



PUBLIC
EDUCATION
ENDOWMENT
TRUST

2016-17 ANNUAL REPORT

Statement of Compliance

HON SUE ELLERY MLC MINISTER FOR EDUCATION AND TRAINING

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 Public Education Endowment Trust for the year ended 30 June 2017.

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



Ms Sharyn O'Neill
Director General, Department of Education
Trustee
Public Education Endowment Trust

19 January 2018



Hon Sue Ellery MLC
Minister for Education and Training
Chairperson and Trustee
Public Education Endowment Trust

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Contact Details

Street Address

Public Education Endowment Trust
Department of Education Services
Level 9, 20 Walters Drive
Osborne Park WA 6017

Postal Address

Public Education Endowment Trust
PO Box 1766
Osborne Park WA 6916

Contact

Phone: +61 8 9441 1900
Facsimile: +61 8 9441 1901
Email: des@des.wa.gov.au
Web: www.des.wa.gov.au

Office Hours

Monday to Friday: 8.30 am to 4.30 pm

The report conforms to state government requirements for ease in downloading and can be viewed in Microsoft® Word or PDF format. Alternative formats (such as large font and translated) are available on request.

We hope that you will enjoy reading the annual report and find it informative and useful.

SECTION 1: OVERVIEW OF AGENCY



Overview

Operational Structure

Enabling Legislation

The Public Education Endowment Trust (the Trust) was created in 1909 under the provisions of the *Public Education Endowment Act 1909* (the Act).

The Governor of the day vested in the Trust various parcels of land throughout the State to enable the Trustees acting within the provision of the Act to sell or lease land and utilise the proceeds for education purposes.

Responsible Minister

The Trust is independent of direction or control by the State or any Minister or officer of the State in performing its functions. However, the relevant Minister may give direction to the Trust on administration and financial administration matters. In this context the Minister responsible for the Trust in the year under review is the Hon Sue Ellery MLC, Minister for Education and Training.

Mission

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

Objectives and Functions

In accordance with the Act, the Trustees have the power to:

- oversee and manage all real and personal property at any time vested in or acquired by the Trust (section 6 of the Act)
- grant leases of any lands granted or demised to the Trust, or to sell any land vested in the Trust - within the provision of the Act and with the approval of the Governor (sections 7, and 9A of the Act)
- dispose of any real or personal property acquired by gift, devise or bequest and subject only to the express trusts of any deed, will or instrument under which the property was acquired (section 8 of the Act)
- maintain and invest funds received from rents, issues, profits and proceeds of sale of all real and personal property vested in or acquired by the Trustees, and utilize the proceeds for education purposes (section 9 of the Act).

The Trust generates revenue from interest on investments. The proceeds from investments are made available, through a grants funding scheme, to organisations and educational institutions for the purpose of education based research projects relevant to the current needs of Western Australian school students, teachers, schools and their communities.

During the reporting period the future use of the Trust's resources was under consideration. No new grants were made by the Trust during the reporting period.

Administrative Structure

The Trust membership, in accordance with the provisions of section 2 of the Act, consists of the Minister charged with the administration of the *School Education Act 1999*, the Director General of Education, and three other Trustees appointed for a term of three years by His Excellency the Governor.

The membership of the Trust for the reporting period comprised:

- Hon Peter Collier, Minister for Education (to 11 March 2017)
- Hon Sue Ellery, Minister for Education and Training
- Ms Sharyn O'Neill, Director General, Department of Education

There are currently three vacancies.

During the reporting period, the Trust was supported in the administration of its responsibilities by the Department of Education Services (DES). DES provided administrative and financial support to assist the Board in the management of its land holdings and investment accounts.

Section 14 of the Act provides for the requirement that the provisions of the *Financial Management Act 2006* and the *Auditor General Act 2006* apply to and in respect of the Trustees and their operations.

Under the *Financial Management Act 2006* section 57, the Trust is required to designate a Chief Finance Officer (CFO). DES provided an officer to fulfil the duties of a CFO. It is the responsibility of the CFO to ensure that the Board has a financial management system that complies with the requirements prescribed by the *Financial Management Act 2006* and the Treasurer's Instructions.

Although DES was the department enabling the Trust in the administration of its duties, full accountability remains with the Board of Trustees.

Legislation impacting on the Trust's Activities

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

- *Auditor General Act 2006*
- *Contaminated Sites Act 2003*
- *Disability Services Act 1993*
- *Electoral Act 1907*
- *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*
- *State Supply Commission Act 1991.*

Performance Management Framework

Outcome Based Management Structure

The Outcome Based Management (OBM) structure was developed in conjunction with the Department of Treasury and the Office of the Auditor General. The Trust’s Outcome Based Management Framework did not change during 2016-17.

Government Goal	Agency Level Government Desired Outcome	Service
Outcomes Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	Enhancement of the public education of Western Australian students.	Grants – providing grants for public education purposes, for projects that will benefit the education of Western Australian students.

The Trust’s key effectiveness indicators provide information on the extent to which the outcome has been achieved through the delivery of the agreed service. The Trust’s efficiency indicator demonstrates the efficiency with which the Trust delivers the agreed service. Performance against key effectiveness and efficiency indicators is detailed on pages 37-38.

Shared Responsibility with Other Agencies

The Trust did not share any responsibilities with other agencies in 2016-17.

