



Western Australian Coastal Shipping Commission

Annual Report

For the year ended 30 June 2013

**WESTERN AUSTRALIAN
COASTAL SHIPPING COMMISSION**

ANNUAL REPORT 2013

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STATEMENT OF COMPLIANCE

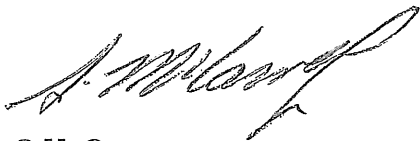
For the year ended 30 June 2013

Hon Troy Raymond Buswell MLA

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 Western Australian Coastal Shipping Commission for the financial year ended 30 June 2013.

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*.



S McCarrey
Chairperson
9th August 2013

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Postal

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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.

RESPONSIBLE MINISTER

The Hon. Troy Buswell MLA, Minister for Transport.

MEMBERS OF THE COMMISSION

Chairperson **Sue McCarrey**

Deputy Director General, Policy, Planning & Investment –
Department of Transport

Vice Chairperson **Anne Nolan**

Director General - Department of Finance

Commissioner **Graeme Doyle**

Executive Director, Investment and Finance Coordination-
Department of Transport

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

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 2013 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.

The responsibility for the administration of the Commission is undertaken by officers of the Department of Transport.

COMMISSION PERFORMANCE - REPORT ON OPERATIONS FOR THE YEAR ENDED 30 JUNE 2013

The administration function performed during the year ended 30 June 2013 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 is now situated within the Perth office of the Department of Transport at 140 William Street Perth.

The twelve months to 30 June 2013 saw no new claims by ex-employees as a consequence of claimed exposure to asbestos. At year-end there remained five open claims against the Commission citing asbestos exposure as a basis. Of these, three 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, two 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 other 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 \$85,000 will be required to cover the Commission's obligations for the 2013/14 financial year.

Staffing levels

The Commission currently has no permanent employees receiving salary payments.

A former seagoing employee who received fortnightly payments under the provisions of the Seafarers Rehabilitation and Compensation Act 1992 retired in August 2010 but continues to receive other benefits for his medical and other expenses which are recouped from insurers.

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 2012-13.

SENIOR MANAGEMENT STRUCTURE

COMMISSION

MS SUE MCCARREY - CHAIRPERSON

MS ANNE NOLAN - VICE CHAIRPERSON

MR GRAEME DOYLE - COMMISSIONER

GENERAL MANAGER

MR GRAEME DOYLE

Western Australian Coastal Shipping Commission

Audited Financial Statements and Performance Indicators

For the year ended 30 June 2013



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION

Report on the Financial Statements

I have audited the accounts and financial statements of the Western Australian Coastal Shipping Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Commission's Responsibility for the Financial Statements

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Coastal Shipping Commission at 30 June 2013 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Western Australian Coastal Shipping Commission during the year ended 30 June 2013.

Controls exercised by the Western Australian Coastal Shipping Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Commission's Responsibility for Controls

The Commission is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Western Australian Coastal Shipping Commission based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the controls exercised by the Western Australian Coastal Shipping Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2013.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Western Australian Coastal Shipping Commission for the year ended 30 June 2013.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Commission's Responsibility for the Key Performance Indicators

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Commission determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commission's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the key performance indicators of the Western Australian Coastal Shipping Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2013.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Coastal Shipping Commission for the year ended 30 June 2013 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website; they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
9 August 2013

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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 ended 30 June 2013 and the financial position as at 30 June 2013.

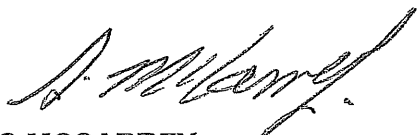
At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



KP CHAN
Chief Finance Officer
8 August 2013



G DOYLE
Commissioner
8 August 2013



S MCCARREY
Chairperson
9th August 2013

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
COST OF SERVICES			
Expenses			
Supplies and services	4	58 864	56 528
Other expenses	5	7 700	9 900
Total costs of services		<u>66 564</u>	<u>66 428</u>
INCOME			
Revenue		<u>-</u>	<u>-</u>
Total income other than income from State Government		<u>-</u>	<u>-</u>
NET COST OF SERVICES		<u>(66 564)</u>	<u>(66 428)</u>
INCOME FROM STATE GOVERNMENT	6		
Service appropriations		<u>85 000</u>	<u>80 000</u>
Total income from State Government		<u>85 000</u>	<u>80 000</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		<u>18 436</u>	<u>13 572</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>18 436</u>	<u>13 572</u>

