

**TRUSTEES OF THE
PUBLIC EDUCATION ENDOWMENT**

**2009
ANNUAL REPORT**

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
REPORT ON OPERATIONS
FOR THE YEAR ENDED 30 June 2009**

1 ENABLING LEGISLATION

The Act governing the Trust in Western Australia is the Public Education Endowment Act, 1909-81.

Under Section 9 of this Act, the Trustees may disburse money derived as income of real and personal property and investments towards the improvement of such property, and the payment of salaries and other expenditure in carrying out the provisions of the Act, relating to public education, in force for the time being.

2 LEGISLATION IMPACTING ON THE AUTHORITIES ACTIVITIES

In performance of its functions, the Public Education Endowment Trust complies with the following relevant written laws:

- Auditor General Act 2006;
- Contaminated Sites Act 2003
- Disability Services Act 1993
- Equal Opportunity Act 1984;
- Financial Management Act 2006;
- Freedom of Information Act 1992;
- Industrial Relations Act 1979;
- Minimum Conditions of Employment Act 1993;
- Occupational Safety and Health Act 1984;
- Public Sector Management Act 1994;
- Salaries and Allowances Act 1975;
- State Records Act 2000; and
- State Supply Commission Act 1991.

In the financial administration of the Public Education Endowment Trust, we have complied with the requirements of the Financial Management Act 2006 and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of monies and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

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

Responsible Minister

The Hon Dr Elizabeth Constable MLA, Minister for Education, Tourism, Women's Interests.

Mission

To support educational initiatives that will lead to long-term benefits for Western Australian school students.

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
REPORT ON OPERATIONS
FOR THE YEAR ENDED 30 June 2009**

3 OBJECTIVES AND FUNCTIONS

The role of the Trust is to maintain investment funds in order to finance specific educational projects that are presented to the Trustees from time to time. The Trustees grant funding for educational projects that benefit as many Western Australian students as possible.

The Trust generates revenue from:

- (a) interest on investments; and
- (b) sale of land.

The Trustees meet periodically to deal with administration, finance and matters affecting Trust land.

4 ADMINISTRATIVE STRUCTURE

The Trust membership, in accordance with the provisions of Section 2 of the Public Education Endowment Act 1909-81, consists of the Hon Minister for Education (Chairperson), the Director-General, Education Department of Western Australia – (ex-officio) and three other Trustees appointed for a term of three years by His Excellency the Governor.

The membership of the Trust is:

Hon Dr Elizabeth Constable Minister for Education (Chairperson)

Ms Sharyn O'Neill	Director-General, Department of Education (Deputy Chairperson)
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Ms Norma Jeffery	Trustee - appointment expires 21 November 2011
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Mr Colin Pettit	Trustee - appointment expires 21 November 2011
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Mr Peter McCaffrey	Trustee - appointment expires 21 November 2009
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The Trustees met on three occasions to consider Trust business. These meetings were held on:

11 November 2008
7 April 2009
4 June 2009

5 OPERATIONS

(a) Land Sales

The Trustees did not sell any property during 2009.

(b) Metropolitan Land

FREMANTLE - Reserve No.11384; Lots 1186-1192, 1197-1200, 1207-1208, 1213-1215, and 1725. BP Australia Ltd leased this property until 28 February 2006. The land was re-valued on 17 June 2009 and is now valued at \$7 600 000.

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
REPORT ON OPERATIONS
FOR THE YEAR ENDED 30 June 2009**

6 TRUST INCOME

(a) Leasing of Trust Land

The Trust did not receive any income from the Fremantle land for the period ending 30 June 2009. The lessee vacated the property on 28 February 2006.

(b) Investment of Trust Funds

The Trust has one account at the Commonwealth Bank, which combines the Trust's Investment and Operating accounts.

The Commonwealth Bank Account earned interest of \$589 669 for the period ending 30 June 2009.

(c) Utilisation of Trust Finance

Expenditure was authorised during the financial year to fund education projects and administration expenses.

7 PROJECTS

The Trustees supported three of the grant applications received in 2009. The approved projects totalling \$61 672 are listed below:

Out of the Classroom and into the Field - Module 1 Excursion Guides and Module and Module 2 Field Equipment - Earth Science Western Australia (ESWA) To encourage students who study Earth and Environment Science (EES) topics to have the opportunity to study in the field whenever possible and to use industry experts to lead these trips where possible. To then relate the field work back to the curriculum on the students return to the classroom. The aim is that each EES class will have at least one field trip per year.	\$ 34 500
Include Me - Therapy Focus To produce a storybook with a disability inclusion theme with children's artwork to accompany the text. To increase the awareness of issues related to intellectual and "invisible disabilities" among primary school children in Western Australia.	22 172
Neerigen Brook "Full Service School" - Neerigen Brook Primary School Full service schools are a collaborative effort for the delivery of health and welfare services in addition to education services from or in connection with schools. Neerigen Brook Primary aims to cater for the whole child and provide access to quality education without emotional and financial blocks.	5 000

TOTAL

61 672

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
REPORT ON OPERATIONS
FOR THE YEAR ENDED 30 June 2009**

8 LAND HOLDINGS

Freehold land vested in the Trust as at 30 June 2009 totals 3.0152 hectares and has a fair value of \$7 600 000.

9 INTERNAL AUDIT

The scope of the audit conducted by Braxford Consultancy Pty Ltd was to ensure that the service delivery:

- Satisfied the responsibilities of the Accountable Officer as defined in the Financial Management Act 2006 (FMA).
- Satisfied the requirements of the Treasurer's Instruction 1203.
- Included an effective audit of systems relating to information processing.
- Provided a value for money approach that incorporates best practice.
- Identified the risks inherent in the operation of the Public Education Endowment Trust.

The internal audit for the 2009 financial year has been completed.

10 MAJOR PROJECTS AND FUNDING

In order to assist in supporting leading education initiatives, the Trustees have agreed in 2006 not to adopt any special funding priorities but instead to review each project on its merits.

11 MANAGEMENT/DEVELOPMENT TRUST LAND

Land Corp has been commissioned by the Trust to advise the Trustees on all matters affecting Public Education Endowment land.

