Trade Payables

2004	2003
28,600	17,300
4,500	3,649
7,601	34,447
<u>40,701</u>	<u>55,396</u>

## 18 Provisions

### Current

Annual leave  
Long service leave  
Superannuation (i) -  
Other (ii)

56,540	43,858
67,333	45,085
-	318,261
-	100,093
<u>123,873</u>	<u>507,297</u>

### Non-current

Long service leave  
Superannuation (i)

33,205	57,927
-	4,351
<u>33,205</u>	<u>62,278</u>

Total Employment Entitlements

<u>157,078</u>	<u>569,575</u>
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(i) The superannuation liability has been established from data supplied by the Government Employees Superannuation Board. On 30th June 2004 the Superannuation liability was transferred to the Treasurer and will be reported centrally by the Department of Treasury and Finance.

(ii) This represents a severance payment to be made in 2003-04.

The Commission considers the carrying amount of employee entitlements approximates the net fair value.

## 19 Other Liabilities

Accrued expenses  
Accrued salaries

173,466	44,274
-	21,673
<u>173,466</u>	<u>65,947</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

## 20 Equity

	2004	2003
Contributed Equity		
Opening balance	80,000	30,000
Capital contributions (i)	50,000	50,000
Holding account drawdown	7,000	0
Transfer of superannuation liability to the Treasurer (ii)	770	0
Closing balance	<u>137,770</u>	<u>80,000</u>

(i) From 1 July 2002, capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited straight to equity in the Statement of Financial Position.

(ii) On 30th June 2004 the superannuation liability was transferred to the Treasurer. It will be reported centrally by the Department of Treasury and Finance from that date.

Accumulated Surplus/(deficiency)		
Opening Balance	575,998	986,748
Change in Net Assets	1,076,878	(410,751)
Closing Balance	<u>1,652,876</u>	<u>575,998</u>

## 20 Notes to the Statement of Cash Flows

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

Cash assets	<u>1,842,163</u>	<u>1,107,726</u>
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# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

	2004	2003
(b) Reconciliation of net cost of services to net cash flows used in operating activities		
Net cost of services	(2,470,261)	(2,026,435)
Non-cash items:		
Depreciation expense	35,385	57,739
Resources received free of charge	0	11,500
Liability assumed by the Treasurer	303,389	0
Transfer of Superannuation liability to the Treasurer	770	0
(Increase)/decrease in assets:		
Current receivables	(24,989)	(6,122)
Other current assets	(11,524)	4,005
Increase/(decrease) in liabilities:		
Current accounts payable	(14,695)	19,290
Employee entitlements	(412,497)	205,976
Other current liabilities	107,519	35,917
Grants received from WA Government agencies	485,750	119,184
Net GST payments	(15,131)	(18,041)
Change in GST in receivables/payables	15,133	19,941
Net cash used in operating activities	<u>(2,001,151)</u>	<u>(1,577,046)</u>
(c) At the reporting date, the Commission has fully drawn on all financing facilities, details of which are disclosed in the financial statements.		
<b>21 Commitments for expenditure</b>		
(a) Lease commitments		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within 1 year	108,608	119,876
Later than 1 year and not later than 5 years	56,274	147,671
	<u>164,882</u>	<u>267,547</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

## 22 Resources Received Free of Charge

Resources received free of charge has been determined on the basis of the following estimates provided by agencies.

Office of the Auditor General

- Audit Services

0

11,500

Commencing with the 2003-04 audit, the Office of the Auditor General will be charging a fee for auditing the accounts, financial statements and performance indicators. The fee for the 2003-04 audit (\$14 850) will be due and payable in the 2004-05 financial year.

## 23 Events Occurring After Reporting Date

There are no events occurring after reporting date.

## 24 Explanatory Statement

(i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10%.

	2004	2003	Variance
Supplies and services	773,602	541,343	232,259
Increase in expenditure on Capital Works and externally funded projects.			
Depreciation expense	35,385	57,739	(22,354)
Decrease due to some assets being fully depreciated during the year.			
Capital user charge	35,940	89,500	(53,560)
Decrease due to refund of overpayments in previous years.			
User charges and fees	36,659	63,970	(27,311)
Decrease due to there being no recoups from the Regional Development Scheme this year.			
Local government grants	49,000	91,000	(42,000)
2003-04 items are principally grants toward the Business Development Project.			

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

Commonwealth grants and contributions	192,636	63,636	129,000
2003-04 items include grants from :- Department of Transport and Regional Services			

Natural Heritage Trust

Liability assumed by the Treasurer	303,389	0	303,389
Superannuation payout by the Treasurer on the Commission's behalf.			

(ii) Significant variations between estimates and actual results for the financial year.

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10%.

	Estimates 2004	Actual 2004	Variance
Supplies and services	2,268,000	773,602	(1,494,398)
Underspend relates principally to Capital Works projects.			
User charges and fees	9,000	36,659	(27,659)
Unbudgeted recoups from the Peel Community Development Group and contribution from Alcoa.			
Liability assumed by the Treasurer	0	303,389	(303,389)
Superannuation payout by the Treasurer on the Commission's behalf.			

