



Peel Development Commission
Government of Western Australia

PEEL DEVELOPMENT COMMISSION ANNUAL REPORT 2004-05



peel – your natural choice

CONTENTS

Executive Summary	5
Statement of Compliance	7
Chairman's Address	8
Our Region	10
Our Strategic Plan	12
Our Achievements in 2004-05	14
Report on Operations	27
Performance Indicators	38
Financial Statements	44

EXECUTIVE SUMMARY

Peel Development Commission's work continued to be framed within the opportunities and challenges posed by the Region's rapid population growth which, at 5.9 per cent in the year to June 2004, was the highest in Western Australia. The Peel Region's population is projected to grow by another 49 per cent to exceed 131,000 in 2016. The Commission's work included further progress on developing the *Peel 2020 Sustainability Strategy* and membership of the Steering Committee for the *Pinjarra-Brunswick Sustainability Strategy*.

The development of infrastructure to meet current and future needs remains a priority. The Commission's focus in 2004-05 included supporting the allocation of State and Federal Government funds to construct the New Perth Bunbury Highway and establish Murdoch University in Peel, expediting the development of industrial land in Murray and Waroona, and promoting the uptake of broadband telecommunication services by residents and businesses through the Peel Community Broadband Aggregation Project.

In 2004-05, mining, mineral processing, manufacturing and construction continued to drive the Region's economy and the Commission has worked in partnership with these industries to ensure a larger proportion of the Peel's small business community, suppliers and contractors directly gain from associated economic benefits. A diversification of the Regional economy has been accompanied by a reduction in the Region's unemployment rate in the year to June 2005 to 7.2 per cent from 8.1 per cent in the previous year.

Tourism remains an important industry for the Region and the finalisation of infrastructure, including the Southern Suburbs Rail, will provide significant potential growth for this and other industries.

The issue of skill shortages in key sectors of the Regional economy was also a focus in 2004-05. A Skills Shortage Forum hosted by the Commission resulted in a nine-point Regional action plan, while the Commission's partnership with Challenger TAFE and

industry resulted in extra apprenticeships and pre-apprenticeships being delivered through Challenger's Peel campus.

The Peel Development Commission recognises that rapid population growth and expanding business opportunities also impact on the Region's communities and social infrastructure. Through partnerships with Peel Community Development Group (PCDG), the Commission supported a range of initiatives to address drug and alcohol abuse, the health needs of the Region's Indigenous communities and early intervention for 'youth at risk', as well as supporting a study into opportunities offered by 'positive ageing'.

Conservation and restoration of the Region's natural and built heritage were equally important outcomes sought by the Peel Development Commission and its partnerships through the Peel-Harvey Catchment Council (PHCC). In 2004-05 the Commission completed the *Water Sensitive Design Framework and Technical Guidelines*



as part of a broader strategy to reduce nutrient contamination in the Region's riverine and estuarine waterways.

A summary of the Commission's financial performance is provided in the sections "Performance Indicators" and "Financial Statements". In 2004-05, feedback from stakeholders and clients provided through an independent survey indicated very high levels of satisfaction with the Commission's effectiveness, quality of service and timeliness.

The Commission's directions for 2005-06 are underpinned by its revised *Strategic Plan* which is aligned with the State Government's Strategic Planning Framework: *Better Planning Better Services*. The Commission's *Strategic Plan* has the following outcomes: Planning in Partnership for a Sustainable Future; Improved Regional Infrastructure;

Increased Diversification in the Regional Economy, and Enhanced Regional Investment; A Skilled Region; Enhanced Quality of Life; Conservation and Restoration of the Region's Natural and Built Heritage; Government Decision-Making is Based on a Thorough Understanding of Peel's Regional Issues.

STATEMENT OF COMPLIANCE

Mark McGowan MLA
Minister for Tourism; Racing and Gaming;
Youth; Peel and the South-West
20th Floor, 197 St Georges Terrace
PERTH WA 6000

In accordance with Section 66(1) of the *Financial Administration and Audit Act* (1985), we hereby submit for your information and presentation to Parliament, the Report of the Peel Development Commission for the financial year ending 30 June 2005.

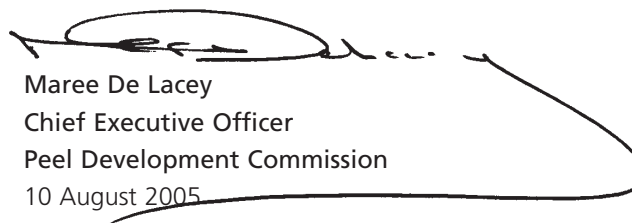
The report has been prepared in accordance with the provisions of the:

- *Regional Development Commissions Act* (1993)
- *Financial Administration and Audit Act* (1985)
- *Public Sector Management Act* (1994)
- Government and Ministerial Reporting Policies

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



John Collett
Chairman
Peel Development Commission Board
10 August 2005



Maree De Lacey
Chief Executive Officer
Peel Development Commission
10 August 2005

CHAIRMAN'S ADDRESS



2004-05 has been a year of continued extraordinary growth in the Peel Region, and consequently a further intensification of Peel Development Commission activities to support the delivery of essential infrastructure and build the Region's economic and community strength.

The Peel Development Commission is committed to sustainable development, reflecting our communities' advice that improving and maintaining the health of the Region's environment is a priority, along with job creation, economic diversification and retention of a Regional identity. There are obvious challenges and opportunities in addressing these priorities in a region where population growth has consistently outstripped that of the State and Metropolitan Perth, and is projected to continue doing so into the future.

This year Peel Development Commission has progressed the next stage of the *Peel 2020 Sustainability Strategy*, coordinating

leadership from industry, the Indigenous community, social, economic and environmental peak groups and Local, State and Federal government agencies. We are part-way through a formal process for defining the Region's shared vision for the future, underpinned by a shorter-term action plan. We have been pleased to support further strengthening of the linkages between the economic, social and environmental sectors in the development of truly sustainable outcomes. It is important to acknowledge the leadership of all of our partners in this complex process, particularly the Region's three peak bodies, the Peel Community Development Group, Peel-Harvey Catchment Council, and Peel Economic Development Unit (comprising all five Local Government Authorities, Peel Business Enterprise Centre, Mandurah Peel Region Chamber of Commerce and Peel Development Commission).

Our highest uncommitted infrastructure priority remains the development and release of light and general industrial land across

the Region. There has been substantial progress towards this outcome with our partners from all local government authorities, LandCorp, the Department for Planning and Infrastructure and the Department of Environment. We anticipate seeing the release of land at Pinjarra next financial year and further progress toward the release of a larger parcel of land at Nambeelup as early as possible. The Peel Development Commission was pleased to receive \$200,000 in State Government funding to support the development of industrial land at Waroona this year.

The Commission has further intensified its strategies for business attraction, employment growth and economic diversification. The Commission hosted a forum involving industry, State and Federal government agencies which developed an action plan to address skill shortages in the region. Other activities included partnering with Alcoa, the South West Development Commission and the Great Southern

“WE HAVE BEEN PLEASED TO SUPPORT FURTHER STRENGTHENING OF THE LINKAGE OF THE ECONOMIC, SOCIAL AND ENVIRONMENTAL SECTORS...”

