



PUBLIC  
EDUCATION  
ENDOWMENT  
TRUST

# 2021-22 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 2022.

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*.

The financial statements comply with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board.



Ms Lisa Rodgers  
Director General, Department of Education  
Trustee  
Public Education Endowment Trust

12 September 2022



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

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## Contact Details

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### Postal Address

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### Contact

Phone: +61 8 9264 4697

### 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 legislated name of the Trust per the Act is “Trustees of Public Education Endowment”.

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 utilise the proceeds for education purposes (section 9 of the Act).

Previously, the Trust generated revenue from interest on investments and these proceeds were 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.



In line with the former Government's decision to cease the activities of the Trust, no operational activities occurred during 2021-22.

On 14 August 2019, the Trustees agreed to sell the land holdings vested in the Trust to DevelopmentWA (formed through the merging of LandCorp and the Metropolitan Redevelopment Authority) free of the Land Use Condition provided that the sale of the Land is paid to the Trust. The land use condition has now been removed through the Minister of Lands, and the sale of the land to DevelopmentWA can proceed after a valuation of the land.

In July 2021, the State Government agreed to draft legislation to repeal the Public Education Endowment Act 1909 (Act) and return the assets to the Consolidated Account. On 14 February 2022, Cabinet endorsed the recommendation of the Legislation Standing Committee of Cabinet for the Public Education Endowment Repeal Bill 2021. Legislative drafting is anticipated in 2023.

### **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*, Trustees are appointed by the Governor.

The membership of the Trust for the reporting period comprised:

- Hon Sue Ellery, Minister for Education and Training
- Ms Lisa Rodgers – Director General, Department of Education
- Ms Philippa Beamish Burton – reappointed 27 July 2021
- Mr Jay Peckitt - reappointed 27 July 2021
- Ms Joanne Harris - reappointed 27 July 2021

The Trust was supported in the administration of its responsibilities by the Department of Education (the Department).

The Department provides administrative and financial support to assist the Board in the management of its land holdings and investment accounts and the allocation of grant funding. 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). The Department has 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 the Department is 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*
- *Procurement Act 2020*
- *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 2021-22.

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 28-29.

### Shared Responsibility with Other Agencies

The Trust did not share any responsibilities with other agencies in 2021-22.

# SECTION 2: REPORT ON OPERATIONS



## Report on Operations

### Performance

#### Land Holdings

Freehold land vested in the Trust as at 30 June 2022 totals 3.0152 hectares and has a fair value of \$6,850,000. 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 and is disclosed as non-current assets classified as assets held for sale.

#### Trust Income

##### *Leasing of Trust Land*

The Trust did not receive any income from the Fremantle land for the period ended 30 June 2022. 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 \$nil for the period ending 30 June 2022.

##### *Utilisation of Trust Finance*

Expenditure of \$31,568 was authorised during the financial year to fund administration expenses.

#### Grant Funding

During the reporting period 2021-22, 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 2021-22.

## Financial Targets

	2021-22 Target <sup>(1)</sup> \$	2021-22 Actual \$	Variance <sup>(a)</sup> \$
Total cost of services	-	31,568	(31,568)
Net cost of services	-	(31,568)	31,568
Total equity	-	20,007,839	(20,007,839)
Net increase / (decrease) in cash held	-	(16,696)	16,696
Approved full time equivalent (FTE) staff level	-	-	-

1. No targets were prepared in anticipation of the wind-up for the Trust activities in 2021-22.

(a) The variance is due to the fact that no estimates were prepared in anticipation of the wind-up of the Trust activities in 2021-22. However, the Trust is currently in 'caretaker' mode and expenditure exists only for administrative purposes.



# SECTION 3: SIGNIFICANT ISSUES



## Significant Issues and Trends

In line with the former Government's decision to cease the activities of the Trust, no operational activities occurred during 2021-22.

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 Environmental Regulation. This was approved by the Department of Health on the 22 August 2016.

On 14 August 2019, the Trustees agreed to sell the land holdings vested in the Trust to DevelopmentWA free of the Land Use Condition provided that the sale of the Land is paid to the Trust. The land use condition has now been removed through the Minister of Lands, and the sale of the land to Development WA can proceed after a valuation of the land.

In July 2021, the State Government agreed to draft legislation to repeal the *Public Education Endowment Act 1909* (Act) and return the assets to the Consolidated Account.

On 14 February 2022, Cabinet endorsed the recommendation of the Legislation Standing Committee of Cabinet for the *Public Education Endowment Repeal Bill 2021*. Legislative drafting is anticipated in 2023.