SECTION 2: REPORT ON OPERATIONS



Report on Operations

Performance

Land Holdings

Freehold land vested in the Trust as at 30 June 2017 totals 3.0152 hectares and has a fair value of \$7,300,000. This land can be described as FREMANTLE - Reserve No.11384; Lots 1186-1192, 1197-1200, 1207-1208, 1213-1215, and 1725. The land was leased to BP Australia Ltd until 31 May 2005. The land is currently unoccupied.

Trust Income

Leasing of Trust Land

The Trust did not receive any income from the Fremantle land for the period ending 30 June 2017. The land has been unoccupied since March 2006.

Investment of Trust Funds

The Trust has one account at the Commonwealth Bank of Australia (CBA), which combines the Trust's Investment and Operating accounts.

Funds held within the CBA account are invested by the Department of Treasury through the Western Australian Treasury Corporation and received interest of \$269,802 for the period ending 30 June 2017.

Utilisation of Trust Finance

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

Grant Funding

In 2011, following a call for submissions, the Trust received 19 applications for grants. All the grants for university based research projects were assessed by an expert panel established by the Trust and six grants were recommended for approval. Grant funding agreements were finalised in September/October 2012.

During the reporting period 2016-17, the future use of the Trust's resources was under consideration. No new grants were made by the Trust during the reporting period.

Grant Payments Made

No grant payments were made during 2016-17.

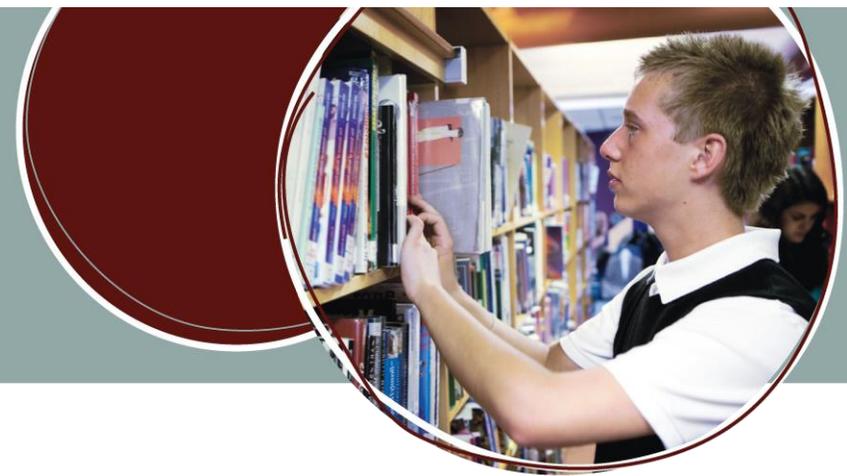
Financial Targets

Financial Targets	2016-17 Target ⁽¹⁾ \$	2016-17 Actual \$	Variation \$
Total cost of services	-	836,031	(836,031) ^(a)
Net cost of services	-	(580,078)	580,078 ^(a)
Total equity	-	20,462,291	20,462,291 ^(a)
Net increase / (decrease) in cash held	-	243,281	243,281 ^(a)
Approved full time equivalent (FTE) staff level	-	1	1 ^(a)

1. As specified in the Budget Statements.

(a) The variance is due to the fact that no estimates were prepared in anticipation of the wind up of the Trust activities in 2016-17. However, the Trust is currently in 'care taker' mode and expenditure exists only for administrative purposes.

SECTION 3: SIGNIFICANT ISSUES



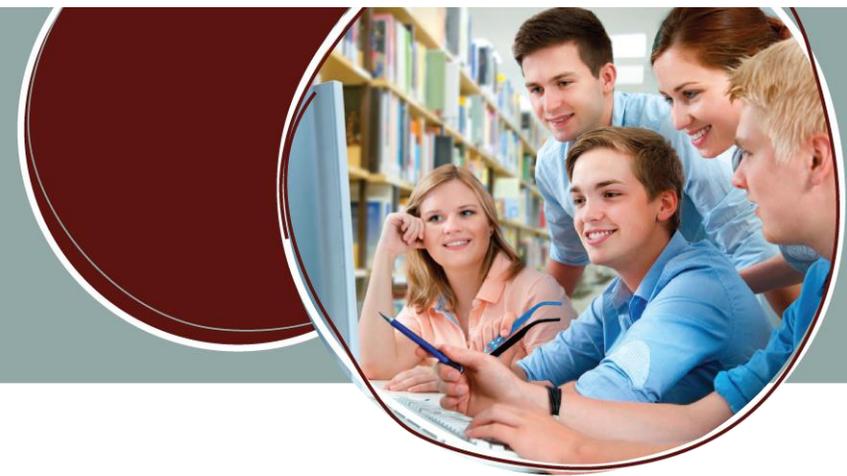
Significant Issues and Trends

During the reporting period 2016-17, the future use of the Trust's resources was under consideration. No new grants were made by the Trust during the reporting period.

The Trust owns a parcel of land in Fremantle which for a number of years was leased as a bunkering facility. In May 2007, the land was classified as 'Contaminated - remediation required' under the *Contaminated Sites Act 2003* (WA). An appeal against the classification by the long term lessee of the site was not successful. The site was reclassified as 'Remediated for restricted use' by the Department of Environment Regulation. This was approved by the Department of Health on the 22nd August 2016.