Development Commission to promote the Peel Region at business migration expos in the United Kingdom. This initiative has resulted in a significant increase in enquiries about business migration and advice that Peel is a region of first choice for skilled and business migrants.

The Peel Development Commission continued to work with industry to expand local content in major contracts in the Region, building on previous results, including more than 25 supply partnerships with industry and local business generating more than \$15 million in contracts. We look forward to building this even further through local contracts in the construction of the New Perth Bunbury Highway in partnership with the Departments for Planning and Infrastructure and Main Roads. We have also supported the attraction of more than \$30 million in new business into the Peel Region this year, generating over 50 jobs.

The Commission was particularly proud to have supported efforts to locate a university in the Region, resulting this year in the official opening of Murdoch University's Peel Campus. The University will provide additional employment, education and life-long-learning opportunities.

Peel Region has considerable opportunity, as well as challenges, now and in the future. The Region has around \$4 billion of major projects planned, committed or proposed, which will bring further economic development and jobs. Our population is forecast to continue growing at a rapid pace, and this growth is now being felt across the entire Region, albeit unevenly. Our priorities are a robust economy, jobs, appropriate infrastructure, strong communities and a healthy environment. We look forward to continued delivery of significant results towards these priorities, in partnership with all spheres of government.

On behalf of the Board of the Peel Development Commission I thank our Chief Executive Officer Maree De Lacey and her dedicated team for another year of professional work and excellent results. I also extend our appreciation to the former Minister for Peel, the Hon. Bob Kucera MLA, for his strong and unfailing support of the Peel Region in Government, and welcome our new Minister for Peel, the Hon. Mark McGowan MLA.



John Collett
Chairman
Peel Development Commission Board
10 August 2005

OUR REGION



The Peel Region covers an area of 5,500 square kilometres extending from 35 to 145 kilometres to the south of Perth's CBD. Peel encompasses the geographic area defined by the boundaries of the Shires of Boddington, Murray, Serpentine Jarrahdale and Waroona and the City of Mandurah. The Region includes 75 kilometres of Indian Ocean coastline, a wide coastal plain extending through to the Darling Plateau to the east and a large expanse of farmland and native forests inland. Peel also comprises 130 square kilometres of estuary and inland waterways.

The Peel Region has an estimated resident population of 88,000, accounting for 4.4 per cent of Western Australia's population. In the year to June 2004, the Peel's population increased by 5.9 per cent in contrast to the growth for Metropolitan Perth (1.8%), regional Western Australia (1.2%) and Western Australia (1.7%). It continues to have the fastest growing regional population in Western Australia.

Peel's gross regional product for 2003-04 totalled \$3.02 billion or 3.4 per cent of the WA economy. The Region's economy grew at an estimated rate (adjusted for CPI) of 3.6 per cent from the previous financial year. In the year to June 2005, the Peel Region's rate of unemployment was 7.2 per cent, a decrease from 8.1 per cent in the 12 months to June 2004. The rapidly growing population centres within the Shire of Murray and the City of Mandurah continue, however, to experience comparatively higher levels of unemployment within the Peel Region.

Extraction and value added processing/manufacturing of the Region's diverse mineral wealth continues to be a key driver of the Peel economy. Committed projects include the \$440 million efficiency upgrade of Alcoa's Pinjarra alumina refinery, which is expected to be completed by the end of 2005. Mining-related projects under consideration include the third train expansion of Alcoa's Wagerup alumina refinery and an additional upgrade of

Worsley Alumina's Boddington mine. The Boddington Gold Mine is undergoing feasibility studies for potential production of up to 800,000 ounces of gold and about 30,000 tonnes of copper per annum over a 17-year mine life.

Underpinning the Region's rapid population growth has been continued investment in building and construction. In the year to June 2005, the Peel Region accounted for 6.3 per cent of the total value of all building approvals in Western Australia. There was also a 38.4 per cent increase in the number of apprenticeship commencements in the Peel Region between 2003 and 2004, driven by growth in the building & construction, metals, manufacturing & services, wholesale, retail & personal services, as well as in the hospitality and tourism industries.

In the year to June 2005, new business registrations in the Peel Region totalled 1075, a 12 per cent increase over the previous year, in contrast to a 1 per cent increase for Western Australia over the same period.

“IT CONTINUES TO HAVE THE FASTEST GROWING REGIONAL POPULATION IN WESTERN AUSTRALIA.”

More specifically, there was a 46 per cent increase in the number of new retail business registrations in the Peel Region in the year to June 2004.

The Region's tourism industry accommodated an annual average of 470,500 domestic overnight visitors in the two-year period 2003 and 2004, accounting for 97 per cent of total overnight visitors to the Peel Region. While 94 per cent of the domestic visitors were from Western Australia, the Peel Region accommodated an annual average of 14,400 international overnight visitors over the same period.

In 2003-04, the Peel Region accounted for 12 per cent of the value of log production—at the mill gate—in Western Australia, valued at \$10 million. The Peel Region also supports a highly diverse agricultural sector centred on dairy and beef cattle, and orchard fruit cultivation.

Vegetables, wool, eggs, flowers and pasture are also produced in increasing quantities within the Region.

In 2002-03, the Peel Region accounted for 4.8 per cent of the number of Western Australia's total agricultural establishments and 4.7 per cent of the State's livestock disposals, the latter valued at \$53.7 million. In 2003-04, the Peel Region's fishery catch totalled \$18.7 million and rock lobsters accounted for 94 per cent of the value of the Region's total fisheries catch.

Data Sources: Population – Australian Bureau of Statistics (ABS) Estimated Resident Population (2004 figures are preliminary); Gross Regional Product – Department of Local Government and Regional Development, WA; Unemployment – Small Area Labour Market data from Department of Employment and Workplace Relations; Building – ABS Building Approvals; Apprenticeship Commencements – Department of Education and Training, WA; New Business Registrations – Department of Consumer and Employment Protection; Mining – Department of Industry and Resources, WA; Tourism – Peel Tourism Fact Sheet 2004, Tourism Western Australia; Timber – Forest Products Commission, WA; Agriculture – Department of Local Government and Regional Development, WA; Fishing – Department of Local Government and Regional Development, WA, and Department of Fisheries, WA.

OUR STRATEGIC PLAN

OUR VISION

A prosperous and healthy Peel Region.

OUR MISSION

Lead and encourage economic growth and strong communities within a healthy environment.

OUR COMMITMENT

At Peel Development Commission we are committed to excellence. We demonstrate our values in all interactions with our communities, stakeholders, partners and co-workers:

Accountability:

We are accountable—individually and as a team—for our actions, behaviour and outcomes. We are honest, transparent and ethical in all our interactions.

Professionalism:

Our work is founded on evidence-based approaches. We continually strive to improve our skills and knowledge and to apply them to the development of our Region. We are proactive and responsive and we deliver on our commitments.

