



GOVERNMENT OF  
WESTERN AUSTRALIA



***Stateships***

# Western Australian Coastal Shipping Commission

Annual Report  
2009

**WESTERN AUSTRALIAN  
COASTAL SHIPPING COMMISSION**

ANNUAL REPORT 2009

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**ADMINISTRATION OF THE WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION ACT  
1965**

The Western Australian Coastal Shipping Commission, which traded as Stateships, is incorporated under the Western Australian Coastal Shipping Commission Act 1965. Under Section 5 of the Act, the Commission has, subject to the Minister, the general administration of the Act.

**THE MINISTER**


The Hon. Simon O'Brien MLC, was the Minister for Transport for the financial year ended 30 June 2009.

**STATEMENT OF COMPLIANCE**

Hon Simon O'Brien MLC  
Minister for Transport

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 Commission for the financial year ended 30 June 2009.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006, Treasurer's Instructions and the Western Australian Coastal Shipping Commission Act No. 44 of 1965.

  
**A. Jamieson**  
Chairman  
03 August 2009

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### MEMBERS OF THE COMMISSION

<b>Chairman</b>	<b>Athol Jamieson</b> Assistant Director General - Operations, Department for Planning and Infrastructure
<b>Vice Chairman</b>	<b>Anne Nolan, B.Econ (Hons.) M.Econ</b> Director General - Department of State Development
<b>Commissioner</b>	<b>Geoffrey Zimmer</b> Director Project Delivery Fiona Stanley Hospital - Health Department

### FUNCTIONS OF THE COMMISSION

Following the Government announcement in June 1995 that Stateships would cease trading, the Commission directed management to arrange an orderly wind down of activities.

The functions involved include the settlement of liabilities and continued administration and accounting requirements as required by legislation.

### MINISTERIAL DIRECTIVES - TI 903 (12)

No Ministerial directives were received during the financial year.

## **CHAIRMAN'S FOREWORD**

The Western Australian Coastal Shipping Commission Act 1965 provides for funding from the State Government of Western Australia to meet the financial obligations of the Commission as and when they fall due.

The administrative function performed by the Commission in the year to 30 June 2009 included the following activities:

- Processing of claims by ex employees and others against the Commission.
- Continuing administrative function required by legislative and reporting requirements.
- Accounting and reporting of the financial transactions of the Commission.
- Processing and settlement of the Commission's liabilities.
- Management of the Commission's records.

In the year to 30 June 2009, one former seagoing employee continued to receive fortnightly workers compensation payments. As has been in the past years, the responsibilities for the administration of the Commission were assumed by officers of the Department for Planning and Infrastructure. Additional clerical and claim management assistance has been arranged when required.

## **COMMISSION PERFORMANCE - REPORT ON OPERATIONS FOR THE YEAR ENDED 30 JUNE 2009**

The administration function performed during the year ended 30 June 2009 included the necessary accounting and reporting, record keeping and management necessary to meet legislation and reporting requirements. Claims against the Commission continued to be processed during the year. The administration function was now situated within the Perth office of the Department for Planning and Infrastructure from 17 April 2009 (formerly in Fremantle office).

The twelve months to 30 June 2009 saw three new claims by ex employees and others as a consequence of claimed exposure to asbestos. At year-end there remained ten open claims against the Commission citing asbestos exposure as a basis. Of these, seven claims were lodged against the Commonwealth in its capacity as the Stevedoring Industry Finance Committee. The Commonwealth has joined the Commission and others as joint defendants to the claims.

During the year, three claims were settled. The processing and settlement of claims is carried out in conjunction with the Commission's Professional and Indemnity Insurers and their agents and legal advice taken as required.

In addition, ongoing medical payments and fortnightly workers compensation costs for former seagoing employees were processed during the year. Riskcover, the Commission's insurers, handled ongoing compensation claims by ex shoreside employees.

Statistical and financial reports for internal and external requirements were produced as required.

The Commission estimates that a Government contribution of \$329,000 will be required to cover the Commission's obligations for the 2009/10 financial year.

## **Staffing levels**

During the last three reporting periods staffing levels have been as follows:

<b>Reporting Period</b>	<b>Number of Staff</b>
2007	1
2008	0
2009	0

During the year there is no permanent employee receiving salary payments and one ex seagoing employee receiving seamen's workers compensation benefits. The compensation payments were recouped through insurers.

## **Workers compensation**

One former seagoing employee continues to receive fortnightly payments under the provisions of the Seafarers Rehabilitation and Compensation Act 1992.

## **Other Key Legislation Impacting on the Commission's Activities**

In the performance of its functions, the Commission 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.