In accordance with Section 35 (1) (b) of the *Public Sector Management Act 1994*, the Department of Education Services was amalgamated with the Department of Education on 1 July 2017. Administrative support from this date will be provided by the Department of Education.

SECTION 4: DISCLOSURES AND LEGAL COMPLIANCE



Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements For the year ended 30 June 2017

The accompanying financial statements of the Public Education Endowment Trust 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 2017 and the financial position as at 30 June 2017.

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.

Jay Peckitt
Chief Finance Officer
Public Education Endowment Trust

16 January 2018

Hon. Sue Ellery MLC
Minister for Education and Training
Chairperson and Trustee
Public Education Endowment Trust

Ms Sharyn O'Neill
Director General, Department of Education
Trustee
Public Education Endowment Trust

Auditor General's Opinion



Auditor General

Independent Auditor's Report

To the Parliament of Western Australia

Trustees of the Public Education Endowment

Report on the Financial Statements

Opinion

I have audited the financial statements of the Trustees of the Public Education Endowment which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of Trustees of the Public Education Endowment for the year ended 30 June 2017 and the financial position at the end of that period. They

are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Trust in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Trustees for the Financial Statements

The Trustees are responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Trust.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Trustees of Public Education Endowment. The controls exercised by the Trust are those policies and procedures established by the Trustees 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Trustees of the Public Education Endowment 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 2017.

The Trustees Responsibilities

The Trustees are responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditors Generals' Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changed in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Trustees of Public Education Endowment for the year ended 30 June 2016. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of

the Trustees of the Public Education Endowment are relevant and appropriate to assist users to assess the Trust's performance and fairly represent indicated performance for the year ended 30 June 2017.

The Trustees Responsibility for the Key Performance Indicators

The Trustees are 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 Trustees determine necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Trustees are responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 Assurance Engagements *Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I

comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory 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 Trustees of the Public Education Endowment for the year ended 30 June 2017 included on the Trust's website. The Trust's management is responsible for the integrity of the Trust's website. This audit does not provide assurance on the integrity of the Trust'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 and key performance indicators described above. 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.



**SANDRA LABUSCHAGNE
ACTING DEPUTY AUDITOR GENERAL**

Delegate of the Auditor General for Western Australia
Perth, Western Australia
28 February 2018

Statement of Comprehensive Income

For the year ended 30 June 2017

COST OF SERVICES	Note	2017	2016
Expenses		\$	\$
Supplies and Services	4	15,875	19,293
Employee Benefits Expenses	5	9,949	14,380
Revaluation Decrement on Investment Property	7	810,000	650,000
Other Expenses	8	207	221
Total Cost of Services		836,031	683,894
Income			
Revenue			
Interest Revenue	10	255,953	290,810
Total Revenue		255,953	290,810
NET COST OF SERVICES		(580,078)	(393,084)
Income from State Government	11		
Services received free of charge		2,633	2,141
Total Income from State Government		2,633	2,141
SURPLUS/(DEFICIT) FOR THE PERIOD		(577,445)	(390,943)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(577,445)	(390,943)

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

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	19	13,111,028	12,867,747
Receivables	12	62,924	76,773
Other Current Assets	13	1,547	1,561
Total Current Assets		13,175,499	12,946,081
Non-Current Assets			
Investment Property	14/15/16	7,300,000	8,110,000
Total Non-Current Assets		7,300,000	8,110,000
TOTAL ASSETS		20,475,499	21,056,081
LIABILITIES			
Current Liabilities			
Payables	17	13,208	16,345
Total Current Liabilities		13,208	16,345
TOTAL LIABILITIES		13,208	16,345
NET ASSETS		20,462,291	21,039,736
EQUITY			
Contributed Equity	18	5,388,902	5,388,902
Reserves		5,724,500	5,724,500
Accumulated Surplus		9,348,889	9,926,334
TOTAL EQUITY		20,462,291	21,039,736

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

Statement of Changes in Equity

For the year ended 30 June 2017

	Note	Contributed equity \$	Reserves \$	Accumulated surplus (deficit) \$	Total equity \$
Balance at 1 July 2015	18	5,388,902	5,724,500	10,317,277	21,430,679
Total comprehensive income for the period				(390,943)	(390,943)
Balance at 30 June 2016		5,388,902	5,724,500	9,926,334	21,039,736
Balance at 1 July 2016		5,388,902	5,724,500	9,926,334	21,039,736
Surplus/(Deficit)		-	-		
Other comprehensive income		-	-	(577,445)	(577,445)
Balance at 30 June 2017		5,388,902	5,724,500	9,348,889	20,462,291

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

Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Administration		(1,065)	(840)
Employee benefits		(12,902)	(14,021)
Supplies and services		(12,285)	(16,588)
GST payments on purchases		(2,587)	(3,026)
Receipts			
Interest received		269,802	290,837
GST receipts from taxation authority		2,318	6,982
Net cash provided by/(used in) operating activities	19	243,281	263,344
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Expense payments from sale of non-current physical assets		-	-
Receipts			
Proceeds from sale of non-current physical assets		-	-
Net cash provided by/(used in) investing activities			
Net increase/(decrease) in cash and cash equivalents		243,281	263,344
Cash and cash equivalents at the beginning of period		12,867,747	12,604,403
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	19	13,111,028	12,867,747

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

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1. Australian Accounting Standards

General

The Public Education Endowment Trust's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The Trust 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 Australian Accounting Standards that have been issued or amended (but not operative) by the Trust for the annual reporting period ended 30 June 2017.