Partnership:

We respect and value our existing partnerships and are committed to further strengthening and developing partnerships that support the sustainable development of the Peel Region.

Sustainability:

Our work is focused on meeting the needs of current and future generations through the integration of environmental protection, social advancement and economic prosperity.

Innovation:

We value the past while building the future. We actively seek new and better approaches to regional development and seek opportunities to share ideas and approaches.

Equity:

We value the diversity of the Region's people and actively seek the input of those affected by our work or our decisions. We actively pursue opportunities to improve the lives of disadvantaged people and sections of the community, while focusing on the strategic long-term development of the Region.

Efficiency:

We apply our resources wisely. Our efforts are directed to those strategies that will contribute strongly to a better long-term future for the whole Region.

Reliability:

Our advice to all spheres of Government and others is well-considered, timely and reliable.

Outcome 1) Planning in Partnership for a Sustainable Future



Our Outcomes

Peel Development Commission's structure and strategic plan have been revised. Our priorities and objectives are aligned with the State Government's Strategic Planning Framework: *Better Planning Better Services*. Our focus is primarily on Goal 4 of that framework: "To ensure that Regional Western Australia is strong and vibrant." Our priorities and objectives were framed through the following seven outcomes:

- Outcome 2) Improved Regional Infrastructure
- Outcome 3) Increased Diversification in the Regional Economy, and Enhanced Regional Investment
- Outcome 4) A Skilled Region
- Outcome 5) Equitable Access to Community Infrastructure
- Outcome 6) Conservation and Restoration of the Region's Natural and Built Heritage
- Outcome 7) Government Decision-Making is Based on a Thorough Understanding of Peel's Regional Issues.

OUR ACHIEVEMENTS IN 2004-05

For 2004-05, the Commission's achievements are reported against our Strategic Plan, and the seven outcome areas that framed the Commission's priorities and objectives.

(Outcome 1) Planning in Partnership for a Sustainable Future

Peel 2020 Sustainability Strategy

In 2004-05 the Commission, with key industry, government and community leaders, led the next step of the Peel 2020 project that will develop a long-range vision for the Region and a shorter-term action plan to achieve that vision. The Peel 2020 Partnership Group was established with representation from economic, social and environmental peak bodies, industry and government in the Region. The project has completed the first of its four stages with a "Where are we now?" snapshot of the Region. In 2005-06 the next three stages of the project, framed by the questions "Where are we going?", "Where do we want to be?", and "How do we get there?" will be finalised.

Pinjarra-Brunswick Sustainability Strategy

In 2004-05 the Commission participated on the Steering Committee which developed the Pinjarra-Brunswick Sustainability Strategy (PBSS). The PBSS was initiated to provide an integrated response to shared issues experienced by communities between Pinjarra and Brunswick Junction, adjacent to the South Western Highway, including those near the Pinjarra and Wagerup alumina refineries. The strategy focuses on government agencies working in partnership with the community and the private sector to address commonly identified environmental, social and economic sustainability challenges. The draft strategy was released for a public comment period, which closed at the end of June 2005.

(Outcome 2) Improved Regional Infrastructure

Industrial Land Development

Peel Development Commission continued to address the limited availability of industrial land for light and general industry in partnership with LandCorp, the Department for Planning and Infrastructure and the local governments in the Region. In 2004 the Commission engaged independent consultants to prepare a report defining current and future demand for industrial land. The report detailed that available industrial land will be exhausted around Mandurah by 2008 and by 2010 in the rest of the Region. Three simultaneous priorities are being progressed: the expansion of the Pinjarra Light Industrial Estate; the development of the 1,300 ha Nambelup Estate, also located within the Shire of Murray; and the development of a longer-term Regional strategic plan for industrial land.

“IN 2004 THE COMMISSION ENGAGED INDEPENDENT CONSULTANTS TO PREPARE A REPORT DEFINING CURRENT AND FUTURE DEMAND FOR INDUSTRIAL LAND.”

The Commission coordinated an Expressions of Interest process to identify potential purchasers of land at the Pinjarra site. LandCorp has completed an Outline Development Plan and is working on a proposed subdivision there. Funding is required to cover the shortfall between development costs and the likely return from sale of land, and actions are underway in relation to reducing this shortfall.

A consultant was engaged to develop a *Drainage Nutrient and Wetland Management Plan* for the Nambeelup Industrial Estate. This project is being jointly funded by the Peel Development Commission (through a Regional Development Scheme grant of \$50,000), the Western Australian Planning Commission, LandCorp, the City of Mandurah and the Shire of Murray. Funding of \$200,000 was provided by the State Government to expedite industrial land development in Waroona.

New Perth Bunbury Highway

In 2004-05 the Commission continued to take a leadership role, in partnership with State and Local Government agencies and the private sector, to support the construction of the Peel Deviation and the extension of the Kwinana Freeway. State and Federal Government funding has been committed and construction is planned to commence in 2007. The Peel Deviation Stakeholder Group, convened by the Chair of Peel Development Commission, continues to work closely with Ministerial offices and the Department for Planning and Infrastructure to monitor progress, assist with the community consultation process and encourage local content through all stages of construction.

Peel Broadband Aggregation Project

In 2004-05, the Peel Region was one of 13 regional areas in Australia, and one of three in Western Australia, that successfully applied for funding (of \$300,000 over 18 months)

under the Federal Government's Broadband Demand Aggregation project. The Commission, with each of the Region's five local governments within the Peel Economic Development Unit (PEDU) partnership, is represented on the project Management Committee. The project engages a full-time Broadband Aggregation Broker to ensure more equitable coverage and uptake of broadband telecommunication services to less populous and/or remote population centres in the Peel Region.

Of the 'target towns' identified by the project, Byford, Dwellingup, Pinjarra, North Yunderup and South Yunderup now have access to asymmetric digital subscriber line (ADSL) services. Efforts are currently underway to increase the expressions of ADSL subscriber interest in Mundijong, Jarrahdale and Boddington. Other population centres that will gain attention in 2005-06 include Serpentine, North Dandalup, Lake Clifton and Preston Beach. The provision of 'wireless' broadband

OUR ACHIEVEMENTS IN 2004-05



services will also be considered for promotion in centres where ADSL is not viable or not available.

Mandurah Central Business District Revitalisation Strategy

The Commission continues to take a leadership role, with the City of Mandurah and State Government agencies, in progressing the *Draft Mandurah Central Business District Revitalisation Strategy*. State Government funding of \$3.2 million over ten years was committed in 2004-05. The Commission worked with the City of Mandurah, Department for Planning and Infrastructure and LandCorp to develop and implement a public consultation process on the draft Strategy and to receive submissions. The Commission has worked with the City of Mandurah to address issues raised from the consultation process and will seek to finalise the Strategy in 2005-06.

Peel Region Tourist Railway

In partnership with the Rail Heritage Foundation of WA, Shire of Murray and Shire of Boddington, the Peel Development Commission continued to manage the development of the Peel Region Tourist Railway. The Commission has led a process, with partners, to re-scope the project in response to changes in the environment, including cost escalation resulting from the construction boom.