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2009**

HON ELIZABETH CONSTABLE
MINISTER FOR EDUCATION

In accordance with Section 63 of the Financial Management Act 2006, I hereby submit for your information and presentation to Parliament, the Annual Report of the Trustees of the Public Education Endowment for the year ended 30 June 2009.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006 and Section 14 of the Public Education Endowment Act 1909-81.



Norma Jeffery
A/Chairperson
Public Education Endowment Trust
Date 13 August 2009



Colin Pettit
Trustee
Public Education Endowment Trust
Date 13 August 2009

Contact Details

Postal

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Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009

I have audited the accounts, financial statements, controls and key performance indicators of the Trustees of the Public Education Endowment.

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

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

Trustees' Responsibility for the Financial Statements and Key Performance Indicators

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

Summary of my Role

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


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

Trustees of the Public Education Endowment
Financial Statements and Key Performance Indicators for the year ended 30 June 2009

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Trustees of the Public Education Endowment at 30 June 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Trust provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Trust are relevant and appropriate to help users assess the Trust's performance and fairly represent the indicated performance for the year ended 30 June 2009.



COLIN MURPHY
AUDITOR GENERAL
26 August 2009

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

CERTIFICATION OF FINANCIAL STATEMENTS

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

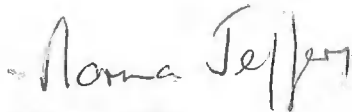
At the date of signing we are not aware of any circumstances, which would render any particulars included in the financial statements misleading or inaccurate.



Roslyn Lutz
Chief Finance Officer
Public Education Endowment Trust
Date 13 August 2009



Colin Pettit
Trustee
Public Education Endowment Trust
Date 13 August 2009



Norma Jeffery
A/Chairperson
Public Education Endowment Trust
Date 13 August 2009

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT

INCOME STATEMENT

FOR THE YEAR ENDED 30 June 2009

	Note	2009 \$	2008 \$
<u>INCOME</u>			
Revenue			
Interest Revenue		589 669	732 691
Project Refunds		0	159 522
Other Income		0	0
Total Income		589 669	892 213
<u>EXPENSES</u>			
Expenses			
Project Expenses	5	61 672	550 000
Land Expenses		462	8 349
Supplies and Services	6	22 819	18 582
Employee Expenses		74 469	48 156
Depreciation and Amortisation Expense	7	1 374	1 059
Accommodation Expense	8	2 943	3 088
Other Expenses	9	1 505 656	3 150 150
Total Expenses		1 669 395	3 779 384
Profit/(Loss) for the period		(1 079 726)	(2 887 171)

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

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT

BALANCE SHEET

AS AT 30 June 2009

	Note	2009 \$	2008 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	17(a)	11 035 231	10 708 987
Receivables		88 312	204 360
Other Assets	10	2 506	11 752
Total Current Assets		11 126 049	10 925 099
Non Current Assets			
Investment Property	11	7 615 905	9 115 905
Plant and Equipment	12	2 271	574
Total Non Current Assets		7 618 176	9 116 479
TOTAL ASSETS		18 744 225	20 041 578
LIABILITIES			
Current Liabilities			
Project Expenses		181 586	412 750
Payables	14	22 053	16 391
Other Liabilities	15	20 180	12 305
Total Current Liabilities		223 819	441 446
Total Liabilities		223 819	441 446
NET ASSETS		18 520 406	19 600 132
EQUITY	16		
Contributed Equity		5 388 902	5 388 902
Reserves		5 724 500	5 724 500
Retained Earnings		7 407 004	8 486 730
TOTAL EQUITY		18 520 406	19 600 132

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

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 June 2009

	Note	2009 \$	2008 \$
Balance of equity at start of period		<u>19 600 132</u>	<u>22 487 303</u>
CONTRIBUTED EQUITY			
Balance at start of period	16	<u>5 388 902</u>	<u>5 388 902</u>
Balance at end of period		<u>5 388 902</u>	<u>5 388 902</u>
RESERVES			
Asset Revaluation Reserve			
Balance at start of period	16	<u>5 724 500</u>	<u>5 724 500</u>
Balance at end of period		<u>5 724 500</u>	<u>5 724 500</u>
RETAINED EARNINGS			
Balance at start of period	16	<u>8 486 730</u>	<u>11 373 901</u>
Profit/(loss) for the period	16	<u>(1 079 726)</u>	<u>(2 887 171)</u>
Balance at end of period		<u>7 407 004</u>	<u>8 486 730</u>
Balance of equity at end of period (a)		<u>18 520 406</u>	<u>19 600 132</u>
Total income and expense for the period		<u>(1 079 726)</u>	<u>(2 887 171)</u>

(a) The aggregate net amount attributable to each category of equity is: loss \$1 079 726 (2008: loss \$ 2 887 171).

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

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Interest Received		705 717	687 441
Project Refunds		0	65 522
GST Receipts		0	6 552
GST Received from Taxation Authority		48 079	24 651
Payments			
Administration		(21 848)	(20 796)
Employee benefits		(66 594)	(47 740)
Land Expenses		(215)	(10 949)
Project Expenses		(292 836)	(283 000)
Supplies and services		(4 156)	(151)
GST Payments on Purchases		(38 832)	(35 717)
GST Payments to Taxation Authority		0	0
Net Cash provided by/(used in) Operating Activities	17(b)	329 315	385 813
CASH FLOWS FROM INVESTING ACTIVITIES			
Development Costs		0	0
Purchase of non-current Physical Asset		(3 071)	0
Proceeds from the Sale of Property		0	0
Net Cash used in Investing Activities		(3 071)	0
Net increase/(decrease) in cash and cash equivalents		326 244	385 813
Cash and cash equivalents at the beginning of the period		10 708 987	10 323 174
CASH AND CASH EQUIVALENT ASSETS AT THE END OF THE PERIOD	17(a)	11 035 231	10 708 987

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

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1 AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

General

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

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

Early adoption of standards

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

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

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

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

(b) Basis of Preparation

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

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

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

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

(c) Reporting Entity

The reporting entity comprises of the Trust only.

(d) Income

Revenue Recognition

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

Interest

Revenue is recognised as the interest accrues.