Note 2. Summary of Significant Accounting Policies

Note 2. a) General statement

The Trust 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 2006* 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 which 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.

Note 2. b) Basis of preparation

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

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

The financial statements are presented in Australian dollars and are all rounded to the nearest dollar (\$).

Note 2. c) Reporting entity

The reporting entity is comprised of the Trust. There are no related bodies.

Note 2. d) Income

Revenue recognition

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

Interest

Revenue is recognised as the interest accrues.

Grants, donations, gifts and other non-reciprocal contributions

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

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Note 2. e) Investment Property

Investment property, principally comprising freehold land, is held for long term rental yields and is not occupied by the Trust. Investment property is carried at fair value, as mandated by TI 954, representing open market value determined annually by external values. Changes in fair value are recorded as a Revaluation decrement on Investment Property or a Revaluation Increment on Investment Property.

Note 2. f) Impairment of assets

Property and plant and equipment are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Trust is a not for profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by

reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

Note 2. g) Financial Instruments

In addition to cash the Trust 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

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value.

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.

Note 2. h) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

Note 2. i) Accrued Salaries

Accrued salaries (see note 17 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Trust considers the carrying amount of accrued salaries to be equivalent to its fair value.

Note 2. j) 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 Trust 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.

Note 2. k) Payables

Payables are recognised at the amounts payable when the Trust 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.

Note 2. l) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost that can be reliably measured are recognised as income at the fair value of the assets and/or the fair value of those services that the Trust would otherwise pay for. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

Note 2. m) Comparative figures

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

Note 3. Disclosure of Changes in Accounting Policy and Estimates

Initial application of an Australian Accounting Standard

The Trust has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2016 that impacted on the Trust.

AASB 1057	Application of Australian Accounting Standards
	This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.
AASB 2015-1	Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]
	These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Standard has no financial impact for the Trust.
AASB 2015-2	Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]
	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about

existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.

AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]

The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

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

		Operative for reporting periods beginning on/after
AASB 9	Financial Instruments This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 Amendments to Australian Accounting Standards. The Trust has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 2010-7	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] This Standard makes consequential amendments to other Australian Accounting Standards and interpretations as a result of issuing AASB 9 in December 2010. The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Trust has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 2014-1	Amendments to Australian Accounting Standards Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standard. It has not yet been assessed by the Trust to determine the application or potential impact of the Standard.	1 Jan 2018

		Operative for reporting periods beginning on/after
AASB 2014-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2016-2	<p>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</p> <p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
AASB 2016-8	<p>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019

Changes in accounting estimates

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

Note 4. Supplies and Services

	2017	2016
	\$	\$
Consultants and Contractors	11,800	16,028
Consumables	4,075	3,265
	15,875	19,293

Note 5. Employee Expenses

	2017	2016
	\$	\$
Salary and Wages	9,949	14,380
	9,949	14,380

The decrease in Employee Expenses is a result of reduced costs for the Finance Officer due to the wind down in the Trust activities for 2016-17.

Note 6. Compensation of Key Management Personnel

The Trust has determined that key management personnel include the Minister, Trustees, and, senior officers of the Trust. Key Management Personnel of the Trust are not remunerated and are not paid employment benefits.

Compensation of Members of the Accountable Authority

None of the members of the Trust received remuneration in this financial year. The number of members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands is:

	2017	2016
Remuneration Band	No.	No.
0 – 10,000	3	3
10,000 - 20,000	0	0
	\$	\$
Base remuneration and superannuation	-	-
Annual leave and long service leave accruals	-	-
Other benefits	-	-
Total remuneration of members of the accountable authority	-	-

Compensation of Senior Officers

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

	2017	2016
Remuneration Band	No.	No.
0 – 10,000	-	-
10,000 - 20,000	-	-
	\$	\$
Base remuneration and superannuation	-	-
Annual leave and long service leave accruals	-	-
Other benefits	-	-
Total remuneration of senior officers	-	-

Note 7. Revaluation Decrement on Investment Property

	2017	2016
	\$	\$
Revaluation Decrement on Investment Property	810,000	650,000
	810,000	650,000

Note 8. Other Expenses

	2017	2016
	\$	\$
Revaluation Expenses	207	221
	207	221

Note 9. Related Party Transactions

Related parties of the Trust include:

- The Minister for Education and Training and their close family members, and their controlled or jointly controlled entities;
- All Trustees and their close family members, and their controlled or jointly controlled entities
- All senior offices and their close family members, and their controlled or jointly controlled entities
- Other Departments and public sector entities

The Trust had no significant transactions with government related entities in 2016-17.

The Trust had no material related party transaction with the Minister, Trustees or senior officers, or their close family members or their controlled (or jointly controlled) entities for disclosure in 2016-17.

Note 10. Interest Revenue

	2017	2016
	\$	\$
Interest earned from Treasury	255,953	290,810
	255,953	290,810

Note 11. Income from State Government

	2017	2016
	\$	\$
Services received free of charge		
Determined on the basis of the following estimates provided by agencies;		
Department of Education Services	2,633	2,141
	2,633	2,141

Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

Note 12. Receivables

	2017	2016
	\$	\$
Current		
Accrued Revenue	62,924	76,773
	62,924	76,773

The Trust does not hold any collateral as security or other credit enhancements relating to receivables.