Outcomes achieved during 2004-05 included repainting the Hotham Valley Tourist Railway's rolling stock as well as undertaking building maintenance and small construction projects within the Pinjarra rail precinct. Bridge repairs were also completed. Land has been secured to join the existing rail corridor to the townsite to leverage and promote greater tourist activity within Boddington.

Boddington Open Range Zoo

In April 2005, the Commission, in partnership with a range of stakeholders including the Shire of Boddington, the Perth Zoo, Department of Conservation and Land Management (CALM), Department of Treasury and Finance, Peel Area Consultative Committee, Tourism WA and industry, completed the feasibility study on the proposed Boddington Open Range Zoo. The study identified costs associated with the development and operation of the zoo, along with key challenges facing the proposal, including the availability of potable water at the proposed site. The Commission, with stakeholders, will assess the issues raised in the report and provide recommendations to Government on possible future directions during 2005-06.

(Outcome 3) Increased Diversification in the Regional Economy, and Enhanced Regional Investment

Peel Economic Development Unit (PEDU) Business Development Manager

Through its PEDU partnership incorporating the Region's local governments, Peel Business Enterprise Centre (BEC) and the Mandurah Peel Region Chamber of Commerce, the Commission continues to contribute to the employment of a dedicated Business Development Manager. This support has been provided via funding including a Regional Development Scheme grant of \$25,000 to PEDU.

Notable achievements of this project in 2004-05 include the facilitation of a \$30 million investment by a major regional publisher, as well as construction of a facility by a packager of medical supplies for the domestic Australian market and for export, generating some 50 jobs in total. The Business Development Manager was also

successful in assisting 25 local and regional small businesses access supply partnerships with the Region's large businesses, such as Alcoa World Alumina Australia (Alcoa) or their medium-sized, non-Peel-based subcontractors, in outsourced work valued at approximately \$15 million.

Peel Marketing Alliance

In 2004 the Commission worked closely with the Region's local government, small business and tourism stakeholders to formally incorporate the Peel Marketing Alliance (PMA). The PMA aims to effectively and strategically promote the Peel Region as the natural choice of location in which to invest, visit and live. The Commission contributed \$50,000 towards the PMA in 2004-05, including towards the employment of a Peel Marketing Manager and office space from which the project is based.

Successful initiatives from the project to date include a 40-week press advertising campaign in *The West Australian* newspaper,

the publication of a *Peel Shopper's Guide*, promotions at WA's Expo—'WA On Show'—and the Mandurah-hosted Regional Economies Conference. The PMA has also coordinated the Peel Region's involvement in the WA Tourism Commission's Experience Perth promotion. Through the Regional Development Scheme, the Commission also provided an additional \$10,000 to the PMA towards a *Peel Visitor Satisfaction Survey*.

Horticulture Industry

The Commission, Department of Agriculture, Harvey Water and the Shire of Waroona jointly funded a study into the expansion of horticultural opportunities in the Peel Region. The report was finalised in October 2004 and an information brochure was produced in December 2004. The report and brochure provided base data for sole investors, joint ventures and entrepreneurs to make sound business decisions on horticultural initiatives in the Peel Region. The report is now being used as the

OUR ACHIEVEMENTS IN 2004-05

foundation for development of the horticulture industry in the Region by the Commission and other key partners.

Peel Business Retention and Expansion Program

In August 2004 the Peel Development Commission facilitated Waroona Community Marketing Inc. and the Shire of Waroona to undertake the Waroona Business Retention and Expansion (BR&E) Program.

Incorporating a well-tested process of 'bottom-up' planning, action, analysis and review, a draft report was prepared that included capacity building for Waroona's (small) business community to more effectively promote its goods and services. Key infrastructure and design enhancements for the Waroona town centre also formed part of the BR&E recommendations. A local coordinating group will be established to deliver the *Waroona BR&E Program Action Plan*.

Fabricators – Peel and the South West

The Commission has partnered with the South West Development Commission and Alcoa to develop a Fabricators' Cluster Group in the Region. This will provide companies with the opportunity to gain access to planned major construction projects over the next four years, both in the Peel and South West Regions. Two forums of fabricators from these Regions were facilitated jointly by the Peel and South West Development Commissions. The first forum, in 2004, developed an action plan that focused on promoting the industry, assisting businesses to attract employees, upgrading employee skills and forming collaborations to bid for contracts. The second forum, in 2005, focused on developing a Fabricators' Cluster Group.

Timber Millers in the Peel Region

The Commission convened a meeting of stakeholders, in May 2005, to develop a strategy to provide the Region's small millers with access to timber being cleared from private property during necessary activities in the Region, such as land and infrastructure development or mining. An action plan was developed at this meeting and is currently being implemented. Review of these actions will occur in November 2005.

Indigenous Enterprise Development

The development of Indigenous enterprise is a priority for the Commission through its employment of a full-time Indigenous Economic Development Officer in partnership with the Department of Industry and Resources' Office of Aboriginal Economic Development. During 2004-05 this activity focused on the development of Indigenous artists. Five artists now have their products displayed at galleries in the State. Three of these artists have registered their



own businesses. Through this program, the Commission also assisted an artist to hold exhibitions in Tuscany and Milan, Italy.

Harvest Highway

The Peel Development Commission continued its participation in the Harvest Highway project which seeks to attract visitors inland from Armadale through to Walpole in the South West. The project aims to coordinate the marketing of products and events that will add value to the Region's primary produce and encourage farmers to consider developing farm gate sales. In 2004-05 the State Government provided \$50,000 towards Harvest Highway to implement new marketing initiatives.

(Outcome 4) A Skilled Region

Regional Skills Shortage Forum

The Commission hosted a vocational skills shortages forum in June 2005, recognising that current and projected shortages in the Region were impacting on general economic

development as well as on major projects proposed for the Region. The two key strategies agreed to at the forum were the development of an *Integrated Regional Workforce Strategy*, and advocacy for structural reform with Federal and State governments in relation to apprenticeships and training. Participants at the forum, comprising senior executives in industry, government and the training sector, also began to scope an action plan that will seek to expand the provision of key vocational skills training that is targeted at the locally available workforce. The implementation of this action plan will be a collaborative initiative coordinated by the Peel Development Commission during 2005-06.

Forest Heritage Centre

The Peel Development Commission supported the expansion of the Forest Heritage Centre (FHC) in Dwellingup through a grant from the Regional Development Scheme, totalling \$20,000, for

its incubator business plan. In-kind assistance was also provided in sourcing new funding from Federal and State Governments. In 2004-05, the Commission successfully assisted the FHC to gain \$1 million from the Federal Government towards the development of a wood product business incubator. The FHC was also successful in gaining an additional \$1.25 million from the Western Australian Government towards the upgrading of its forest interpretation, community and education facilities, and fine wood gallery.