(e) Property, Plant and Equipment

Capitalisation/Expensing of assets

Items of property, plant and equipment costing \$300 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$300 are expensed direct to the Income Statement.

Initial recognition and measurement

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

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

Subsequent measurement

After recognition as an asset, the Trust uses the revaluation model for the measurement of land and the cost model for all other property, plant and equipment. Land is carried at fair value. All other items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

The Trust has a policy of valuing land at fair value. The Trust properties are re-valued every year. Fair value has been determined on the basis of current market buying values. Land was re-valued in June 2009 by independent valuers, McGees Property.

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Depreciation

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.

Land is not depreciated. Depreciation on other assets is as follows. Computing equipment is depreciated over three years using the straight-line method. Furniture is depreciated over ten years using the straight-line method.

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

(f) Impairment of Assets

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

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

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

(g) Employee Entitlements

Liabilities for employee entitlements such as the provision for annual leave, long service leave and superannuation commitments are assumed by the Department of Education and Training.

(h) Leases

The Trust has entered into an operating lease for office space where the lessors effectively retain all of the risks and benefits incident to ownership of the item held under the operating lease. Equal instalments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

(i) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These include cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(j) Receivables

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

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

(k) Investment Property

Investment property, principally comprising freehold land, is held for long term rental yields and is not occupied by the Trust. Investment property is carried at fair value, as mandated by TI 954, representing open market value determined annually by external valuers. Changes in fair value are recorded in the Income Statement as part of other income or other expense.

(l) Payables

Payables are recognised when the Public Education Endowment Trust becomes obliged to make future payments as a result of a purchase of assets or services at the amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

(m) Accrued Salaries

Accrued salaries (refer note 15 'Other Liabilities') 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. Accrued salaries are settled within a few days of the financial year. The Trust considers the carrying amount of accrued salaries to be equivalent to the net 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.

(o) Financial Instruments

In addition to cash the Trust has two categories of financial instrument.

- Receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial Assets

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

Financial Liabilities

- Payables

Initial recognition and measurement is at fair value. The transaction cost or face value is equivalent to the fair value. Subsequent measurement is at amortised cost using the effective interest method.

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

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

3 DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

Initial application of an Australian Accounting Standard

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

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

AASB 1004 'Contributions';

AASB 1050 'Administered Items';

AASB 1051 'Land Under Roads';

AASB 1052 'Disaggregated Disclosures';

AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127, & AASB 137].

Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities.

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

Future impact of Australian Accounting Standards not yet operative

The Trustees cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Trust has not applied early the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Trust but are not yet effective. Where applicable, the Trust plans to apply these Standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/after
AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Trust does not expect any financial impact when the Standard is first applied.	1 January 2009

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
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FOR THE YEAR ENDED 30 JUNE 2009**

AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17- Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]. This Standard amends AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. The Trust does not expect any financial impact when the Standard is first applied prospectively.

1 July 2009

AASB 2009-2 'Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB1023 & AASB 1038]'. This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. The Trust does not expect any financial impact when the Standard is first applied.

1 January 2009

Changes in Accounting Estimates

There were no changes in accounting estimates that will have an effect on the current reporting period.

4 INTEREST REVENUE

Total interest received on accounts held by the Trust is as follows:

	<u>2009</u>	<u>2008</u>
	\$	\$
Commonwealth Bank Account	589 669	732 691

5 PROJECT EXPENSES

Trust expenditure on project grants totalled \$61 672 for 2009. The projects approved are shown below:

Project Name and Organisation	\$
Include Me – Therapy Focus	22 172
Neerigen Brook "Full Service School" – Neerigen Brook Primary School	5 000
Out of the Classroom and into the Field, Module 1 Excursion Guides and Module 2 Field Equipment	34 500
TOTAL	<u>61 672</u>

6 SUPPLIES AND SERVICES

	<u>2009</u>	<u>2008</u>
	\$	\$
Consultants and Contractors	20 432	16 001
Consumables	2 387	2 581
	<u>22 819</u>	<u>18 582</u>

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

7 DEPRECIATION AND AMORTISATION EXPENSE

	<u>2009</u>	<u>2008</u>
	\$	\$
Depreciation		
Office Furniture	140	288
Computing Hardware	1 234	771
	<u>1 374</u>	<u>1 059</u>

8 ACCOMMODATION EXPENSE

	<u>2009</u>	<u>2008</u>
	\$	\$
Lease rentals	2 943	3 088
	<u>2 943</u>	<u>3 088</u>

9 OTHER EXPENSES

	<u>2009</u>	<u>2008</u>
	\$	\$
Revaluation Expenses	5 656	150
Net Loss for Fair Value Adjustment (See Note 11)	1 500 000	3 150 000
	<u>1 505 656</u>	<u>3 150 150</u>

10 OTHER ASSETS

	<u>2009</u>	<u>2008</u>
	\$	\$
Current		
GST Receivable	2 506	11 752
	<u>2 506</u>	<u>11 752</u>

11 NON-CURRENT ASSET

INVESTMENT PROPERTY

Land transactions in 2009 financial year were as follows:

Property	Opening Balance at 01/07/08	Acquisitions/ (Disposals)	Net loss from Fair value adjustment	Closing balance at 30/06/09
	\$			\$
Fremantle	9 100 000	0	1 500 000	7 600 000
	9 100 000		1 500 000	7 600 000
Development Cost	15 905	0		15 905
	<u>9 115 905</u>	0	1 500 000	<u>7 615 905</u>

The land has decreased in value due to the down turn in the property market.

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

12 PLANT AND EQUIPMENT

	<u>2009</u>	<u>2008</u>
	\$	\$
Office furniture		
At cost	2 884	2 884
Accumulated depreciation	<u>(2 660)</u>	<u>(2 520)</u>
	<u>224</u>	<u>364</u>
 Add computer hardware		
At cost	8 451	5 380
Accumulated depreciation	<u>(6 404)</u>	<u>(5 170)</u>
	<u>2 047</u>	<u>210</u>
	<u>2 271</u>	<u>574</u>

Reconciliations

Reconciliations of the carrying amounts of office furniture and computer hardware at the beginning and end of the current financial year are set out below.