## **Shared Responsibilities with Other Agencies**

The Commission did not share any responsibilities with other agencies in 2008-09.

**SENIOR MANAGEMENT STRUCTURE**

**COMMISSION**

**MR A. JAMIESON - CHAIRMAN (UNTIL MAY 2012)**

**MS A. NOLAN - VICE CHAIR (UNTIL MAY 2012)**

**MR G. ZIMMER - COMMISSIONER (UNTIL MAY 2012)**

**ACTING GENERAL MANAGER**

**MR R. THORLEY**

**Audited  
Financial Statements  
and  
Performance Indicators**

For the year ended 30 June 2009





## Auditor General

### **INDEPENDENT AUDIT OPINION**

**To the Parliament of Western Australia**

### **WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009**

I have audited the accounts, financial statements, controls and key performance indicators of the Western Australian Coastal Shipping Commission.

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

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

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

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

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

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

**Western Australian Coastal Shipping Commission  
Financial Statements and Key Performance Indicators for the year ended 30 June 2009**

**Audit Opinion**

In my opinion,

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



COLIN MURPHY  
AUDITOR GENERAL  
26 August 2009

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION  
CERTIFICATION OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

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

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



**R. THORLEY**  
Acting Chief Finance Officer  
03 August 2009



**A. NOLAN**  
Vice Chair  
03 August 2009



**A. JAMIESON**  
Chairman  
03 August 2009

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION  
INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009	2008
		\$	\$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	4	8 663	7 333
Finance costs	5	-	25 246
Supplies and services	6	50 154	47 447
Other expenses	7	9 200	8 500
<b>Total costs of services</b>		<u>68 017</u>	<u>88 526</u>
<b>INCOME</b>			
<b>Revenue</b>			
Other revenues	8	-	180 559
<b>Total revenue</b>		<u>-</u>	<u>180 559</u>
<b>Total income other than income from State Government</b>		<u>-</u>	<u>180 559</u>
<b>NET COST OF SERVICES</b>		<u>( 68 017)</u>	<u>92 033</u>
<b>INCOME FROM STATE GOVERNMENT</b>			
Service appropriations	9	437 000	17 900 000
<b>Total income from State Government</b>		<u>437 000</u>	<u>17 900 000</u>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<u>368 983</u>	<u>17 992 033</u>

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	14(a)	1 171 523	789 025
Receivables	10	299 370	291 186
Other current assets	11	86	86
<b>Total current assets</b>		<u>1 470 979</u>	<u>1 080 297</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	12	<u>31 163</u>	<u>9 464</u>
<b>Total current liabilities</b>		<u>31 163</u>	<u>9 464</u>
<b>NET ASSETS</b>		<u>1 439 816</u>	<u>1 070 833</u>
<b>EQUITY</b>			
Contributed equity	13	18 029 968	18 029 968
Accumulated surplus(deficit)		<u>(16 590 152)</u>	<u>(16 959 135)</u>
<b>TOTAL EQUITY</b>		<u>1 439 816</u>	<u>1 070 833</u>

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009	2008
			\$
<b>Balance of equity at start of period</b>		<u>1 070 833</u>	<u>(16 921 200)</u>
<b>CONTRIBUTED EQUITY</b>	13	<u>18 029 968</u>	<u>18 029 968</u>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	13		
Balance at start of period		(16 959 135)	(34 951 168)
Surplus for the period		<u>368 983</u>	<u>17 992 034</u>
Balance at end of period		<u>(16 590 152)</u>	<u>(16 959 135)</u>
<b>Balance of equity at end of period</b>		<u><u>1 439 816</u></u>	<u><u>1 070 833</u></u>
<b>Total income and expense for the period</b>		<u><u>368 983</u></u>	<u><u>17 992 034</u></u>

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation	9	<u>437 000</u>	<u>17 900 000</u>
<b>Net cash provided by State Government</b>		<u>437 000</u>	<u>17 900 000</u>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		( 8 612)	(99 183)
Supplies and services		( 50 127)	(47 558)
Finance costs		-	(338 351)
GST payments on purchases		(27 151)	(6 045)
GST paid to taxation authority		-	-
Other payments		( 8 500)	( 6 300)
<b>Receipts</b>			
Insurance claim receipts		13 669	( 199 128)
Other receipts		-	180 560
GST receipts from taxation authority		<u>26 219</u>	<u>9 762</u>
<b>Net cash provided by/(used in) operating activities</b>	14(b)	<u>( 54 502)</u>	<u>( 506 243)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-	<u>(17 463 067)</u>
<b>Net cash provided by/(used in) financing activities</b>		-	<u>(17 463 067)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		382 498	( 69 310)
Cash and cash equivalents at the beginning of the period		<u>789 025</u>	<u>858 335</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	14(a)	<u><u>1 171 523</u></u>	<u><u>789 025</u></u>

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION  
(STATESHIPS)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

**Closure of Stateships**

The Commission's financial statements have been prepared on the going concern basis.