Building Industry Skills

In 2004-05 the Commission continued to facilitate an industry-based committee to examine ways to increase employment pathways into the building and construction industry for people living in the Peel Region. Through linking Industry with local employment companies this initiative has resulted in the placement of unemployed or under-employed Peel residents into labouring

OUR ACHIEVEMENTS IN 2004-05



vacancies. A building and construction industry expo was held at Peel Education and Training Campus, providing young people, their teachers and parents with information about the benefits of a building and construction trade from industry leaders.

Another outcome of the Commission's Building Industry Skills Initiative was a partnership with industry to develop a 'Wet Trades' training facility in the Region. Cash and in-kind contributions of over \$120,000 were received from industry, with Challenger TAFE contributing 'delivery hours' valued at \$75,600. The initiative directly supported a 'VET for Schools' Certificate One in Construction program, comprising carpentry and joinery, bricklaying, and wall and ceiling fixing, as well as a pre-apprenticeship course in wall and ceiling fixing. This partnership has led to a 164 per cent increase in the number of indentured apprentices from 25 in Semester One 2004 to 66 in Semester One 2005.

Murdoch University Westscheme and Peel Campus Expansion

In 2004-05, the Commission continued to support the establishment of a Murdoch University Campus in the Peel Region. Co-located with Challenger TAFE and the Mandurah Senior College, top priority was given to the allocation of additional fully funded places and further capital funding for essential infrastructure. Murdoch University opened its new Mandurah Campus in early 2005 with 176 enrolled students.

With \$25,000 provided through the Regional Development Scheme, the Commission also supported the engagement of a Peel Regional Project Coordinator for the Murdoch Westscheme Enterprise Partnership. The Westscheme Enterprise Partnership is a \$10 million early stage fund (in collaboration with a leading superannuation institution) to tap into innovative research conducted at Murdoch University or similar research institutions, or

by local entrepreneurs, to intelligently transform innovations into commercially valuable products and services.

Southern Leadership Forum

In 2004-05 the Peel Development Commission contributed to the capacity building of leaders in the Region through the Southern Region Leadership Group. Partnering with the Great Southern and South West Development Commissions and the Department of Local Government and Regional Development, this initiative culminated in a very successful forum in Bunbury in June 2005 involving 120 participants. The inspirational address by His Excellency the Governor of Western Australia lauded flexible and respectful forms of leadership as a means of meeting the continual challenges of our changing world. The forum also featured a large skill development component for participants.

Business Migration Attraction

The Peel Development Commission is gazetted by the Department of Immigration and Multicultural and Indigenous Affairs to act as a Certifying Body to assist with skilled migration to the Peel Region. In 2004-05 the Commission participated in two Migration Expos in London and York (United Kingdom), in partnership with Alcoa, the South West Development Commission and the Great Southern Development Commission. In 2004-05 the Commission provided certifying services to more than 20 skilled migration visa applications from a field of over 100 enquiries from prospective migrants.

Fairbridge Music Program

In 2004 the Commission supported the Fairbridge Music Program in the preparation of a successful submission for State Government funds of \$163,000. The Program was launched on 13 April 2005 and focuses on the training and employment of young people in the music industry. The Fairbridge Music Program provides young

musicians with access to live original music and alternative school programs. It is anticipated the program will be self-funding with the expiration of the current three-year contract.

(Outcome 5) Equitable Access to Community Infrastructure

Boddington Old School

In 2004-05 the Commission assisted the Shire of Boddington in undertaking an evaluation of a 20-month trial which saw the management of the Boddington Old School facility handed over to a registered non-profit organisation, the Boddington Old School Inc. (BOS Inc.). The initiative began in early 2002 when the Commission assisted with the establishment of the BOS Inc. In 2004-05, an additional grant of \$10,000 was provided to the BOS Inc. from Regional Development Scheme to assist with the development of a rural transactions centre, as well as \$15,000 to fund a Youth Centre Coordinator within the facility.

The evaluation of the trial included a number of recommendations and affirmed the success of the initiative in providing this significant community infrastructure, ranging from the provision of outreach course delivery by Challenger TAFE to the establishment of a Youth Centre. The project's success has also resulted in the Shire extending its lease agreement with BOS Inc. for the management of the facility for another five years.

Positive Ageing Study

In 2004-05 the Commission, in partnership with Local Government Authorities and private sector developers, supported and funded a study on positive ageing, being managed by the Peel Community Development Group (PCDG). This support took the form of a \$27,000 grant from the Regional Development Scheme, as well as participation on the project Steering Committee. This year-long consultative research project will conclude at the end of 2005 with the publication of a report that will focus on economic, social and

OUR ACHIEVEMENTS IN 2004-05

environmental sustainability opportunities created by the Peel Region's unique demographic profile of retirees, semi-retirees and seniors.

Non-Government Sector Accommodation Project

Through its Peel Community Development Group (PCDG) partnership, the Commission supported a study of the accommodation needs of the non-government sector within the Peel Region. A Regional Development Scheme grant of \$20,000 was provided to PCDG to manage this project. To date, the working party is pursuing the proposal of a new shared facility within Central Mandurah and is considering a range of short-term accommodation options required by non-government, community-based service providers.

ATSI Health Needs Analysis

In 2004-05 the Commission oversaw implementation of the recommendations of an Aboriginal and Torres Straits Islander (ATSI) Health Needs Analysis project funded by the WA Department of Health. This project was managed by PCDG, which established a community-based steering group that prioritised key outcomes encompassing the development of cross-cultural training programs, and other forms of assistance, to increase ATSI access to health services provided in the Peel Region.

Capacity Building to Address Drug and Alcohol Abuse

Through a \$12,460 Regional Development Scheme grant, the Commission supported PCDG in its year-long capacity-building project to provide opportunities for a range of related agencies to share information addressing problems of drug and alcohol abuse in the Peel Region. This initiative encompassed the gathering of relevant information through an agency survey,

which will enable the completion of a *Peel Drug and Alcohol Survey* in 2005-06.

(Outcome 6) Conservation and Restoration of the Region's Natural and Built Heritage

Jarrahdale Heritage Park

The Commission continues to support the Serpentine Jarrahdale Shire to redevelop the Jarrahdale Heritage Park as a tourism and heritage icon. The Heritage Park will celebrate the town's timber milling past and bring Jarrahdale's history to life through a number of interpretative information features, displays, walking trails and working facilities.

In 2004-05 the Park's conservation and management plans were completed and the Commission worked closely with the Shire to progress the detailed planning of additional aspects of the project. This component of the project was facilitated through a \$25,000 grant from the Regional Development Scheme.

Town of Hamel

The State Government provided \$100,000 towards community infrastructure in Hamel as identified through the *Hamel Eco-Historic Precinct Conservation Plan* and community consultation. Outcomes that will be finalised from this initiative include an upgrade of the children's playground and construction of new public toilets to complement the work already done within the community.