# SECTION 4: DISCLOSURES AND LEGAL COMPLIANCE



## Disclosures and Legal Compliance

### Financial Statements

#### **Certification of Financial Statements** **For the year ended 30 June 2022**

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 ended 30 June 2022 and the financial position as at 30 June 2022.

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

Mr Jay Peckitt  
Chief Finance Officer  
Trustee  
Public Education Endowment Trust

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

Ms Lisa Rodgers  
Director General, Department of Education  
Trustee  
Public Education Endowment Trust

12 September 2022



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

2022

Trustees of Public Education Endowment

To the Parliament of Western Australia

## Report on the audit of the financial statements

### Opinion

I have audited the financial statements of the Trustees of Public Education Endowment (Trust) which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- 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 the Trustees of Public Education Endowment for the year ended 30 June 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

### **Basis for opinion**

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

### **Material uncertainty related to going concern**

I draw attention to Note 2(m) of the financial statements, which states that the Trust has ceased its operations and the Trustees have commenced the process of winding up the Trust. These conditions with other matters as described in Note 2(m), indicate a material uncertainty that may cast significant doubt on the Trust's intention to continue as a going concern. My opinion is not modified in respect of this matter.

### **Responsibilities of the Trustee for the financial statements**

The Trustees are responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines 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 entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- 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 responsibilities 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 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

### Report on the audit of 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 Trustees are those policies and procedures established 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 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 2022.

#### 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.



### Auditor General's 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 and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an 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 in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance 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 changes in conditions.

## Report on the audit of 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 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicator 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 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 2022.



### **The Trustees responsibilities 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 internal control 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 responsibilities**

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 entity'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 I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **My independence and quality control relating to the reports on financial statements, 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.

### Other information

The Trustees are responsible for the other information. The other information is the information in the Trust's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinion on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard for the year ended 30 June 2022.

### Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of the Trustees of Public Education Endowment for the year ended 30 June 2022 included in the annual report 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, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. 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 contact the entity to confirm the information contained in the website version.

*Mark Ambrose*

Mark Ambrose  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
14 September 2022

# Public Education Endowment Trust

## Statement of Comprehensive Income

For the year ended 30 June 2022

<b>COST OF SERVICES</b>	<b>Note</b>	<b>2021-22</b>	<b>2020-21</b>
<b>Expenses</b>		<b>\$</b>	<b>\$</b>
Supplies and services	3	17,124	17,167
Employee expenses	4	14,245	20,662
Other expenses	6	199	188
<b>Total cost of services</b>		<b>31,568</b>	<b>38,017</b>
<b>Income</b>			
Fair value adjustment	11	34,095	-
<b>Total income</b>		<b>34,095</b>	<b>-</b>
<b>NET INCOME/(COST OF SERVICES)</b>		<b>2,527</b>	<b>(38,017)</b>
<b>Income from State Government</b>	<b>8</b>		
<b>Services received free of charge</b>		14,245	20,662
<b>Total income from State Government</b>		<b>14,245</b>	<b>20,662</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>16,772</b>	<b>(17,355)</b>

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

# Public Education Endowment Trust

## Statement of Financial Position

As at 30 June 2022

	Note	2021-22 \$	2020-21 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		13,173,683	13,190,379
Non-current assets classified as assets held for sale	9	6,850,000	-
Other current assets	10	801	741
<b>Total Current Assets</b>		<b>20,024,484</b>	<b>13,191,120</b>
<b>Non-Current Assets</b>			
Investment property	11, 12	-	6,815,905
<b>Total Non-Current Assets</b>		<b>-</b>	<b>6,815,905</b>
<b>TOTAL ASSETS</b>		<b>20,024,484</b>	<b>20,007,025</b>
<b>Current Liabilities</b>			
Payables	13	16,645	15,958
<b>Total Current Liabilities</b>		<b>16,645</b>	<b>15,958</b>
<b>TOTAL LIABILITIES</b>		<b>16,645</b>	<b>15,958</b>
<b>NET ASSETS</b>		<b>20,007,839</b>	<b>19,991,067</b>
<b>EQUITY</b>			
Contributed equity		5,388,903	5,388,902
Reserves		5,724,500	5,724,500
Accumulated surplus		8,894,436	8,877,665
<b>TOTAL EQUITY</b>		<b>20,007,839</b>	<b>19,991,067</b>