This basis has been adopted as the Commission will receive continued financial support from the State Government of Western Australia as provided under section 25 of the Western Australian Coastal Shipping Commission Act 1965.

The settlement of liabilities continued through 2008-2009.

There are a number of claims by ex employees and others outstanding against the Commission. These claims are processed as received.

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

**General**

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

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

**Early adoption of standards**

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

**2. Summary of significant accounting policies**

**(a) General Statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the 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 the 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.



## **2. Summary of significant accounting policies (continued)**

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

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

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

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

### **(c) Contributed Equity**

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

### **(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:

#### ***Service Appropriations***

Service Appropriations are recognised as revenues at nominal value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at Treasury. See note 9 *Income from State Government*.

### **(e) Financial Instruments**

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

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

These have been disaggregated into the following classes:

#### **Financial Assets**

- Cash and cash equivalents
- Receivables

#### **Financial Liabilities**

- Payables

The fair value of 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.

### **(f) Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalent assets comprise cash in bank.

## **2. Summary of significant accounting policies (continued)**

### **(g) Accrued Wages**

Accrued wages (refer note 12 *Payables*) represent the amount due to one former seagoing employee but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued wages are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued wages to be equivalent to its net fair value.

### **(h) Receivables**

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. See note 2(e) *Financial Instruments* and note 10 *Receivables*.

### **(i) Payables**

Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(e) *Financial Instruments* and note 12 *Payables*.

### **(j) Superannuation Expense**

The superannuation expense comprises employer contributions to Maritime Super fund (formerly Seafarers Retirement Fund). The Commission has no liabilities to this scheme. The ex seagoing employee being paid workers compensation is a member of the Maritime Super which is an accumulation superannuation fund and an employer's contribution is paid on a fortnightly basis.

### **(k) Comparative Figures**

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

## **3. Disclosure of changes in accounting policy and estimates**

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

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

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

AASB 1004 'Contributions';

AASB 1050 'Administered Items';

AASB 1051 'Land Under Roads';

AASB 1052 'Disaggregated Disclosures';

### 3. Disclosure of changes in accounting policy and estimates (continued)

#### Initial application of an Australian Accounting Standard (continued)

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

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

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain 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 is no financial impact.

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

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

Title	Operative for reporting periods beginning on/after
<i>AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Commission does not expect any financial impact when the Standard is first applied.</i>	1 January 2009
<i>AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 - Distributions of Non-cash Assets to Owners (AASB 5 &amp; 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. This may impact on the presentation and classification of Crown land held by the Commission where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department for Planning and Infrastructure). The Commission does not expect any financial impact when the Standard is first applied prospectively.</i>	1 July 2009
<i>AASB 2009-2 'Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments (AASB 4, AASB 7, AASB 1023 &amp; 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 Commission does not expect any financial impact when the Standard is first applied.</i>	1 January 2009

	2009	2008
	\$	\$
<b>4. Employee benefits expense</b>		
Superannuation	8 663	7 333
	<u>8 663</u>	<u>7 333</u>
<b>5. Finance costs</b>		
Interest charge	-	24 083
Guarantee fee	-	1 163
	<u>-</u>	<u>25 246</u>
<b>6. Supplies and services</b>		
Communication	23	5
Consumables	4 698	4 501
Insurance	804	601
Service level agreement with Department for Planning and Infrastructure	44 629	41 215
Internal audit	-	1 125
	<u>50 154</u>	<u>47 447</u>
<b>7. Other expenses</b>		
External audit <sup>(i)</sup>	<u>9 200</u>	<u>8 500</u>
(i) See note 19 <i>Remuneration of Auditor</i> .		
<b>8. Other revenues</b>		
Other revenue <sup>(i)</sup>	<u>-</u>	<u>180 559</u>
(i) Discount on early repayment of WATC loan in July 2007.		
<b>9. Income from State Government</b>		
Appropriation received during the year:		
Service appropriation	<u>437 000</u>	<u>17 900 000</u>

	2009	2008
	\$	\$
<b>10. Receivables</b>		
Current		
General receivables	276 402	290 071
Debtors Accrued	21 296	378
GST	<u>1 672</u>	<u>737</u>
	<u>299 370</u>	<u>291 186</u>