Note 13. Other Current Assets

	2017	2016
	\$	\$
Current		
GST Receivable	1,547	1,561
Total current	1,547	1,561

Note 14. Investment Property

	2017	2016
	\$	\$
Land		
Land at fair value ^(a)	7,300,000	8,110,000
	7,300,000	8,110,000

Information on fair value measurements is provided in Note 15. Reconciliations of the carrying amount of the investment property at the beginning and end of the reporting period is set out in the table below.

2017	\$
Carrying amount at start of year	8,110,000
Additions	
Revaluation Decrement ^(b)	(810,000)
Disposals	
Carrying amount at end of year	7,300,000
2016	
Carrying amount at start of year	8,760,000
Additions	
Revaluation Increment ^(b)	(650,000)
Depreciation	-
Carrying amount at end of year	8,110,000

^(a) Freehold land was re-valued as at 1 July 2016 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2017 and recognised at 30 June 2017. The fair value of all land has been determined by reference to recent market transactions.

^(b) Recognised in the Statement of Comprehensive Income.

Note 15. Fair Value Measurements

	2017			
	\$			
Assets measured at fair value:	Level 1	Level 2	Level 3	Fair value At end of period
2017	\$	\$	\$	\$
Land (Note 14)	-	7,300,000	-	7,300,000
	-	7,300,000	-	7,300,000

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Land are derived using the market approach. Market evidence of sales prices of comparable land in close proximity is used to determine price per square metre.

Valuation processes

There were no changes in valuation techniques during the period. Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the period.

Note 16. Impairment of Assets

There were no indications of impairment to property, plant and equipment at 30 June 2017.

The land in Fremantle has been re-classified from 'Contaminated – remediation required' to 'Remediated for restricted use'. At reporting date, no accurate determination of the level of impairment has been assessed.

The Trust held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2017 have either been classified as assets held for sale or written-off.

Note 17. Payables

	2017	2016
	\$	\$
Current		
Accrued Salaries	-	3,247
Accrued Expenses	13,208	13,098
Total current	13,208	16,345

Note 18. Equity

Equity represents the residual interest in the net assets of the Trust. The Government holds the equity interest in the Trust on behalf of the community. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

	2017	2016
	\$	\$
Contributed equity		
Balance at start of period	5,388,902	5,388,902
Balance at end of period	5,388,902	5,388,902
Reserves		
<u>Asset revaluation surplus</u>		
Balance at start of year	5,724,500	5,724,500
Net revaluation increments/(decrements):		
Land	-	-
Balance at end of year	5,724,500	5,724,500

Accumulated Surplus/(deficit)

Balance at start of year	9,926,334	10,317,277
Result for the period	(577,445)	(390,943)
Balance at end of year	9,348,889	9,926,334
Total Equity at end of year	20,462,291	21,039,736

Note 19. Notes to the Statement of Cash Flows

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:

	2017	2016
	\$	\$
Cash and cash equivalents	13,111,028	12,867,747
	13,111,028	12,867,747

Reconciliation of Net Cost of Services to net cash flows provided by/ (used in) operating activities

Net Cost of Services	(580,078)	(393,084)
Non-cash items:		
Net (gain)/ loss on fair value adjustment to property, plant and equipment	810,000	650,000
Services received free of charge ^(d)	2,633	2,141
(Increase)/decrease in assets:		
Current Receivables ^(c)	13,849	27
Increase/(decrease) in liabilities:		
Current Payables ^(a)	(2,868)	(3,540)
Net GST Receipts/(payments) ^(b)	(269)	3,956
Change in GST in Receivables/Payables ^(c)	14	3,844
Net cash provided by/(used in) operating activities	243,281	263,344

- (a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.
- (b) This is the net GST paid/received, i.e. cash transactions.
- (c) This reverses out the GST in receivables and payables.
- (d) See Note 11. Income from State Government.

Note 20. Contingent Liabilities and Contingent Assets

Contingent Liabilities

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

Contaminated Sites

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

In 2007 DER classified the Trust's Fremantle site as 'Contaminated - remediation required'. The long term user (the polluter) of the site was appealing the classification, however the appeal was unsuccessful. The site has recently been re-classified as 'Remediated for restricted use'.

The re-classification was approved by the Department of Health on the 22nd August 2016. The groundwater below the site is still contaminated, however the soils have been remediated to the extent that the site is suitable for any proposed residential use, provided groundwater is not extracted except for analytical purposes.

The disposal of the land is subject to the repeal of the *Public Education Endowment Act 1909* which is under consideration by the Minister for

Education and Training. As part of the disposal process, the land will be valued taking into account an environmental assessment to determine the impact of any contamination.

Therefore, the Trust is unable to reasonably estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of outflows.

Contingent Assets

There were no contingent assets for the period ending 30 June 2017.

Note 21. Events Occurring After the End of the Reporting Period

Government has decided to cease the activities of the Trust. The Public Education Endowment Act is to be repealed and work has commenced to wind up the trust activities during the 2017-18 financial year.

In accordance with Section 35 (1) (b) of the *Public Sector Management Act 1994*, the Department of Education Services will be amalgamated with the Department of Education from 1 July 2017. Administrative support from this date will be provided by the Department of Education.