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

# Public Education Endowment Trust

## Statement of Changes in Equity

For the year ended 30 June 2022

	Note	Contributed equity	Reserves	Accumulated surplus	Total equity
		\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		<b>5,388,902</b>	<b>5,724,500</b>	<b>8,895,020</b>	<b>20,008,422</b>
Deficit		-	-	(17,355)	(17,355)
Total comprehensive income for the period		-	-	(17,355)	(17,355)
<b>Balance at 30 June 2021</b>		<b>5,388,902</b>	<b>5,724,500</b>	<b>8,877,665</b>	<b>19,991,067</b>

	Note	Contributed equity	Reserves	Accumulated surplus	Total equity
		\$	\$	\$	\$
<b>Balance at 1 July 2021</b>		<b>5,388,902</b>	<b>5,724,500</b>	<b>8,877,665</b>	<b>19,991,067</b>
Surplus		-	-	16,772	16,772
Total comprehensive income for the period		-	-	16,772	16,772
<b>Balance at 30 June 2022</b>		<b>5,388,902</b>	<b>5,724,500</b>	<b>8,894,436</b>	<b>20,007,839</b>

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

# Public Education Endowment Trust

## Statement of Cash Flows

For the year ended 30 June 2022

	Note	2021-22 \$	2020-21 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Administration		(18,148)	(31,378)
Supplies and services		(211)	(441)
GST payments on purchases		-	(3,138)
<b>Receipts</b>			
GST receipts from taxation authority		1,663	3,166
<b>Net cash provided by/(used in) operating activities</b>		<b>(16,696)</b>	<b>(31,791)</b>
Net increase/(decrease) in cash and cash equivalents		(16,696)	(31,791)
Cash and cash equivalents at the beginning of the period		13,190,379	13,222,170
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>13,173,683</b>	<b>13,190,379</b>

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



# Notes to the Financial Statements

For the year ended 30 June 2022

## Note 1. Basis of Preparation

### General

The Public Education Endowment Trust (the Trust) was created in 1909 under the provisions of the *Public Education Endowment Act 1909* (the Act). The Trust is a not-for-profit reporting entity that prepares general purpose financial statements and is controlled by the WA Government. The legislated name of the Trust as per the Act is “Trustees of Public Education Endowment”.

A description of the nature of its operations and its principal activities have been included in the ‘Overview’, which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Trust on 12 September 2022.

### Statement of Compliance

These general purpose financial statements have been prepared in accordance with:

1. The *Financial Management Act 2006* (**FMA**)
2. Treasurer’s Instructions (**TIs**)
3. Australian Accounting Standards (**AAS**) – Simplified Disclosure Requirements
4. Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The FMA and the TIs take precedence over AAS. Several AAS are modified by the TIs to vary application, disclosure format and wording. 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.

## Note 2. Summary of Significant Accounting Policies

### Note 2. a) Basis of preparation

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

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

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. b) Reporting entity

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

### Note 2. c) Income

#### Revenue recognition

Resources received from other public sector entities are recognised as income (and assets or expenses) equivalent to the fair value of the assets, or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

## Notes to the Financial Statements

For the year ended 30 June 2022

### **Note 2. d) 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. A gain or loss arising from a change in the fair value of investment property shall be recognised in the Statement of Comprehensive Income for the period in which it arises.

### **Note 2. e) Non-current assets classified as assets held for sale**

Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

### **Note 2. f) Impairment of assets**

The Investment property is 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.

### **Note 2. g) Financial Instruments**

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

- Financial assets measured at amortised cost; 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

### **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) 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.

## Notes to the Financial Statements

For the year ended 30 June 2022

**Note 2. j) 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. k) Comparative figures**

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

**Note 2. l) Judgements and estimates Changes in accounting estimates**

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. There were no changes in accounting estimates that will have an effect on the current reporting period.

The land is independently valued annually by the Western Australian Land Information Authority (Valuation Services) to assess fair value as at 30 June 2022. The investment property was valued by comparison and analysis of open market transactions involving land of similar nature, location and zoning.

**Note 2.m) Planning activities for the closure of the Trust**

The Trust is established under the *Public Education Endowment Act 1909* (the Act). Consistent with the State Government's decision, the Trust has ceased its operations. The previous functions of the Trust were not relevant or duplicated by the services currently provided by the Department of Education. In July 2021, the State Government agreed to draft legislation to repeal the Act. The Trustees have commenced the process to dispose assets and wind up the Trust. The implementation of wind-up plans is subject to the passage of amending legislation. At the reporting date, drafting of this bill has not commenced.

## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 3. Supplies and Services

	2021-22	2020-21
	\$	\$
Consultants and Contractors	16,450	15,770
Consumables	674	1,397
	<u>17,124</u>	<u>17,167</u>

### Note 4. Employee Expenses

	2021-22	2020-21
	\$	\$
Salary and Wages	14,245	20,662
	<u>14,245</u>	<u>20,662</u>

There are no employees employed by the Trust. The Trust was supported in the administration of its responsibilities by the Department. There was no administrative recoupment during the year. Services were provided free of charge.

### Note 5. 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. During 2021-22, there were two members of the accountable authority, the Minister for Education (Chair) and the Director General of Education (Trustee).

#### *Compensation of Senior Officers*

During 2021-22, there were no senior officers, other than senior officers reported as members of the accountable authority.

### Note 6. Other Expenses

	2021-22	2020-21
	\$	\$
Revaluation expenses	199	188
	<u>199</u>	<u>188</u>

## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 7. Related Party Transactions

Related parties of the Trust include:

- The Minister for Education and Training and her 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 officers and their close family members, and their controlled or jointly controlled entities
- Other Departments and public sector entities

During the financial year, the Trust had significant transactions with a government-related entity. In conducting its activities, the Trust is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. The transaction related to remuneration for services provided by the Auditor General (Note 18).

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 2021-22.

### Note 8. Income from State Government

	2021-22	2020-21
	\$	\$

#### Services received free of charge

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

Department of Education	14,245	20,662
	<b>14,245</b>	<b>20,622</b>

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.

## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 9. Non-current assets classified as assets held for sale

The following table represents a summary of assets held for sale being 3.0152 hectares described as FREMANTLE - Reserve No.11384; Lots 1186-1192, 1197-1200, 1207-1208, 1213-1215, and 1725.

	2021-22 \$	2020-21 \$
<b>Carrying amount at start of year</b>	-	-
Assets reclassified as held for sale	6,850,000	-
<b>Carrying amount at end of year</b>	<b>6,850,000</b>	-

The land has a fee simple Certificate of Title and expected to be sold during 2022-23.

### Note 10. Other Current Assets

	2021-22 \$	2020-21 \$
<b>Current</b>		
Prepayments	728	673
GST receivable	73	68
	<b>801</b>	<b>741</b>

### Note 11. Investment Property

	2021-22 \$	2020-21 \$
<b>Land</b>		
Land at fair value	-	6,815,905
	<b>-</b>	<b>6,815,905</b>

Reconciliations of the carrying amount of the investment property at the beginning and end of the reporting period are set out in the table below:

	2021-22 \$	2020-21 \$
<b>Carrying amount at start of year</b>	6,815,905	6,815,905
Fair value gain on revaluation	34,095	-
Assets reclassified as held for sale	(6,850,000)	-
<b>Carrying amount at end of year</b>	<b>-</b>	<b>6,815,905</b>

The valuation conducted by the Western Australian Land Information Authority (Valuation Services) showed movement in the fair value for 2022. The fair value of all land has been determined by reference to recent market transactions.



## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 12. Impairment of Assets

There were no indications of impairment to the non-current assets classified as assets held for sale at 30 June 2022.

The land in Fremantle has been reclassified from 'Contaminated – remediation required' to 'Remediated for restricted use'. At the reporting date, no accurate determination of the level of impairment has been assessed. Refer Note 14 for further details.

### Note 13. Payables

	2021–22	2020–21
	\$	\$
<b>Current</b>		
Accrued expenses	16,645	15,958
<b>Total current</b>	<b>16,645</b>	<b>15,958</b>

### Note 14. Contingent Liabilities and Contingent Assets

Contingent assets and contingent liabilities are not recognised in the Statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### Contingent Assets

There were no contingent assets for the period ending 30 June 2022.

### 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 Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. DWER classified the Trust's Fremantle site as 'Remediated for restricted use'. The soil on the site has been remediated to the extent that the site is suitable for the proposed residential use, subject to implementation of the DWER approved Groundwater Management Plan. The groundwater below the site is still contaminated and is not to be extracted except for analytical purposes. As part of the disposal process the land has been valued taking into account the environmental assessment for the impact of the contamination. Until the land is sold the Trust is unable to reasonably estimate the potential financial effect or to identify the uncertainties, if any, relating to the amount or timing of outflows.

## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 15. Events Occurring After the End of the Reporting Period

There have been no material events occurring after 30 June 2022.