**11. Other current assets**

Prepayments	<u>86</u>	<u>86</u>
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**12. Payables**

Current		
Accrued payables	30 596	9 086
Accrued wages	<u>567</u>	<u>378</u>
	<u>31 163</u>	<u>9 464</u>

**13. Equity**

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

**Contributed equity**

Balance at start of year	<u>1 070 833</u>	<u>(16 921 200)</u>
Contributed equity	<u>18 029 968</u>	<u>18 029 968</u>

**Accumulated surplus/(deficit)**

Balance at start of year	(16 959 135)	(34 951 168)
Result for the period	368 983	17 992 033
Balance at end of year	<u>(16 590 152)</u>	<u>(16 959 135)</u>

	2009	2008
	\$	\$
	<u>                    </u>	<u>                    </u>

**14. 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:

Cash and Cash Equivalents	<u>1 171 523</u>	<u>789 025</u>
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(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities.

Net cost of services	( 68 017)	92 033
(Increase)/decrease in assets:		
Current receivables	(8 184)	(185 863)
Other current assets	-	(6)
Increase/(decrease) in liabilities:		
Current payables	<u>21 699</u>	<u>(412 407)</u>
Net cash provided by/(used in) operating activities	<u>(54 502)</u>	<u>(506 243)</u>

**15. Contingent liabilities**

In addition to the liabilities in the financial statements, there are following contingent liabilities:

(a) Workers compensation claims

There are a number of claims against the Commission due to a number of reasons including alleged asbestos exposure, by ex-employees and others. All claims are covered by insurers.

**16. Explanatory statement**

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% or \$50,000.

**Significant variations between estimates and actual results for 2009.**

	2009 Estimate	2009 Actual	Variance
	\$	\$	\$
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Supplies and services	203 000	50 154	(152 846)
Employee benefits expense	121 000	8 663	(112 337)
Other expenses	<u>7 000</u>	<u>9 200</u>	<u>2 200</u>
	<u>331 000</u>	<u>68 017</u>	<u>(262 983)</u>

**Supplies and services expense**

The variance was mainly due to reduction in expenditures and that no legal fees and worker's compensation insurance franchise were incurred during 2008-2009 financial year.

## 16. Explanatory statement (continued)

### Employee benefits expense

The variance was due to the cessation of services of permanent employee (cessation occurred before the end of 2006-2007 financial year but after the budget was approved).

### Other expenses

The variance was mainly due to an increase in audit fees.

## Significant variations between actual results for 2008 and 2009.

	2009	2008	Variance
	\$	\$	\$
<b>Revenue</b>			
Service appropriations	437 000	17 900 000	(17 463 000)
Other revenues	-	180 559	(180 559)
	<u>437 000</u>	<u>18 080 559</u>	<u>(17 643 559)</u>
<b>Expenses</b>			
Employee benefits expense	8 663	7 333	1 330
Finance costs	-	25 246	(25 246)
	<u>8 663</u>	<u>32 579</u>	<u>(23 916)</u>

### Service appropriations

The decrease was mainly due to last year's appropriations include the funds used for the retirement of WATC loan early in July 2007.

### Other revenues

No other revenue was received in 2009. Last year's other revenue relates to the discount on the early repayment of WATC loan in July 2007.

### Employee benefits expense

The increase was due to increase in employer's superannuation contribution to Maritime Super effective July 2008.

### Finance costs

No finance costs incurred in 2009. The 2008 finance costs relates to WATC loan which was paid in full in July 2007.

## 17. Financial instruments

### (a) Financial Risk Management Objectives and Policies

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

#### Credit risk

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

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 17(c) *Financial Instrument Disclosures* and Note 10 *Receivables*.

## 17. Financial instruments (continued)

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable from insurers. The Commission trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

### **Liquidity risk**

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

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

### **Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks. The Commission is not exposed to interest rate risk because cash assets are non-interest bearing and the Commission have 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 \$000	2008 \$000
<b>Financial Assets</b>		
Cash	1 172	789
Loans and receivables <sup>(a)</sup>	298	290
<b>Financial Liabilities</b>		
Measured at amortised cost	31	9