	Office Furniture \$	Computer Hardware \$	2009 \$
2009			
Carrying amount at start of year	364	210	574
Additions	0	3 071	3 071
Disposals	0	0	0
Depreciation	<u>(140)</u>	<u>(1 234)</u>	<u>(1 374)</u>
Carrying amount at end of year	<u>224</u>	<u>2 047</u>	<u>2 271</u>
	Office Furniture \$	Computer Hardware \$	2008 \$
2008			
Carrying amount at start of year	652	981	1 633
Additions	0	0	0
Disposals	0	0	0
Depreciation	<u>(288)</u>	<u>(771)</u>	<u>(1 059)</u>
Carrying amount at end of year	<u>364</u>	<u>210</u>	<u>574</u>

13 IMPAIRMENT OF ASSETS

There were no indications of impairment to Property and plant and equipment assets at 30 June 2009.

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

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

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

14 PAYABLES

	<u>2009</u>	<u>2008</u>
	\$	\$
Current		
Other payables	22 053	16 391
	<u>22 053</u>	<u>16 391</u>

15 OTHER LIABILITIES

	<u>2009</u>	<u>2008</u>
	\$	\$
Current		
Accrued Salaries	20 180	12 305
	<u>20 180</u>	<u>12 305</u>

16 EQUITY

	<u>2009</u>	<u>2008</u>
	\$	\$
Contributed equity		
Balance at the start of the year	5 388 902	5 388 902
Balance at the end of the year	<u>5 388 902</u>	<u>5 388 902</u>

Reserves

Asset revaluation reserve (1):

Opening balance	5 724 500	5 724 500
Balance at the end of the year	<u>5 724 500</u>	<u>5 724 500</u>

(1) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 2(e).

Retained Earnings

Balance at start of year	8 486 730	11 373 901
Result for the period	(1 079 726)	(2 887 171)
Balance at end of year	<u>7 407 004</u>	<u>8 486 730</u>

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

17 NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash

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

	<u>2009</u> \$	<u>2008</u> \$
Cash and Cash Equivalent	11 035 231	10 708 987
(b) Reconciliation of profit to net cash flows provided by/(used in) operating activities.		
	<u>2009</u> \$	<u>2008</u> \$
Profit/(loss) for the period	(1 079 726)	(2 887 171)
Non Cash Items		
Depreciation	1 374	1 059
Net gain/(loss) from fair value adjustment on Investment property	1 500 000	3 150 000
(Increase)/decrease in assets:		
Decrease in Other Current Assets	116 048	(45 251)
Increase/(decrease) in liabilities:		
Decrease in Trade and Other Payables	(225 502)	171 274
Increase in Other Current Liabilities	7 875	416
Net GST receipts/(payments)	48 079	24 651
Change in GST in receivables/payables	<u>(38 833)</u>	<u>(29 165)</u>
Net cash provided by operating activities	<u>329 315</u>	<u>385 813</u>

18 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liability

In addition to the liabilities included in the financial statements, there is the following contingent liability:

Contaminated Sites

Under the Contaminated Sites Act 2003, the Public Education Endowment Trust (Trust) is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated – remediation required* or *possibly contaminated – investigation required*, the Trust may have a liability in respect of investigation or remediation expenses.

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

In 2007 DEC classified the Trust's Fremantle site as *contaminated – remediation required*. However the long term user (the polluter) of the site is appealing the classification and the Trust is unable to assess the likely outcome of the classification appeal and accordingly it is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of outflows.

Contingent Assets

There were no contingent assets for the period ending 30 June 2009.

19 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no events occurring after 30 June 2009, which would materially impact these financial statements.

20 EXPLANATORY STATEMENT

This statement provides details of any significant variations between estimates and actual results for 2009 and between the actual results for 2008 and 2009. Significant variations are considered to be those greater than 10% or \$5,000.

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

	2009 Actual \$	2009 Estimates \$	Variance \$
Interest Revenue	589 669	745 000	(155 331)
Project Refunds	0	55 000	(55 000)
Project Expenses	61 672	500 000	(438 328)
Land Expenses	462	15 000	(14 538)
Employee Expenses	74 469	53 000	21 469
Other Expenses	1 505 656	2 000	1 503 656

Interest Revenue

The variance is due to the fact that at the time of preparing the estimates a drop in the interest rate was not expected and therefore not taken into consideration.

Project Refunds

The variance is due to the fact that at the time of preparing the estimates it was thought there may be some funds refunded from grants as has happened in the past, however in the current financial year no project refunds were received.

Project Expenses

The variance is due to the fact that at the time of preparing the estimates the annual allocation to grants of \$500,000 was estimated however only \$61 672 of project applications was approved for project funding in this financial year.

Land Expenses

The variance is due to the estimate reflecting the remediation and rezoning expenses which may be required for the Trust land in Fremantle. As the contaminated sites appeal process is still to be finalised these expenses have not been incurred.

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

Employee Expenses

The variance is due to that at the time of preparing the estimates it was not known that the Trust needed the Executive Officer to return to full time for a portion of the year.

Other Expenses

The variance is due to the decrease in the value of the trust land not being known at the time of preparing the estimates and the valuation costs being underestimated.

(i) Significant variations between actual and prior year actual - revenues and expenditures.

	2009 Actual \$	2008 Actual \$	Variance \$
Income			
Interest Revenue	589 669	732 691	(143 022)
Project Refunds	0	159 522	(159 522)
Expense			
Project Expenses	61 672	550 000	(488 328)
Land Expenses	462	8 349	(7 887)
Employee Expenses	74 469	48 156	26 313
Other Expenses	1 505 656	3 150 150	(1 644 494)

Interest Revenue

The variance is due to a significant decrease in interest rates in 2009.

Project Refunds

The variance is due to no refunds being received in 2009 compared to the previous year when one project was not completed which resulted in the balance of the un-spent portion of the grant being returned to the Trust.

Project Expenses

The variance is due to the number of projects approved by the Trustees in 2009 only being to the value of \$61 672 and not to the annual allocation of \$500 000.