Pinjarra Courthouse

In 2004 a study of the accommodation needs of the non-government sector identified the Pinjarra Courthouse, a registered heritage site, as a potential location for the provision of community services and outreach programs. In 2004-05 the State Government, through the Peel Development Commission, provided \$200,000 in funding to the National Trust of WA to enable conservation works to be undertaken and refurbishment of the courthouse to accommodate the delivery of community development services across the Peel Region.

Peel Waterways Institute

In August 2002 the Waters and Rivers Commission released the *Economic Development and Recreation Management Plan (EDRMP) for the Peel Waterways*. The Peel Development Commission is the lead agency to progress the establishment of a Peel Waterways Institute, a key recommendation under the EDRMP. During 2004-05 the Commission developed the scope of work and identified funding for a feasibility study and business plan for the Peel Waterways Institute, expected to be finalised during 2005-06.

Water Sensitive Design Framework

The Commission continued to work in partnership with the Peel-Harvey Catchment Council (PHCC) and the Department of Environment to progress the State and Federally-funded Coastal Catchments Initiative which targets nutrient reduction research and preparation of a Water Quality Improvement Plan (WQIP) for the Peel-Harvey Catchment. In 2004-05 the

Commission completed its *Water Sensitive Design Framework and Technical Guidelines* component of this initiative.

The framework establishes water sensitive design (WSD) principles, performance standards and land-use planning prescriptions to ensure phosphorus export rates from new developments and subdivisions are minimised and maintained to meet water quality targets recommended under the WQIP. The WSD Framework has been endorsed by the Environmental Planning Authority and the Department for Planning and Infrastructure and is being adopted by participating local government authorities within the Peel-Harvey Catchment.

OUR ACHIEVEMENTS IN 2004-05

Bindjareb Noongars Research and Interpretation

In 2004-05, the conservation and restoration of the Peel Region's Indigenous cultural heritage was supported through \$15,000 from the Regional Development Scheme, for the collection and collation of historical information and other material on the Bindjareb Noongars for the period 1829-1900. This initiative will promote the Region's cultural history for local residents, tourists and the Noongar people.

(Outcome 7) Government Decision-Making is based on a Thorough Understanding of Peel Region's Issues

Indigenous Engagement and Consultation

The Peel Development Commission is committed to supporting new and innovative means by which communities in the Peel engage and consult with Indigenous people. In 2004-05, through the Indigenous Economic Development Officer, the Commission assisted in the exploration of

Community Action Groups in partnership with the Department of Indigenous Affairs. Community Action Groups represent Indigenous people in the local community and provide an opportunity for a united Noongar voice to shape decision-making processes that affect Indigenous communities.

Regional Development Scheme

The Peel Development Commission manages the Peel Regional Development Scheme (RDS). 2004-05 was the final year of the State Government's first four-year \$75 million Regional Investment Fund commitment, of which RDS was a component. The State Government announced a further four-year commitment in 2005, increasing the total funding to \$80 million.

In 2004-05 the Commission received 54 submissions with project value totalling over \$9.8 million seeking funding totalling \$1.2 million. Twenty-nine of these applications were successful, with nine contributing to employment creation (totalling \$202,000),

eight towards initiatives resulting in long-term positive communities (\$147,237), six in support of education and training (\$51,063), two relating to infrastructure (\$29,700) and two caring for the environment (\$19,000). Details of each successful grant provided under RDS are as follows:



Regional Development Scheme Projects for 2004-05	Applicant	Amount Funded
Formulation of Drainage & Development Plan for Nambeelup Industrial Estate	Western Australian Planning Commission	\$50,000
MWEP Peel Regional Office	Murdoch Westscheme Enterprise Partnership	\$25,000
Waroona Community Marketing Co-ordinator's Position	Waroona Community Marketing Inc.	\$25,000
Allambee Youth Counselling Service	Allambee Counselling Service	\$30,000
Jarrahdale Heritage Park Infrastructure Implementation	Serpentine Jarrahdale Shire	\$25,000
Peel Regional Business Development Manager	Peel Economic Development Unit	\$25,000
Positive Ageing in the Peel Region	Peel Community Development Group	\$27,000
Preston Beach Carpark & Recreation Area Redevelopment	Shire of Waroona	\$15,000
Early intervention programme addressing social skills in young children	Geographe Community Centre	\$9,300
The Dwellingup Way: Parts 2 and 3	Dwellingup Community Compact	\$9,700
Oakford Rural Business Precinct Strategy, Farm Gate to Peel Region	Oakford Oldbury Community Association	\$7,000
Weekend accommodation respite	Mandurah Home and Community Care	\$8,477
Community High School Business Plan	Serpentine Jarrahdale Grammar School Incorporated	\$6,063
Peel Visitor Satisfaction Survey	Peel Marketing Alliance Inc.	\$10,000

OUR ACHIEVEMENTS IN 2004-05

Regional Development Scheme Projects for 2004-05	Applicant	Amount Funded
Sustainable Display Home - Community Education Strategy	City of Mandurah	\$10,000
Youth Centre Coordinator	Shire of Boddington	\$15,000
Mandurah & Peel Outreach Financial Counselling and Advocacy Service	Uniting Church in Australia	\$10,000
Bindjareb Noongars Research and Interpretation	Waugal Aboriginal Corporation	\$15,000
Progression of Non-Government Accommodation Initiative	Peel Community Development Group	\$20,000
Mandurah Short Film Festival, Schools Film Contest, Film Courses	Mandurah Short Film Association	\$5,000
Development of a Fine Wood & Arts Manufacturing Business Incubator Business Plan	Forest Heritage Centre	\$20,000
Youth Maritime Programme	Mandurah Offshore Fishing & Sailing Club	\$7,500
Pulse Dance Group – skills and organisational development	City of Mandurah	\$7,500
Drug & Alcohol Abuse: Targeted Prevention & Harm Reduction in the Peel	Peel Community Development Group	\$12,460
Boddington Old School Rural Transaction Centre	Boddington Old School Inc.	\$10,000
Peel Regional Heritage Advisory Service	Heritage Council of W.A.	\$15,000
Development of Peel-Harvey Catchment Council Web Site	Peel-Harvey Catchment Council	\$ 9,000
Waroona Agricultural Society Marquees	Waroona Agricultural Society	\$ 5,000
Seniors Helping Seniors	SOS Supporting our Seniors & Disabled Inc.	\$15,000

REPORT ON OPERATIONS

The Peel Development Commission was established by the State Government on 1 January 1993 under the *Regional Development Commissions Act 1993*. The Commission is one of nine regional development commissions each governed by the same legislation. The role of the Commission is the development of Peel Region.

Objects and Powers

Under the *Regional Development Commissions Act 1993*, the objects of the Commission are to:

- Maximise job creation and improve career opportunities in the Region;
- Develop and broaden the economic base of the Region;
- Identify infrastructure services to promote economic and social development in the Region;
- Provide information and advice to promote business development throughout the Region;
- Seek to ensure that the general standard of government services and access to those services in the Region is comparable to that which applies in the metropolitan area; and
- Generally take steps to encourage, promote, facilitate and monitor the economic development of the Region.