Note 22. Financial Instruments

Note 22. a) Financial Risk Management Objectives and Policies

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

Credit risk

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

The maximum exposure to credit risk at 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 provisions for impairment as shown in the table at note 22(c) 'Financial instruments disclosures' and note 12 'Receivables'.

The Trust has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

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

The Trust has appropriate procedures to manage cash flows 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 Trust's income or the value of its holdings of financial instruments. The Trust does not trade in foreign currency and is not materially exposed to other price risks. The Trust's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations.

Note 22. b) Categories of Financial Instruments

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2017	2016
	\$	\$
Financial Assets		
Cash and cash equivalents	13,111,028	12,867,747
Loans and receivables ^(a)	62,924	76,773
Financial Liabilities		
Financial liabilities measured at amortised cost	13,208	16,345

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

Note 22. c) Financial Instrument Disclosures

Credit risk

The following table details the Trust's maximum exposure to credit risk and the ageing analysis of financial assets. The Trust'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 Trust.

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

Aged analysis of financial assets							
	Carrying Amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Up to 1 month	1-3 months	3 months to 1 year	1-5 years	
	\$	\$	\$	\$	\$	\$	\$
2017							
Cash and cash equivalents	13,111,028	13,111,028					
Receivables ^(a)	62,924		62,924				
Amounts receivable for services	-						
	13,173,952	13,111,028	62,924				
2016							
Cash and cash equivalents	12,867,747	12,867,747					
Receivables ^(a)	76,773		76,773				
Amounts receivable for services	-						
	12,944,520	12,867,747	76,773				

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

Liquidity risk and interest rate exposure

The following table details the Trust's interest rate exposure and the contractual maturity analysis of financial assets and 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 assets and financial liabilities

	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure			Nominal Amount \$	Maturity dates					
			Fixed interest rate \$	Variable interest rate \$	Non- interest bearing \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$	
2017												
Financial Assets	2.083											
Cash and cash		13,111,028		13,111,028		13,111,028	13,111,028					
Receivables ^(a)		62,924			62,924	62,924	62,924					
		13,173,953		13,111,028	62,924	13,173,953	13,173,953					
Financial Liabilities												
Payables		13,208			13,208	13,208	13,208					
		13,208			13,208	13,208	13,208					

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

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

	Interest rate exposure					Maturity dates					
	Weighted Average Effective Interest Rate %	Carrying Amount \$	Fixed interest rate \$	Variable interest rate \$	Non- interest bearing \$	Nominal Amount \$	Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
2016											
Financial Assets	2.272	12,867,747		12,867,747		12,867,747	12,867,747				
Cash and cash equivalents											
Receivables ^(a)		76,773			76,773	76,773	76,773				
		12,944,520		12,867,747	76,773	12,944,520	12,944,520				
Financial Liabilities											
Payables		16,345			16,345	16,345	16,345				
		16,345			16,345	16,345	16,345				

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

Interest rate sensitivity analysis

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

	Carrying amount	-100 basis points		+100 basis points	
		Surplus	Equity	Surplus	Equity
		\$	\$	\$	\$
2017					
Financial Assets					
Cash and cash equivalents	13,111,028	(131,110)	(131,110)	131,110	131,110
Total Increase/(Decrease)		(131,110)	(131,110)	131,110	131,110
			-100 basis points		+100 basis points
	Carrying amount	Surplus	Equity	Surplus	Equity
	\$	\$	\$	\$	\$
2016					
Financial Assets					
Cash and cash equivalents	12,867,747	(128,677)	(128,677)	128,677	128,677
Total Increase/(Decrease)		(128,677)	(128,677)	128,677	128,677

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.

Note 23. Explanatory Statement

In accordance with TI 945 (1)(v), the Trust is not required to disclose an Explanatory Statement as defined in AASB 1055, as the Total Cost of Services does not exceed \$3 million for the two most recent consecutive comparative periods.

Note 24. Remuneration of Auditor

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

	2017	2016
	\$	\$
Auditing the accounts, financial statements and performance indicators	11,800	11,700
	11,800	11,700

Key Performance Indicators

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 Public Education Endowment Trust's performance, and fairly represent the performance of the Trust for the financial year ended 30 June 2017.



Hon. Sue Ellery MLC
Minister for Education and Training
Chairperson
Public Education Endowment Trust



Ms Sharyn O'Neill
Director General, Department of Education
Trustee
Public Education Endowment Trust

16 January 2018

Key Performance Indicators

Government Goal - Outcomes Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

Desired Outcome - Enhancement of the public education of Western Australian students.

The Trust has the following set of key performance indicators to assist in the measurement of the efficiency and effectiveness with which the Trust pursues its organisational outcome. These indicators report against the Outcome Based Management structure for the Trust and have been developed by the Trustees in conjunction with the Minister for Education and Training and the Department of Treasury.

Due to the imminent wind up of the Trust operations which was expected in the 2016-17 reporting period, no targets have been provided for the effectiveness and efficiency indicators for the current year.

Effectiveness Indicators

The effectiveness indicators measure the achievement of the Trust in meeting the needs of Western Australian students by providing grants for educational initiatives.