Land Expenses

The variance is due to there being very little costs involving the Fremantle land in 2009 due to the Trust being unable to proceed with development until the appeal by BP to the Contaminated Sites Appeal Committee has been finalised.

Employee Expenses

The variance is due to the Executive Officer returning to full time from part time work for a portion of 2009.

Other Expenses

The variance is due to the Net Loss for Fair Value Adjustment of the trust land in 2009 being less than the Net Loss for Fair Value Adjustment which occurred in 2008.

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

21 FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

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

Credit Risk

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

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The Trust trades only with recognised, creditworthy third parties. The Trust has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Trust exposure to bad debt is minimal. At the Balance Sheet date there are no significant concentrations of credit risk.

Liquidity Risk

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

The Trust has appropriate procedures to manage cash flow by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will effect the Trust's income or the value of its holdings of financial instruments. The Trust does not trade in foreign currency and is not materially exposed to other price risks. The Trust's exposure to market risk for changes in interest rates relate primarily to the long-term obligations. Other than as detailed in the Interest rate sensitivity analysis table at Note 21(c), the Trust has limited exposure to interest rate risk because it has no borrowings.

(b) Categories of Financial Instruments

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

	2009 \$	2008 \$
Financial Assets		
Cash and cash equivalents	11 035 231	10 708 987
Other Financial Assets	90 818	216 112
Financial Liabilities		
Financial Liabilities measured at amortised cost	223 819	441 446

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

(c) Financial Instruments disclosures

Credit Risk and Interest Rate Risk Exposure

The following table details the Trust's exposure to credit risk and interest rate exposures. The Trust's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Trust.

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

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

	Weighted Average Effective Interest Rate	Variable Interest Rate	Non-Interest Bearing	Total
2009	%	\$	\$	\$
<u>Financial Assets</u>				
Cash and Cash Equivalents	5.379	11 035 231		11 035 231
Other Financial Assets			90 818	90 818
Total		11 035 231	90 818	11 126 049
<u>Financial Liabilities</u>				
Payables			223 819	223 819
Total			223 819	223 819

	Weighted Average Effective Interest Rate	Variable Interest Rate	Non-Interest Bearing	Total
2008				
<u>Financial Assets</u>				
Cash and Cash Equivalents	6.909	10 708 987		10 708 987
Other Financial Assets			216 112	216 112
Total		10 708 987	216 112	10 925 099
<u>Financial Liabilities</u>				
Payables			441 446	441 446
Total			441 446	441 446

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Interest Rate Sensitivity Analysis

The following table represents a summary of the interest rate sensitivity of the Trust's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-1% change		+1% change	
	Carrying amount	Profit	Equity	Profit	Equity
2009	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash and cash equivalents	11 035 231	(110 352)	(110 352)	110 352	110 352
Total Increase/(Decrease)		(110 352)	(110 352)	110 352	110 352

		-1% change		+1% change	
	Carrying amount	Profit	Equity	Profit	Equity
2008	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash and cash equivalents	10 708 987	(107 090)	(107 090)	107 090	107 090
Total Increase/(Decrease)		(107 090)	(107 090)	107 090	107 090

Fair Values

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

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

22 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

Remuneration of Members of the Accountable Authority

None of the members of the Trust received any remuneration in this financial year.

	2009	2008
\$		
0 – 10 000	3	3
The total remuneration of the members of the Accountable Authority is:	0	0

Remuneration of Senior Officers

The number of Senior Officers other than senior officers reported as members of the Trust, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$	2009	2008
0 – 10 000		
10 001 – 20 000		
20 001 – 30 000		
30 001 – 40 000		
40 001 – 50 000		1
50 001 – 60 000		
60 001 – 70 000		
70 001 – 80 000	1	
The total remuneration of senior officers is:	74 469	48 156

23 REMUNERATION OF AUDITOR

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

	<u>2009</u>	<u>2008</u>
	\$	\$
Auditing the accounts, financial statements and performance indicators	16 300	14 600
	<u>16 300</u>	<u>14 600</u>

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

24 SCHEDULE OF INCOME AND EXPENSES BY SERVICE

	Grants		Investments		Total	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
INCOME						
Interest Revenue	383 285	476 249	206 384	256 442	589 669	732 691
Project Refunds	0	103 689	0	55 833	0	159 522
Total Income	383 285	579 938	206 384	312 275	589 669	892 213
EXPENSES						
Project Expenses	61 672	550 000	-	-	61 672	550 000
Land Expenses	300	5 427	162	2 922	462	8 349
Administration Expenses	16 745	14 085	9 017	7 585	25 762	21 670
Employee Expenses	48 405	31 301	26 064	16 855	74 469	48 156
Depreciation Expense	893	688	481	371	1 374	1 059
Other Expenses	3 676	97	1 501 980	3 150 053	1 505 656	3 150 150
Total Expenses	131 691	601 598	1 537 704	3 177 786	1 669 395	3 779 384
Profit for the period	251 594	(21 660)	(1 331 320)	(2 865 511)	(1 079 726)	(2 887 171)

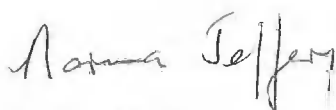
Consistent with prior years the income and expenditure (excluding project expenses and revaluation of land) is split as follows

Grants	65%
Investments	35%.

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2009**

CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Trustees of the Public Education Endowment Trust's performance, and fairly represent the performance of the Trustees of the Public Education Endowment for the financial year ended 30 June 2008.



Norma Jeffery
A/Chairperson
Public Education Endowment Trust
Date 13 August 2009



Colin Pettit
Trustee
Public Education Endowment Trust
Date 13 August 2009

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2009**

PERFORMANCE INDICATORS

The Trust is in the process of developing a new set of outcome based management indicators to reflect a more relative set of measures for the operation of the Trust. These indicators will be in place for the 2010 financial year.

In accordance with the Financial Management Act, the Trust has the following set of indicators to assist in the measurement of the efficiency and effectiveness with which the Trust pursues its organisational outcomes.

OUTCOME

To provide funding for projects of educational value to benefit as many Western Australian school students as possible.