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

### **(c) Financial Instrument Disclosures**

#### *Credit Risk and Interest Rate Exposures*

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

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

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



## 17. Financial instruments (continued)

### Interest rate exposures and ageing analysis of financial assets<sup>(a)</sup>

	Interest rate exposure						Past due but not impaired					impaired financial assets
	Weighted Average Effective Interest Rate	Carrying Amount	Variable Interest Rate	Non-Interest Bearing	Up to 3 months	3 - 12 months	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	
<b>Financial Assets</b>												
<b>2009</b>												
Cash and cash equivalents	-	1 172		1 172								
Receivables (a)	-	298		298	11	151	91					
		<b>1 469</b>		<b>1 469</b>	<b>11</b>	<b>151</b>	<b>91</b>					
<b>2008</b>												
Cash and cash equivalents	-	789		789								
Receivables (a)	-	290		290	21	151	44					
		<b>1 079</b>		<b>1 079</b>	<b>95</b>	<b>151</b>	<b>44</b>					

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

### Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes interest and principal cash flows.

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

	Interest rate exposure						Maturity dates						
	Weighted Average Effective Interest Rate	Carrying Amount	Variable Interest Rate	Non-Interest Bearing	Adjustment for discounting	Total Nominal Amount	Up to 3 months	3 - 12 months	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years
<b>Financial Liabilities</b>													
<b>2009</b>													
Payables	-	31		31			31						
<b>2008</b>													
Payables	-	9		9			9						

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities

### Fair values

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

## 18. Remuneration of members of the accountable authority and senior officers

### Remuneration of members of the accountable authority

The members of the Commission are all permanent full time officers of other state government entities, and as such receive no remuneration from the Commission.

There were no payments made for retirement benefits for the members of the Commission during the financial year.

No members of the Commission are members of the Pension Scheme.

**18. Remuneration of members of the accountable authority and senior officers (continued)**

Remuneration of senior officers

The Commission has no senior officer permanently employed since the end of 2006-2007 financial year.

**19. Remuneration of auditor**

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

	2009	2008
	<u>\$</u>	<u>\$</u>
Auditing the accounts, financial statements and performance indicators	<u>9 200</u>	<u>8 500</u>

The expense is included at note 7 *Other Expenses*.

**20. Events occurring after reporting date**

There was no significant event that occurred after reporting date.

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION  
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 Commission's performance, and fairly represent the performance of the Western Australian Coastal Shipping Commission for the financial year ended 30 June 2009.



**A. JAMIESON**  
Chairman  
03 August 2009



**A. NOLAN**  
Vice Chair  
03 August 2009

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION  
KEY PERFORMANCE INDICATORS  
FOR THE YEAR ENDED 30 JUNE 2009**

The outcome of the Commission is to carry out the directive of the Western Australian Government that Stateships would cease trading and continue an orderly disposal of assets and wind down of activities.

**Key Efficiency Indicator**

The efficiency of the Commission's activity is shown in the following listing of the administration costs of the Commission over the last three years.

	<u>2009</u> <u>\$'000</u>	<u>2008</u> <u>\$'000</u>	<u>2007</u> <u>\$'000</u>
Staff salaries and associated costs	9	7	94
Insurance	1	1	2
Loan guarantee fee	-	1	40
General	14	14	24
	<u>24</u>	<u>23</u>	<u>160</u>

**Key Effectiveness indicator**

The effectiveness of the Commission is determined by the Minister for Planning.

The attached statement expresses the Minister's satisfaction regarding the Commission's performance against its outcome.

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION  
GOVERNANCE DISCLOSURES  
FOR THE YEAR ENDED 30 JUNE 2009**

**Governance Disclosures**

**Contracts with Senior Officers**

At the date of reporting, 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 Western Australian Coastal Shipping Commission and Senior Officers.

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION  
OTHER LEGAL REQUIREMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

**Other Legal Requirements**

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

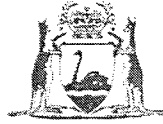
1. In the administration of the Commission, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.
2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal 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

  
**A. Jamieson**  
**Chairman**  
**03 August 2009**

**Electoral Act 1907 section 175ZE**

In compliance with section 175ZE of the *Electoral Act 1907*, the 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. In the year to 30 June 2009, the Commission incurred no expenditures that would fall into this category.



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## Minister for Transport; Disability Services

Hon. Simon O'Brien MLC

During the 2008/09 financial year, the shipping activity formally provided by Stateships to the north of the State and to the Northern Territory was provided more economically by an appropriate operator with an annual subsidy from Government.

In 2008/09 the operation of the Western Australian Coastal Shipping Commission was concerned with the handling of workers compensation claims and settlement of liabilities.

I am satisfied that the Commission is performing its functions to an acceptable standard.

A handwritten signature in black ink, appearing to read 'Simon O'Brien'.

SIMON O'BRIEN MLC  
MINISTER FOR TRANSPORT