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	11(a)	1 733 033	1 813 916
Receivables	7	264 602	168 731
Other current assets	8	123	106
Total current assets		<u>1 997 758</u>	<u>1 982 753</u>
LIABILITIES			
Current liabilities			
Payables	9	<u>7 972</u>	<u>11 403</u>
Total current liabilities		<u>7 972</u>	<u>11 403</u>
NET ASSETS			
		<u>1 989 786</u>	<u>1 971 350</u>
EQUITY			
Contributed equity	10	18 029 968	18 029 968
Accumulated surplus/(deficit)		<u>(16 040 182)</u>	<u>(16 058 618)</u>
TOTAL EQUITY		<u>1 989 786</u>	<u>1 971 350</u>

The Statement of Financial Position 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 2013**

	Note	Contributed equity \$	Accumulated surplus/ (deficit) \$	Total equity \$
Balance as 1 July 2011		18 029 968	(16 072 190)	1 957 778
Total comprehensive income for the period		-	13 572	13 572
Balance at 30 June 2012		<u>18 029 968</u>	<u>(16 058 618)</u>	<u>1 971 350</u>
Balance as 1 July 2012	10	18 029 968	(16 058 618)	1 971 350
Total comprehensive income for the period			18 436	18 436
Balance at 30 June 2013		<u>18 029 968</u>	<u>(16 040 182)</u>	<u>1 989 786</u>

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation	6	85 000	209 000
Net cash provided by State Government		<u>85 000</u>	<u>209 000</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Supplies and services		(59 285)	(56 594)
GST payments on purchases		(8 892)	(9 362)
Insurance claim payments		(91 684)	-
Other payments		(9 900)	(9 300)
Receipts			
GST receipts from taxation authority		3 878	13 911
Insurance claim receipts			466 944
Net cash provided by/(used in) operating activities	11(b)	<u>(165 883)</u>	<u>405,599</u>
Net increase/(decrease) in cash and cash equivalents		(80 883)	614 599
Cash and cash equivalents at the beginning of the period		<u>1 813 916</u>	<u>1 199 317</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	11(a)	<u><u>1 733 033</u></u>	<u><u>1 813 916</u></u>

The Statement of Cash Flows 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 2013**

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 2012-2013.

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

1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Commission has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Accounting Standards that have been issued or amended (but not operative) for the annual reporting period ended 30 June 2013.

2. Summary of significant accounting policies

(a) General Statement

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB 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 impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

(b) Basis of Preparation

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

2. Summary of significant accounting policies (continued)

(b) Basis of Preparation (continued)

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) Reporting Entity

The reporting entity comprises the Commission.

(d) Contributed Equity

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

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Income

Revenue recognition

Revenue is recognised and 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 fair 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 'Amounts receivable for services' (holding account) held at Treasury. See note 6 *Income from State Government*.

(f) Financial Instruments

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

- Receivables; and
- Financial liabilities measured at amortised cost

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Receivables
- Financial Liabilities
 - Payables

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.

2. Summary of significant accounting policies (continued)

(g) Cash and Cash Equivalents

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

(h) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(f) *Financial Instruments* and note 7 *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(f) *Financial Instruments* and note 9 *Payables*.

(j) 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 effective for annual reporting periods beginning on or after 1 July 2012 that impacted on the Commission.

AASB 2011-9	<i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i>
	This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially re-classifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Commission has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Commission. Where applicable, the Commission plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<i>Financial Instruments</i> This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments. AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i> amended the mandatory application date of this Standard to 1 January 2015. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2015
AASB 10	<i>Consolidated Financial Statements</i> This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i> , introducing a number of changes to accounting treatments. AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i> amends the mandatory application date of this Standard to 1 January 2014 for not-for-profit entities. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2014
AASB 12	<i>Disclosure of Interests in Other Entities</i> This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and AASB 131 <i>Interests in Joint Ventures</i> . AASB 2012-10 amends the mandatory application date of this Standard to 1 January 2014 for not-for-profit entities. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2014

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

Future impact of Australian Accounting Standards not yet operative (continued)

		Operative for reporting periods beginning on/after
AASB 13	<p><i>Fair Value Measurement</i></p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2014
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>AASB 2012-10 amends the mandatory application date of this Standard to 1 January 2014 for not-for-profit entities. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 1053	<p><i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
AASB 2010-2	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i></p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015

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

Future impact of Australian Accounting Standards not yet operative (continued)