EFFECTIVENESS INDICATOR: RESULTS OF PROJECTS MEETING THEIR GOALS

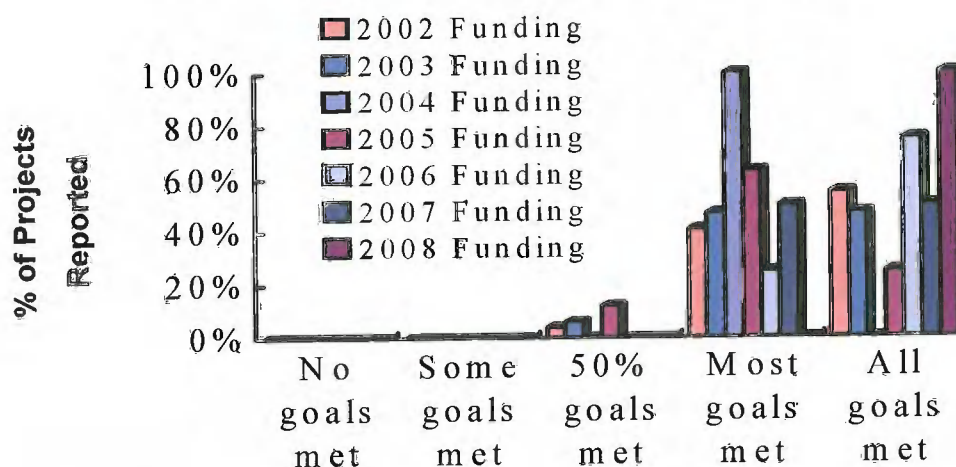
In 2009 the Trust funded 3 grants, none of which have been finalised by 30 June 2009.

The majority of recipients of the Public Education Endowment Trust grants are for projects which relate directly to educational institutions. These institutions generally operate their projects over a school year or years (calendar year), rather than financial years. Therefore the reporting of the indicators can be delayed sometimes two or more financial years after the commencement of the project.

The effectiveness indicators for the 2009 projects will not begin to be reported on until the 2010 financial statements, at which time only 2 of the 3 projects funded will have been finalised. The other 2009 project will not reported on until the 2013 financial statements when it should be completed. The 2013 financial statements will then provide an accurate measure of the success of all of the 2009 projects funded.

In this financial year the projects approved in 2006 financial year have all been finalised and are reported in the effectiveness indicators. Of the 7 projects approved in the 2007 financial year, 5 have been completed and are reported in the effectiveness indicators. Of the 5 projects approved in 2008 financial year, 1 has been completed and is reported in the effectiveness indicators.

RESULTS OF PROJECTS MEETING THEIR GOALS



Target is 100% which has been met in the 2005/06 results.

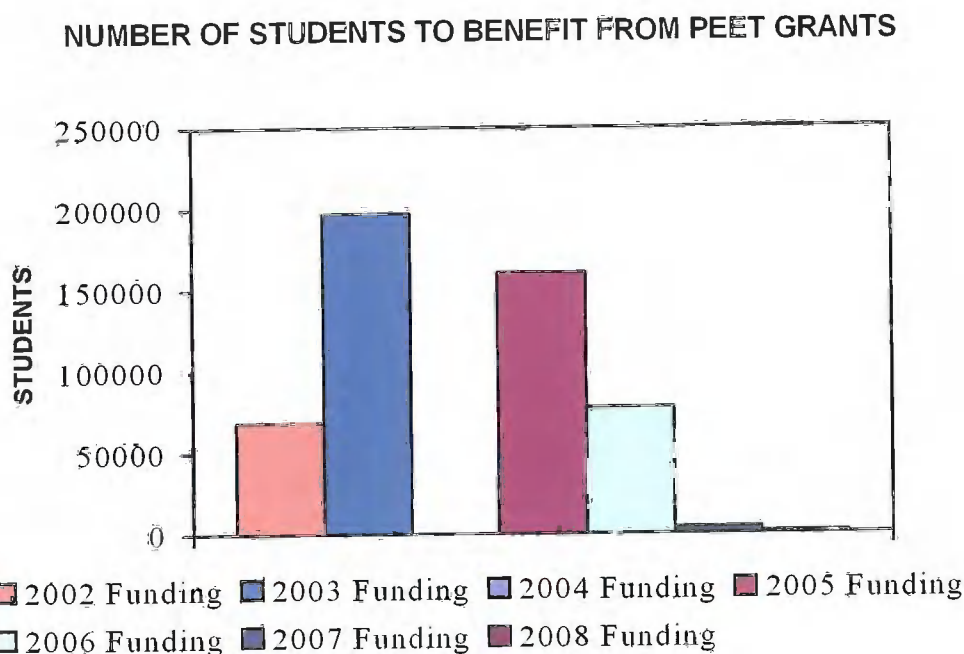
**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2009**

The 2008 Funding is showing it is meeting the target however this is not a true reflection of the 2008 projects as to 30 June 2009 only one project has been finalised.

The data reported in "Results of Projects Meeting Their Goals" is obtained from surveys completed by applicants who receive project funding. The applicants are asked to set goals for a specific project and to state how they propose to achieve those goals. Once the goals have been set, they must then use the 5 scale rating system as demonstrated on the graph to rate the success of the project.

EFFECTIVENESS INDICATOR: NUMBER OF STUDENTS TO BENEFIT FROM PEET GRANTS

The number of students to benefit from funding of projects finalised by the end of the 2009 financial year are reported in the bar graph below. The figures shown represent seven years funding, that of 2002, 2003, 2004, 2005, 2006, 2007 and 2008.



Target is 150,000 students to benefit from grants annually. The 2004 results are very low due to only one research grant being approved that year. The 2006 grants have all been finalised and did not meet the target however several of the projects will have an ongoing benefit to students and has only been reported as a once off annual benefit. The 2007 and 2008 results will increase in the 2010 financial years as all the grants finalise and report their results.