### Note 16. 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 as follows:

	2021-22 \$	2020-21 \$
<b>Financial Assets</b>		
Cash and cash equivalents	13,173,683	13,190,379
Financial assets at amortised cost <sup>(a)</sup>	728	673
<b>Total financial assets</b>	<b>13,174,411</b>	<b>13,191,052</b>
<b>Financial Liabilities</b>		
Financial liabilities at amortised cost <sup>(b)</sup>	16,645	15,958
<b>Total financial liability</b>	<b>16,645</b>	<b>15,958</b>

<sup>(a)</sup> The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

<sup>(b)</sup> The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

### Note 17. Explanatory Statement

In accordance with TI 945 (1)(ii), the Trust is not required to disclose an Explanatory Statement as defined in AASB 1055, as the Total Cost of Services does not exceed \$10 million for the two most recent consecutive comparative periods.

### Note 18. Remuneration of Auditor

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

	2021-22 \$	2020-21 \$
Auditing the accounts, financial statements and key performance indicators	12,200	12,200
	<b>12,200</b>	<b>12,200</b>

### **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 2022.



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



Ms Lisa Rodgers  
Director General, Department of Education  
Trustee  
Public Education Endowment Trust

12 September 2022

## 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 planned wind-up of the Trust's operations, which was expected in the 2021-22 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. No grants were administered during 2015-16 to 2021-22 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.

There has been no call for grant applications since 2011-12. Consequently, no grant applications were received or considered during the period from 2012-13 to 2021-22 inclusive.

## 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.

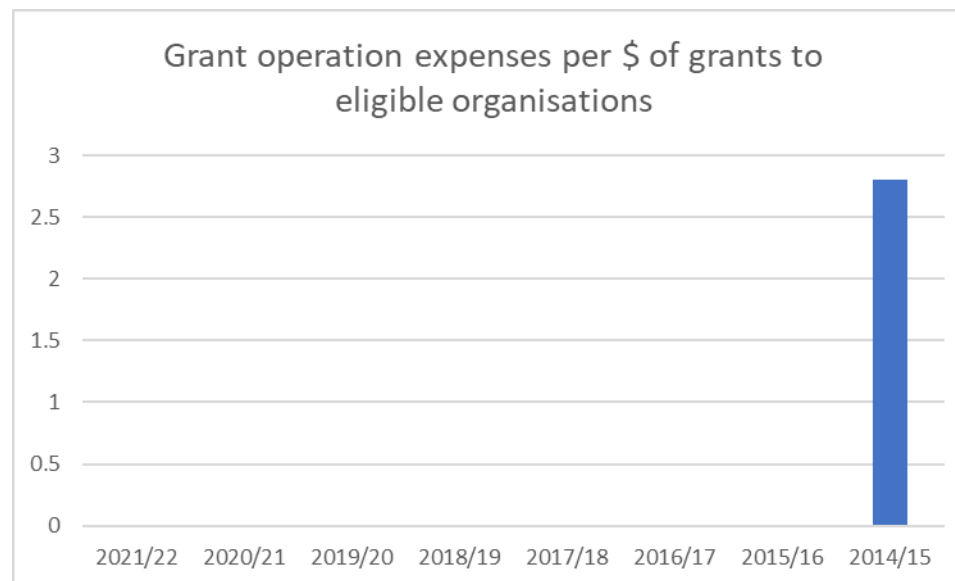
### KPI 3 – Grants Operations Expenses per \$ of Grants Provided to Eligible Organisations

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 2021-22. The increase in the grant's operation expenses per \$ of grants eligible in 2014-15 was due to only one grant being paid, while the Trust still incurred standard administration costs.

The number of grants provided in each year is highly variable. No grants were provided from 2015-16 to 2021-22. 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 meets its legislative and reporting requirements through arrangements with the Department of Education. The Department's Annual Report 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	2021-22	2020-21
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 2021-22 reporting period.

### Compliance with Public Sector Standards 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 meets its legislative and reporting requirements through arrangements with the Department of Education. The Department's Annual Report contains information on how the Department meets the following requirements:

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



## Annual Estimates

In accordance with Section 40 of the *Financial Management Act 2006* and the *Treasurer's Instruction 953 – Publication and Presentation of Estimate*, the Trust is exempt from preparing annual estimates of financial operations as the Trust's Total Cost of Services is less than \$ 10 million for the two most recent consecutive comparative periods as reported in its tabled annual report.

## Contact Details

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### Contact

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