		Operative for reporting periods beginning on/after
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 Jul 2013
AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. For not-for-profit entities it applies to annual reporting period beginning on or after 1 January 2014. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is no financial impact.</p>	1 Jan 2013

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

Future impact of Australian Accounting Standards not yet operative (continued)

		Operative for reporting periods beginning on/after
AASB 2011-11	<p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jul 2013
AASB 2012-1	<p><i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i></p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 Jul 2013
AASB 2012-2	<p><i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i></p> <p>This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.</p>	1 Jan 2013
AASB 2012-3	<p><i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i></p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.</p>	1 Jan 2014
AASB 2012-5	<p><i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]</i></p> <p><i>This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.</i></p>	1 Jan 2013
AASB 2012-6	<p><i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]</i></p> <p>This Standard amends the mandatory effective date of AASB 9 <i>Financial Instruments</i> to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.</p>	1 Jan 2013

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

Future impact of Australian Accounting Standards not yet operative (continued)

		Operative for reporting periods beginning on/after
AASB 2012-7	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101 & 127]</i></p> <p>This Standard adds to or amends the Australian Accounting Standards to provide further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general financial statement. There is no financial impact.</p>	1 Jul 2013
AASB 2012-10	<p><i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, & 2011-7 and Int 12]</i></p> <p>This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.</p> <p>The Standard was issued in December 2012. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2012-11	<p><i>Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, 2, 8, 10, 107, 128, 133, 134 & 2011-4]</i></p> <p>This Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). These corrections ensure that the Standards reflect decisions of the AASB regarding the Tier 2 requirements.</p> <p>This Standard also extends the relief from consolidation and the equity method (in the new Consolidation and Joint Arrangements Standards) to entities complying with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013

	2013 \$	2012 \$
4. Supplies and services		
Communication	0	6
Consumables	5 470	5 474
Insurance	702	500
Service level agreement with Department of Transport	51 843	50 192
Professional fees	849	356
	<u>58 864</u>	<u>56 528</u>
5. Other expenses		
External audit ⁽ⁱ⁾	<u>7 700</u>	<u>9 900</u>
(i) See note 16 <i>Remuneration of Auditor</i> .		
6. Income from State Government		
Appropriation received during the period:		
Service appropriation	<u>85 000</u>	<u>80 000</u>
7. Receivables		
<u>Current</u>		
Receivables	258 981	167 296
Debtors accrued	272	1 060
GST Receivable	<u>5 349</u>	<u>375</u>
Balance at end of period	<u>264 602</u>	<u>168 731</u>
The Commission does not hold any collateral or other credit enhancements as security for receivables		
8. Other current assets		
Prepayments	<u>123</u>	<u>106</u>
9. Payables		
<u>Current</u>		
Accrued payables	<u>7 972</u>	<u>11 403</u>
	<u>7 972</u>	<u>11 403</u>

	2013 \$	2012 \$
10. Equity		
The Government holds the equity interest in the Commission on behalf of the community. Equity represents the residual interest in the net assets of the Commission.		
Contributed equity		
Balance at start and end of period	<u>1 971 350</u>	<u>1 957 778</u>
Accumulated surplus/(deficit)		
Balance at start of period	(16 058 618)	(16 072 190)
Result for the period	<u>18 436</u>	<u>13 572</u>
Balance at end of period	<u>(16 040 182)</u>	<u>(16 058 618)</u>
Total Equity at end of period	<u>1 989 786</u>	<u>1 971 350</u>

11. Notes to the Statement of Cash Flows**(a) Reconciliation of cash**

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

Cash and cash equivalents	<u>1 733 033</u>	<u>1 813 916</u>
(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(66 564)	(66 428)
<u>(Increase)/decrease in assets:</u>		
Current receivables ⁽ⁱ⁾	(90 897)	471 811
Other current assets	(18)	(15)
<u>Increase/(decrease) in liabilities:</u>		
Current payables ⁽ⁱ⁾	(3 431)	(4 322)
Net GST receipts/(payments) ⁽ⁱⁱ⁾	(5 014)	4 548
Change in GST in receivables/payables ⁽ⁱⁱⁱ⁾	<u>40</u>	<u>5</u>
Net cash provided by/(used in) operating activities	<u>(165 883)</u>	<u>405 599</u>

(i) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST are not included in these items as they do not form part of the reconciling items.

(ii) This is the net GST paid/received, i.e. cash transactions.

(iii) This reverses out the GST in receivables and payables.

12. Contingent liabilities

In addition to the liabilities in the financial statements, there are the 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.