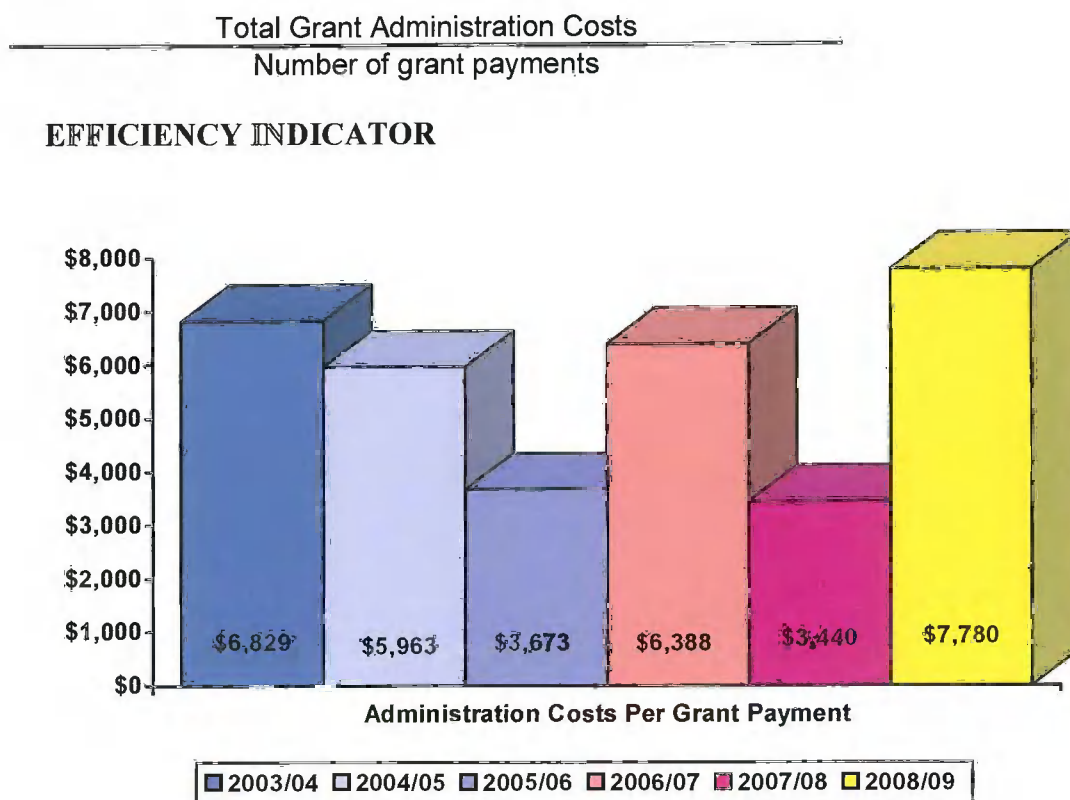
The majority of projects operate in calendar years as they relate to schools. It can be two or more financial years after the project has been approved that it is completed. As each project is completed the results are updated.

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2009**

EFFICIENCY INDICATORS

SERVICE ONE - GRANTS

The Efficiency Indicator is achieved by calculating the Administration costs per grant payment.



Target is \$11,770

While in the past the Trust was funding many small grants to schools, with the increased allocation that has been available since 2002/03 financial year the Trustees have looked at funding fewer projects but ones that have more system wide benefit to school children of Western Australia. This has resulted in the number of grant payments being relatively few and the cost per grant payment has fluctuated between \$3 000 to up to nearly \$8 000.

In 2003/04 the Trust only funded one major project which resulted in a higher than normal indicator. In 2007 the Trustees approved 7 projects and there was an increase in Administration costs and a decrease in the number of grant payments which is reflected in the increase in the indicator. In 2008 Administration costs decreased and with only 5 grants approved this has resulted in a lowering of the indicator. In 2009 the efficiency indicator has doubled from the previous year. This is due to several factors, one being a decrease in the number of grant payments from the previous year due to only 3 grants being approved in 2009 and secondly administration costs increased in 2009 due mainly to an increase in salaries costs. The Trust is currently reviewing its outcome based management and developing new indicator and targets which will be in place for 2010 financial year.

The Trustees have agreed that fluctuations in the indicator are compensated by the positive effects of funding grants which will ultimately benefit more Western Australian school children.

**TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2009**

SERVICE TWO - INVESTMENTS

Funding is derived from Interest on Investments and Land Rents.

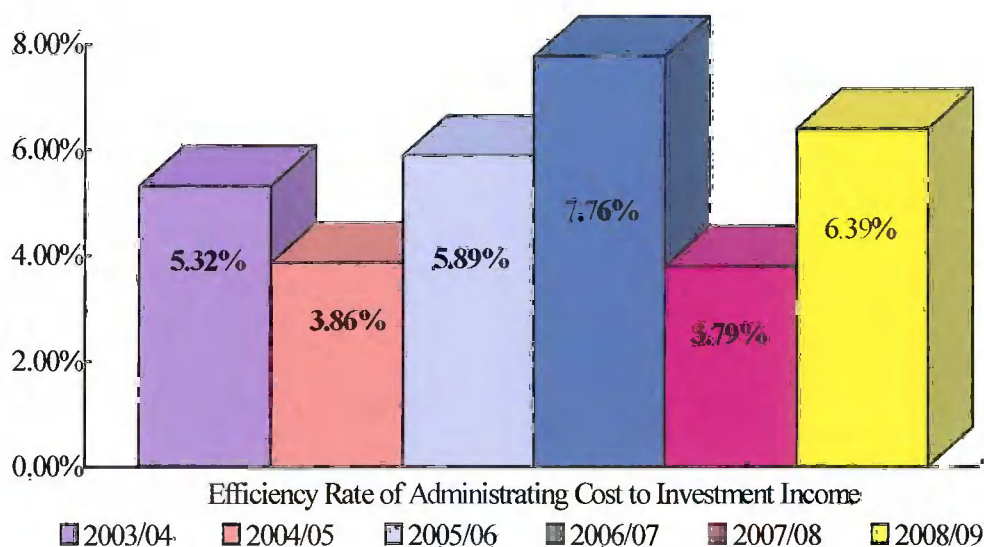
To measure this return as an efficiency indicator, a portion of administration costs have been allocated to administration of investment income that consists of land and investment accounts. The formula is set out below:

$$\frac{\text{Total costs of administering investment income}}{\text{Investment Incomes}} \times \frac{100}{1}$$

The Total Administration costs for the Trust have been apportioned between Grants and Investments. The Total Investments consist of Land Holdings and Investments. Investment income is from interest earned. All figures are as at 30 June.