For the purposes of achieving those objects, the Commission is to:

- Promote the Region;
- Facilitate coordination between relevant statutory bodies and State government agencies;
- Cooperate with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community throughout the Region;
- Identify the opportunities for investment in the Region and encourage that investment;

- Identify the infrastructure needs of the Region and encourage the provision of that infrastructure in the Region; and
- Cooperate with departments of the Public Service of the State and the Commonwealth and other agencies, instrumentalities and statutory bodies of the State and the Commonwealth and local government authorities, in order to promote equitable delivery of services throughout the Region.

Compliance with Written Laws

In the performance of its functions, the Peel Development Commission complies with the following statutes:

- *Financial Administration and Audit Act 1985*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *Equal Opportunity Act 1984*
- *Occupational Safety and Health Act 1984*

REPORT ON OPERATIONS



- *Workplace Agreements Act* 1993
- *Minimum Conditions of Employment Act* 1993
- *Industrial Relations Act* 1979
- *Library Board of Western Australia Act* 1951
- *Disability Services Commission Act* 1993

In its financial administration the Peel Development Commission has complied with the requirements of the *Financial Administration and Audit Act* (1985) and every other relevant written law, and exercised controls that provide reasonable assurance that the receipt and expenditure of monies, the acquisition and disposal of public property and the incurring of liabilities have been in accordance with the legislative provisions.

In accordance with subsection 31(1) of the *Public Sector Management Act* (1994), the Peel Development Commission has, in its administration, complied with public sector standards in human-resource management,

the code of ethics and its code of conduct, and has put in place procedures designed to ensure such compliance and conducted appropriate internal checks to satisfy itself that it has complied.

No applications have been lodged which have caused the Commission to review the standards or any matter pertaining to them. At 30 June 2005 the Commission is unaware of any circumstances that would render the particulars included in this document misleading or inaccurate.

Responsible Minister

The Peel Development Commission is responsible to the Hon. Mark McGowan MLA, Minister for Tourism; Racing and Gaming; Youth; Peel and the South-West.

The Minister responsible for the Peel Development Commission has the power to direct the Commission, either generally or with respect to a particular matter, on the exercise and performance of its powers, functions and duties under the Act.

The Commission's Board

The Peel Development Commission Board of Management was established on 8 April 1994 as the Accountable Authority for the organisation. The Board comprises the CEO and others not exceeding nine in number including the Chairman and Deputy Chairman. The Minister has authority to appoint Board members, three of whom are appointed as community representatives, another three are nominated by Local Government and one third appointed at the Minister's discretion.

Membership Type	Board Member	Office	Term of Appointment
Community	Mr John Collett	Chairman	October 2005
Ministerial	Ms Jan Star	Deputy Chair	October 2005
Local Government	Cr Elizabeth Hoek		October 2005
Community	Ms Christine Germain		October 2006
Ministerial	Mr Colin Lane		October 2006
Local Government	Cr Paul Fitzpatrick		October 2006
Community	Mr David Waddell		October 2007
Ministerial	Professor Kateryna Longley		October 2007
Local Government	Cr John Price		October 2007
CEO	Ms Maree De Lacey		

John Collett

John Collett has been a resident of Mandurah for 28 years. He comes from a background in community relations and corporate communications and brings considerable business knowledge to the Commission. John is a member of a number of community boards and committees. He represents the Commission on the Murdoch

University Peel Campus Steering Committee, the Central Mandurah Redevelopment Taskforce and the Peel 2020 Partnership. John is currently the Chairman of the Peel Development Commission Board.

Jan Star

Jan Star is heavily committed to Regional development in the Peel. A longstanding Councillor and former President of the



Peel Development Commission Board members Back L to R: Colin Lane, Paul Fitzpatrick, Maree De Lacey, John Collett, John Price, David Waddell. Front L to R: Jan Star, Kateryna Longley, Christine Germain, Elizabeth Hoek

Serpentine Jarrahdale Shire, Jan has served on a number of critical committees in the Region and the State. As part of a strong interest and background in natural resource management planning, policies and actions, Jan is Chair of the Peel-Harvey Catchment Council Inc. and is currently Deputy Chair of the Commission.

REPORT ON OPERATIONS

Elizabeth Hoek

Elizabeth Hoek has been a Councillor with the Shire of Boddington since 1998. She has been heavily involved in the community of Boddington and has been a member of various Regional committees. Elizabeth is also a self-employed retail proprietor in Boddington.

Christine Germain

Christine Germain is a long-time resident and Councillor (13 years) of the Shire of Waroona and is currently Deputy President. She has been actively involved in many community groups, including St John Ambulance, Guides Australia, Waroona Tourist and Information Centre, Waroona Recreation and Aquatic Centre Advisory Committee, Waroona Elderly Citizens, Peel Trails Group and Murray District Hospital Working Group.

Colin Lane

Colin Lane is a long-time resident of the Peel Region and has diverse business interests. He is the owner and manager of Lane Ford Mandurah and also has agricultural

landholdings in the Region. Colin is involved in many community boards and committees and has a strong interest in the sustainable economic development of the Peel Region.

Paul Fitzpatrick

Paul Fitzpatrick is a descendant of a pioneering family in the Shire of Waroona. His experience is in business development and marketing and stems from areas in education, employment and industrial relations, to co-founding an international technology company developing and marketing 'Smart Homes' and 'Smart Farms' in Australia and overseas. Paul is an olive grower in Waroona and is a member of the Peel Olive Association. He has been a Councillor with the Shire of Waroona since 2001, serving as Shire President from May 2003 to April 2005. Paul also chairs Peel Economic Development Unit.

David Waddell

David Waddell has been a resident of Mandurah for 5 years with a background in senior corporate, education and business

development. Since moving to Mandurah, David has become actively involved in a range of organisations with a whole-of-community focus. These activities are; Chair of Halls Head Community Branch of the Bendigo Bank, member of the City of Mandurah Business Round Table Group and member of the Peel Health Campus Community Advisory Committee. David has served on various subcommittees and has been able to bring both a community and business development focus. David has also chaired and facilitated a number of conferences, seminars and workshops, all related to significant aspects of the Peel Region. David also chairs the Peel 2020 Partnership.

Kateryna Longley

Kateryna Longley is Pro Vice Chancellor for Regional Development at Murdoch University, incorporating the development of Murdoch's regional campuses at Rockingham and Mandurah. She is also a Professor of English and Comparative Literature.

Professor Longley has served on many committees and boards – local, national and international. Her local and regional involvement also includes the Peel Area Consultative Committee, the Mandurah Arts and Cultural Advisory Committee and the Kwinana Industries and Education Partnership. In 2001 she was the Western Australian winner of the Telstra Business Woman of the Year award and has received an Australian Centenary medal for her contribution to business.