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

## 25 Financial Instruments

### (a) Interest Rate Risk Exposure

The following table details the Commission's exposure to interest rate risk as at the reporting date:

	Non-Interest Bearing \$000	Total \$000
<b>2004</b>		
Financial Assets		
Cash assets	1,842	1,842
Receivables	43	43
	<u>1,885</u>	<u>1,885</u>
Financial Liabilities		
Payables	41	41
Other Liabilities	173	173
Employee Entitlements	157	157
	<u>371</u>	<u>371</u>
<b>2003</b>		
Financial assets	1,126	1,126
Financial liabilities	691	691

### (b) Credit Risk Exposure

All financial assets are unsecured

### (c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2004

### 27 The Impact of Adopting International Accounting Standards

The Peel Development Commission is adopting international accounting standards in compliance with AASB 1 First Time Adoption of Australian Equivalents to International Financial Reporting Standards (IFRS).

AASB 1 requires an opening balance sheet as at 1 July 2004 and the restatement of the financial statements for the reporting period to 30 June 2005 of the IFRS basis. These financial statements will be presented as comparatives in the first annual report prepared on an IFRS for the period ended 30 June 2006.

AASB 1047 Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards requires financial reports for the periods ending on or after 30 June 2004 to disclose:

1. **How the transition to Australian equivalents is being managed:**  
**Staff Training to be provided by the Department of Treasury and Finance.**
2. **Key differences in accounting policies that are expected to arise from adopting Australian equivalents to IFRS.**

The Peel Development Commission is aware of the IFRS and is assessing the impact on the Commission. In the near future training will be provided by the Department of Treasury and Finance. Currently there are no key differences in accounting policies that are expected to arise from adopting Australian equivalents to IFRS.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

## 28 Output Information

	Facilitation & Coordination		Information & Advice	
	2004	2003	2004	2003
<b>COST OF SERVICES</b>				
<b>Expenses from ordinary activities</b>				
Employee expenses	903,409	816,585	102,390	148,988
Supplies and services	678,297	523,198	95,305	18,145
Depreciation expense	31,379	47,023	4,006	10,716
Administration expenses	176,988	155,607	22,593	29,204
Accommodation expenses	119,039	104,821	15,195	23,888
Grants & subsidies	602,968	177,273	-	-
Capital user charge	35,940	72,889	-	16,611
<b>Total cost of services</b>	<b>2,548,020</b>	<b>1,897,396</b>	<b>239,489</b>	<b>247,552</b>
<b>Revenues from ordinary activities</b>				
<i>Revenue from operating activities</i>				
User charges and fees	36,079	63,970	580	-
Local government grants	49,000	91,000	-	-
Other grants	20,500		-	-
Commonwealth grants and contributions	192,636	63,636	-	-
<i>Revenue from non-operating activities</i>	-		-	-
Other revenues from ordinary activities	16,364		2,089	
<b>Total revenues from ordinary activities</b>	<b>314,579</b>	<b>218,606</b>	<b>2,669</b>	<b>-</b>
<b>NET COST OF SERVICES</b>	<b>2,233,441</b>	<b>1,678,790</b>	<b>236,820</b>	<b>247,552</b>
<b>REVENUES FROM GOVERNMENT</b>				
Output appropriations	2,381,000	991,000	377,000	494,000
Resources received free of charge	-	9,366	-	2,134
Liabilities assumed by the Treasurer	269,045		34,344	
Grant received from government agencies	485,750	119,184	-	-
<b>Total revenues from Government</b>	<b>3,135,795</b>	<b>1,119,550</b>	<b>411,344</b>	<b>496,134</b>
<b>CHANGE IN NET ASSETS</b>	<b>902,354</b>	<b>(559,240)</b>	<b>174,524</b>	<b>248,582</b>

## PUBLICATIONS AND PROMOTIONAL MATERIAL

### *The Regional Development Commissions Act (1993)*

### *The Peel Development Commission Annual Report 2003/2004*

Produced after 30 June, 2004 and details the achievement and activities of the Commission during 2003/2004.

### *Peel Away the Mask*

This publication is the first report that focuses on the social condition of the Peel region. The findings are being used as the basis for strategic planning for the future sustainable development of the Peel region.

### *Living in the Regions – The Peel Report and the State Report*

A look at the regional population of Western Australia and the Peel region with emphasis on the social impacts of life in the regions.

### *Peel Economic Perspective*

An overview of the infrastructure and industries that contribute to the Peel regional economy. Updated and republished in July 2003.

### *Peel Geographic Perspective*

Provides an easily understood profile of the geographic features of the Peel region and their impact on its development. Update and republished in October 2003.

### *Peel People and Population*

This publication provides a portrait of the population demographics of the region and contains substantial demographic information. Updated and republished in January 2001.

### *Customer Service Charter*

This publication outlines the quality of service clients can expect from the Peel Development Commission.

### *Video*

The Peel Region – Your Natural Choice video promote tourism, lifestyle, business/industry opportunities and the many attractions of the Peel region.