KPI 1 – Annual Grant Feedback Survey

The grant feedback survey was designed to be administered annually to measure the extent to which grant funded projects achieve their objectives in terms of educational benefits to Western Australian students. The survey, administered to external stakeholders including the grant program manager, school principals and relevant Regional Offices, was designed to measure the perception of the effectiveness of the funded projects on a five point scale ranging from very effective through to very ineffective. The target for this Key Performance Indicator is for the Trust to achieve survey results showing that at least 80% of external stakeholders perceived the

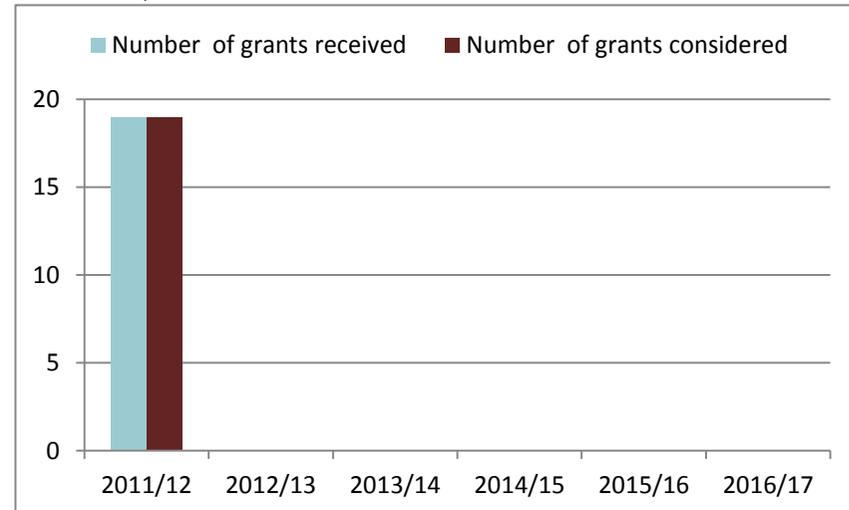
funded projects that affect them as being either 'very effective' or 'effective'. No grants were administered in the 2013-14, 2014-15, 2015-16 or 2016-17 reporting periods and consequently no surveys were undertaken.

A new research focus for the grant funding scheme was approved by the Trust in 2011 and in October 2012 six university research grant funding agreements were finalised. These research projects ran for periods ranging from twelve to twenty-four months and therefore no useful survey of stakeholders was able to be undertaken.

KPI 2 – Consideration of Grant Applications

Considering grant applications forms a major part of the Trust's core business.

Nineteen grant applications were received in the 2011-2012 period. The applications were considered at a meeting of the Trustees held on 5 May 2012. There has been no further call for grant applications. Consequently, no grant applications were received or considered during 2013-2014, 2014-2015, 2015-16 and 2016-17.



Efficiency Indicator

This efficiency indicator measures the efficiency with which the Trust delivers its core service: providing grants for public education purposes, for projects that will benefit the education of Western Australian students.

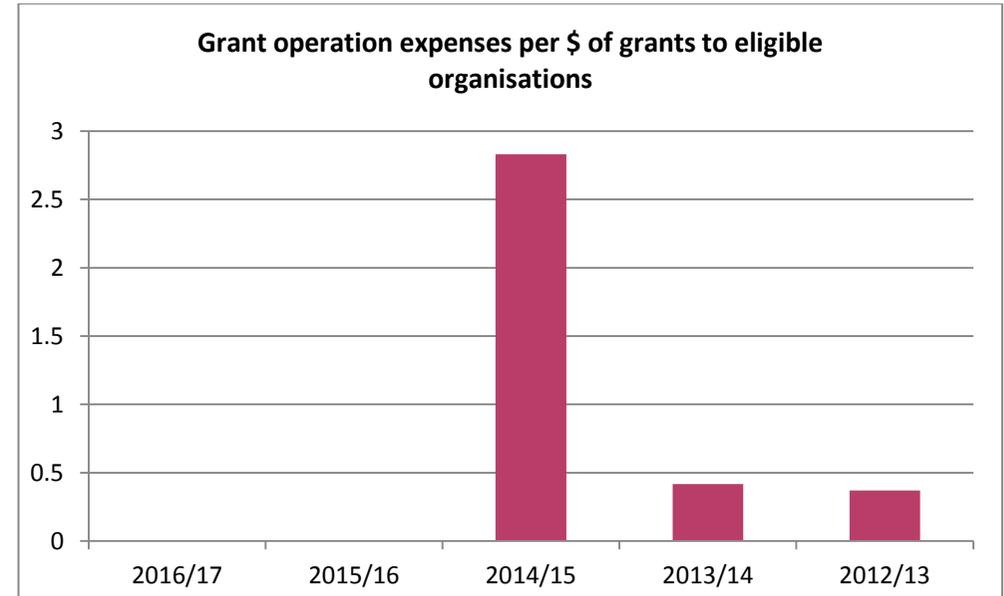
KPI 3 – Grants Operations Expenses per \$ of Grants Provided to Eligible Organisations

This efficiency indicator is calculated by dividing the cost of service, as reported in the Income Statement, less the grants paid, less land expenses, by the value of the grants provided.

This measure shows the extent to which the Trust has maximised grant funding to eligible organisations while containing its operations expenditure related to distributing grants.

No grants were issued in 2016-17. The increase in the grants operation expenses per \$ of grants eligible in 2014-15 was due to only one grant being paid, whilst the Trust still incurred standard administration costs.