A comparison of 2004, 2005, 2006, 2007, 2008, 2009 efficiency rate on the cost of administering the total investment income is displayed below.

EFFICIENCY INDICATOR



Target is 5%.

In the years prior to 2002, a large part of the Assets of the Trust were land holdings, which did not produce any income. The Trust has been selling the land holdings since 2002 and has managed to turn this asset base into an income producing investment. As the land is transferred to a liquid asset and invested to show a return, the efficiency indicator has improved. In February 2006 the long term tenant of the Trust's last parcel of land, located in Fremantle, vacated the site. The Trust is no longer renting the property and has received no rent for the 2007 and 2008 financial years. This year there has been a reduction in interest rates, resulting in reduced income. This combined with an increase in expenditure due to an increase in salaries cost has resulted in the indicator exceeding the Target.

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
OTHER FINANCIAL AND GOVERNANCE DISCLOSURES
FOR THE YEAR ENDED 30 JUNE 2009

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Staff Profile

	2009	2008
Full-time permanent	1	1

CONTRACTS WITH SENIOR OFFICERS

At the date of reporting, other than normal contracts of employment of service, no Senior Officers, or firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests had any interests in existing or proposed contracts with the Public Education Endowment Trust and Senior Officers.

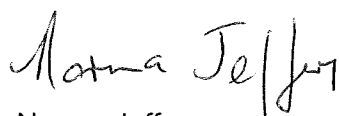
INSURANCE PREMIUMS PAID TO INDEMNIFY MEMBERS OF THE BOARD

As all the Trustees of the Public Education Endowment Trust are employed by the Department of Education and Training has agreed to include the Trust under the Departments of Education and Training's policy.

COMPLIANCE WITH PUBLIC SECTOR MANAGEMENT ACT SECTION 31 (1)

1. In the administration of the Public Education Endowment Trust, 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.
2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made in 1. is correct.
3. 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 details of multiple breaches per application:	nil
Number still under review:	nil



Norma Jeffery
A/CHAIRPERSON

Date 13 August 2009

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
OTHER FINANCIAL AND GOVERNANCE DISCLOSURES
FOR THE YEAR ENDED 30 JUNE 2009

ELECTORAL ACT 1907 SECTION 175ZE

In compliance with *Section 175ZE of the Electoral Act 1907* the Public Education Endowment Trust 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 Trustees declare that there were no monies paid to any media advertising organisations in this financial year.

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
ANNUAL ESTIMATES
FOR THE YEAR ENDED 30 June 2009

ESTIMATE OF INCOME
FOR YEAR ENDED 30 JUNE 2010

	Note	2010 Estimates \$	2009 Actuals \$
<u>INCOME</u>			
Revenue			
Interest Revenue		550 000	589 669
Total Income		550 000	589 669
<u>EXPENSES</u>			
Expenses			
Project Expenses		400 000	61 672
Land Expenses		3 000	462
Administration Expenses		25 000	22 819
Employee Expenses		53 000	74 469
Depreciation and Amortisation Expense		1 057	1 374
Accommodation Expense		3 000	2 943
Other expenses from ordinary activities		2 000	1 505 656
Total Expenses		487 057	1 669 395
Profit/(loss) for the period		62 943	(1 079 726)

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
ANNUAL ESTIMATES
FOR THE YEAR ENDED 30 June 2009

ESTIMATE OF BALANCE SHEET

AS AT 30 JUNE 2010

	Note	2010 Estimates \$	2009 Actuals \$
ASSETS			
Current Assets			
Cash and Cash Equivalents		11 166 016	11 035 231
Receivables		80 000	88 312
Other current Assets	1	4 000	2 506
Total Current Assets		11 250 016	11 126 049
Non Current Assets			
Investment Property		7 615 905	7 615 905
Plant and Equipment	2	1 214	2 271
Total Non Current Assets		7 617 119	7 618 176
Total Assets		18 868 349	18 744 225
LIABILITIES			
Current Liabilities			
Project Expenses		250 000	181 586
Payables	3	27 000	22 053
Other Current Liabilities	4	15 000	20 180
Total Current Liabilities		285 000	223 819
Total Liabilities		285 000	223 819
NET ASSETS		18 583 349	18 520 406
EQUITY			
Contributed Equity		5 388 902	5 388 902
Reserves		5 724 500	5 724 500
Retained Earnings		7 469 947	7 407 004
TOTAL EQUITY		18 583 349	18 520 406

TRUSTEES OF THE PUBLIC EDUCATION ENDOWMENT
ANNUAL ESTIMATES
FOR THE YEAR ENDED 30 JUNE 2009

1 OTHER CURRENT ASSETS

Interest earned but not received at balance date is detailed as follows:

	<u>2010</u> Estimates	<u>2009</u> Actuals
	\$	\$
GST Receivable	4 000	2 506
Interest on Commonwealth Bank Account	80 000	88 312
	<u>84 000</u>	<u>90 818</u>

2 PLANT AND EQUIPMENT

Office furniture and computer hardware transactions in 2008 financial year were as follows:

	<u>2010</u> Estimates	<u>2009</u> Actuals
	\$	\$
Office furniture		
At cost	2 884	2 884
Accumulated depreciation	<u>(2 884)</u>	<u>(2 660)</u>
	0	224
 Add computer hardware		
At cost	8 451	8 451
Accumulated depreciation	<u>(7 237)</u>	<u>(6 404)</u>
	1 214	2 047
	<u>1 214</u>	<u>2 271</u>

3 PAYABLES

Expenditure accrued but not paid at balance date is detailed as follows:

	<u>2010</u> Estimates	<u>2009</u> Actuals
	\$	\$
Administration	27 000	22 053
	<u>27 000</u>	<u>22 053</u>

4 OTHER CURRENT LIABILITIES

Current

	<u>2010</u> Estimates	<u>2009</u> Actuals
	\$	\$
Accrued Salaries	15 000	20 180
	<u>15 000</u>	<u>20 180</u>