13. Explanatory statement

Significant variations between estimates and actual results for 2013 and between the actual results for 2012 and 2013. Significant variations are considered to be those greater than 10% or \$50,000.

Significant variances between estimated and actual result for 2013

	2013 Estimate \$	2013 Actual \$	Variation \$
Supplies and services	74 000	58 864	(15 136)
Other expenses	11 000	7 700	(3 300)
	<u>85 000</u>	<u>66 564</u>	<u>(18 436)</u>

Supplies and services expense

Service Level Agreement costs for the 2012/2013 year were expected to be higher due to increase in salary costs of Department of Transport staff forming part of the SLA.

Other expenses

The variance was mainly due to a decrease in audit fees.

Significant variations between actual results for 2012 and 2013

	2013 \$	2012 \$	Variance \$
Other expenses	7 700	9 900	(2 200)
	<u>7 700</u>	<u>9 900</u>	<u>(2 200)</u>

Service appropriation

The variance was mainly due to a decrease in audit fees.

14. 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 end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 14(c) *Financial Instrument Disclosures* and note 7 *Receivables*.

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. At the end of the reporting period 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

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

	2013 \$000	2012 \$000
Financial Assets		
Cash and cash equivalents	1 733	1 814
Loans and receivables ⁽ⁱ⁾	259	168
Financial Liabilities		
Financial liabilities measured at amortised cost	8	11

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

14. Financial instruments (continued)

(c) Financial Instrument Disclosures

Credit Risk Exposure

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

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

Ageing analysis of financial assets

	Carrying Amount \$ 000	Not past due and not impaired \$ 000	Past due but not impaired					Impaired financial Assets \$ 000
			Up to 1 month \$ 000	1-3 months \$ 000	3 months to 1 year \$ 000	1-5 years \$ 000	More than 5 years \$ 000	
2013								
Cash and cash equivalents	1 733	1 733						
Receivables (i)	259	3	1	5	85	165	-	
	1 992	1 736	1	5	85	165	-	-
2012								
Cash and cash equivalents	1 814	1 814						
Receivables (i)	168	18	-	28	61	61	-	
	1 982	1 832	-	28	61	61	-	-

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

Liquidity Risk

The following table details the Commission's contractual maturity analysis for financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial liabilities

	Weighted Average Effective Interest Rate %	Carrying Amount \$ 000	Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing	Nominal Amount \$ 000	Up to 1 month \$ 000	1-3 months \$ 000	3 months to 1 year \$ 000	1-5 years \$ 000	More than 5 years \$ 000
2013											
<u>Financial Liabilities</u>											
Payables	-	8			8	8	8				
		8		-	8	8	8	-	-	-	-
2012											
<u>Financial Liabilities</u>											
Payables	-	11	-	-	11	11	11	-	-	-	-
		11		-	11	11	11	-	-	-	-

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 Statement of Financial Position, 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.

15. 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.

Remuneration of senior officers

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

16. Remuneration of auditor

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

	2013	2012
	\$	\$
Auditing the accounts, financial statements and key performance indicators	<u>7 700</u>	<u>9 900</u>

The expense is included at note 5 *Other Expenses*.

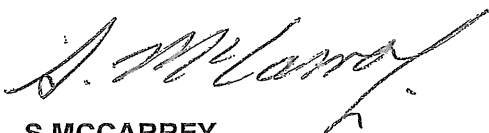
17. Events occurring after the end of the reporting period

There were no significant events that occurred after the reporting period.

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2013**

CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the key 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 2013.



S MCCARREY
Chairperson
9th August 2013



G DOYLE
Commissioner
8 August 2013

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2013**

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.

	2013 \$'000	2012 \$'000	2011 \$'000
Staff salaries and associated costs	0	0	1
Insurance	1	1	1
General	13	15	15
	<u>14</u>	<u>16</u>	<u>17</u>

Key Effectiveness indicator

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

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 2013**

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 Commission.

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
OTHER LEGAL REQUIREMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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



S. MCCARREY
Chairperson
9th August 2013

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 2013, the Commission incurred no expenditures that would fall into this category.



Treasurer; Minister for Transport; Fisheries

Our ref: 30-39380

ATTESTATION: STATESHIPS 2012-13 ANNUAL REPORT

During the 2012-13 financial year, the shipping activity formerly 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 2012-13 the operation of the Western Australian Coastal Shipping Commission was concerned with the handling of 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 'Troy Buswell', with a long horizontal stroke extending to the right.

**TROY BUSWELL MLA
MINISTER FOR TRANSPORT**

11 JUL 2013