The number of grants provided in each year is highly variable. No grants were provided in 2015-16 and 2016-17. Consequently, no efficiency indicator calculation is possible for these periods.



Ministerial Directives

No Ministerial directives were received during the reporting period.

Other Financial Disclosures

Employment and Industrial Relations

The Public Education Endowment Trust met its legislative and reporting requirements through arrangements with the Department of Education Services. The Department's Final Report for 2016-17 contains information relating to staffing policies and procedures, staff development, recruitment, performance management, grievance resolution, public interest disclosure and other industrial relations matters.

Staff Profile	2017	2016
Full-time permanent	-	-

Governance Disclosures

Contracts with Senior Officers

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

Other Legal Requirements

Advertising and Sponsorship

Section 175ZE of the Electoral Act 1907 requires public agencies to report details of expenditure to organisations providing services in relation to advertising, market research, polling, direct mail and media advertising. The Trust did not incur expenditure of this nature in the 2016-17 reporting period.

Compliance with Public Sector Standard and Ethical Codes

In the administration of its statutory responsibilities, the Public Education Endowment Trust has complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and its own Code of Conduct. The Trust's Code of Conduct was updated in 2013 and is based on the Public Sector Code of Ethics namely: personal integrity; relationships with others; and accountability.

Other Government Policy Requirements

The Public Education Endowment Trust met its legislative and reporting requirements through arrangements with the Department of Education Services. The Department's Final Report for 2016-17 contained information on how the Department met the following requirements:

- Disability Access and Inclusion Plan Outcomes.
- Recordkeeping Plans.
- Occupational Safety, Health and Injury Management.

Annual Estimates

Estimate of Statement of Comprehensive Income For the year ended 30 June 2018

	Note	2018 Estimate \$	2017 Actual \$
COST OF SERVICES			
Expenses			
Supplies and Services	1	-	15,875
Employee Expenses	2	-	9,949
Revaluation Decrement on Investment Property	4	-	810,000
Other Expenses		-	207
Total Cost of Services		-	836,031
Income			
Interest Revenue	3	-	255,953
Total Revenue		-	255,953
NET COST OF SERVICES		-	(580,078)
Income from State Government			
Resources received free of charge		-	2,633
Total Income from State Government		-	2,633
SURPLUS/(DEFICIT) FOR THE PERIOD		-	(577,445)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	(577,445)

Estimate of Statement of Financial Position
For the year ended 30 June 2018

	Note	2018 Estimate \$	2017 Actual \$
ASSETS			
Current Assets			
Cash and Cash Equivalents		-	13,111,028
Receivables	5	-	62,924
Other Current Assets	5	-	1,547
Total Current Assets		-	13,175,499
Non-Current Assets			
Investment Property	4	-	7,300,000
Total Non-Current Assets		-	7,300,000
TOTAL ASSETS		-	20,475,499
LIABILITIES			
Current Liabilities			
Payables		-	13,208
Total Current Liabilities	6	-	13,208
TOTAL LIABILITIES		-	13,208
NET ASSETS		-	20,462,291
EQUITY			
Contributed Equity		-	5,388,902
Reserves		-	5,724,500
Accumulated Surplus		-	9,348,889
TOTAL EQUITY		-	20,462,291

Notes to the Annual Estimates^(a)

For the year ended 30 June 2018

Note 1. Supplies and Services

	Note	2018 Estimate \$	2017 Actual \$
Audit Fees, Corporate Services and Land Expenses		-	15,875
		-	15,875

Note 2. Employee Expenses

	Note	2018 Estimate \$	2017 Actual \$
Finance Officer (part-time)		-	9,949
		-	9,949

Note 3. Interest Revenue

	Note	2018 Estimate \$	2017 Actual \$
Interest earned on Commonwealth Bank Account balance		-	255,953
		-	255,953

Note 4. Investment Property

Investment property, principally comprising freehold land, is held for long term rental yields and is not occupied by the Trust. Investment property is carried at fair value, as mandated by TI 954, representing open market value

determined annually by an external valuer. Changes in fair value are recorded in the Statement of Comprehensive Income as part of other income or other expense.

Note 5. Other Current Assets

Income earned but not received at balance date is detailed as follows	Note	2018 Estimate \$	2017 Actual \$
Interest due from Treasury based on Commonwealth Bank Account balance		-	62,924
GST Receivable		-	1,547
		-	64,471

Note 6. Payables

Expenditure accrued but not paid at balance date	2018 Estimate \$	2017 Actual \$
Accrued Salaries	-	-
Accrued Expenses	-	13,208
	-	13,208

(a) The Annual Estimates for 2017-18 are presented in accordance with Section 40 of the *Financial Management Act 2006* and TI 953 and reflect the Government's decision in 2013-14 to abolish the Trust.

Contact Details

Street Address

Public Education Endowment Trust
Department of Education Services
Level 9, 20 Walters Drive
Osborne Park WA 6017

Postal Address

Public Education Endowment Trust
PO Box 1766
Osborne Park WA 6916

Contact

Phone: +61 8 9441 1900

Facsimile: +61 8 9441 1901

Email: des@des.wa.gov.au

Web: www.des.wa.gov.au

Office Hours

Monday to Friday: 8.30 am to 4.30 pm