John Price

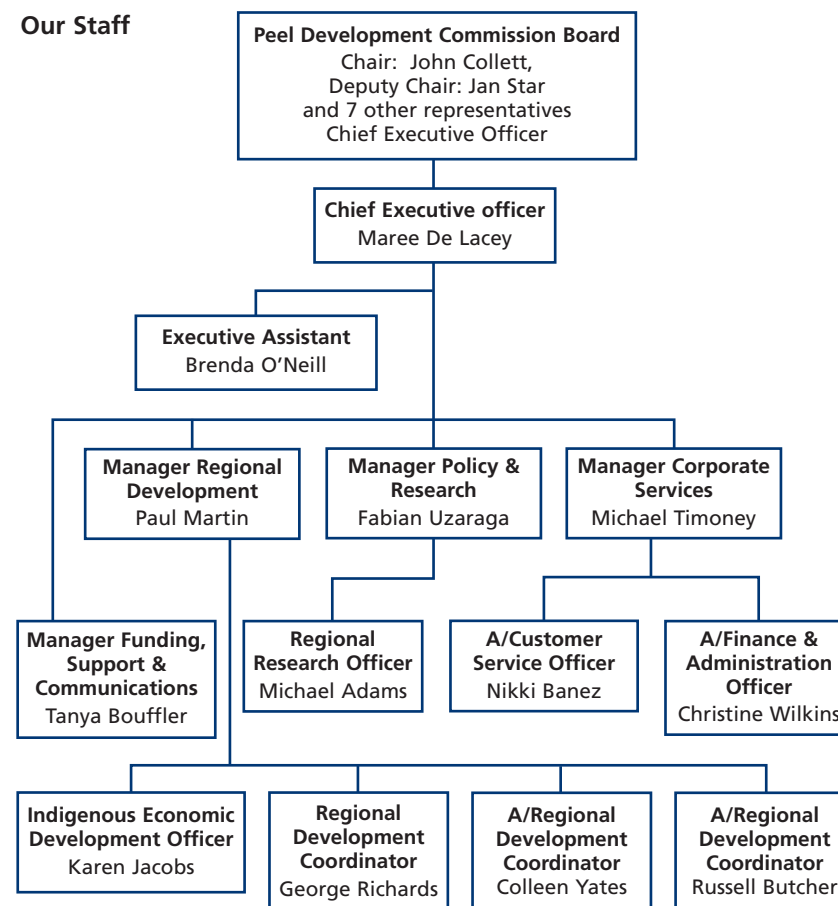
John Price is a former broadcaster with many years experience in liaising with people at all levels of government, industry, public relations and advertising in Perth and the Peel Region. John is a member of the Peel Marketing Alliance and Peel Trails Group. In the Serpentine Jarrahdale Shire, John has been involved in partnerships with community members and local government to develop projects with a 'sense of place' that focus on creating awareness of the

value of heritage, cultural activities and tourism in relation to the economy of the Region. One of his volunteer roles is as a walks guide in the forest near Jarrahdale.

Maree De Lacey

Maree De Lacey has had extensive experience at practitioner, senior and executive levels with non Government, Commonwealth and State Government sectors. She has over twenty years' experience in developing regional infrastructure and services through partnerships with government, business and the community.

Our Staff



REPORT ON OPERATIONS

Corporate Services**Compliance with Public Sector Standards and Ethical Codes**

The Commission's *Human Resources Policies and Procedures Manual* has been developed to incorporate the Public Sector Human Resource Standards, policies and procedures, as well as internal policies relating to the Workplace Agreement, Code of Conduct, Equal Employment Opportunity and employee benefits, services and regulations. The Chief Executive Officer remains responsible for compliance with Public Sector standards and ethical codes.

External parties are used to ensure compliance with Public Sector standards where staff movements are concerned. The standards relating to transfer, secondment, termination, redeployment and discipline are rarely invoked. Performance management is conducted in accordance with the Commission's guidelines.

The Commission continues to promote a working environment free from harassment and discrimination. Professional development to assist staff in responding to inappropriate behaviour and a grievance resolution procedure are in place. These policies and procedures are part of the induction process.

Compliance with Public Sector Management Act Section 31 (1)

In the administration of the Peel Development Commission I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and the Code of Conduct. The applications made for breach of standards review and the corresponding outcomes for the reporting period are as follows:

Number lodged:	Nil
Number of breaches found, including Multiple breaches per application	Nil
Number still under review	Nil


Maree De Lacey
Chief Executive Officer
10 August 2005

Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, no Board members or senior officers, or firms of which members or senior officers are members, or entities in which members or senior officers have substantial interests had any interests in existing or proposed contracts with the Commission and members or with senior officers.

Evaluations

The Commission's structure and strategic plan has been reviewed, and the organisation's goals are aligned with the State Government's strategic planning framework: *"Better Planning: Better Services"*. The Commission's focus is primarily on meeting the strategic outcomes of Goal 4 of the strategic planning framework: "To ensure that regional Western Australia is strong and vibrant." Those outcomes are consistent with the Commission's *Strategic Plan* against which our achievements for 2004-05 are reported in this document.

Information Statement

The Commission maintains a range of documents relating to its business activities in both hard copy and electronic form. These documents include inward and outward correspondence, contracts, agreements, reports, administrative files, personnel records, project files, financial records,

internal manuals, statistical information, meeting minutes, promotional material, pamphlets and brochures, human resource information and asset records. The Commission also maintains and updates an Internet web site – <http://www.peel.wa.gov.au/>.

The Commission does not charge for brochures and publications. No charge is levied on requests for information or access to files, although the Commission does reserve the right to recoup costs. The Peel Development Commission adheres to all guidelines provided by the Office of the Information Commissioner with regard to requests under the *Freedom of Information Act* 1992. The contact details of the Freedom of Information Officer are as follows:

Manager Corporate Services
Peel Development Commission
(PO Box 543) 45 Mandurah Terrace
Mandurah WA 6210

The Commission received one Freedom of Information request during the year. This request is currently being dealt with.

Record Keeping Plans

As required by the *State Records Act* 2000, the Commission maintains a Record Keeping Plan (RKP) which was approved by the State Records Office. The efficiency and effectiveness of the record keeping system will be reviewed in the 2005-06 financial year. It is anticipated this review will result in some changes, and all staff will be provided with training. Training in record keeping for the Commission's Corporate Service staff is provided during induction and at other times by external providers.

Advertising and Sponsorship

In compliance with section 175ZE of the *Electoral Act* 1907, the Peel Development Commission monitors expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct

REPORT ON OPERATIONS

mail organisations and media advertising organisations. The details of the Commission's expenditure in these areas are as follows:

Expenditure with:	
Advertising Agencies	Nil
Market Research Agencies	\$5,139
Polling Agencies	Nil
Direct Mail Agencies	Nil
Media Advertising Agencies	\$18,492
Total Expenditure	\$23,631

Payments (incl. GST) totalling \$1,600 or more during the reporting year were made to each of the following:

Asset Research	\$5,139
Market Force Productions	\$7,409
WA Newspapers	\$11,083

Sustainability

In accordance with the Premier's Circular 2004/14, the Commission adopted, and is implementing, its Sustainability Action Plan 2005-2007 as the basis for its planning, reporting and decision-making in accordance with sustainability principles. This plan also includes the active promotion of sustainability principles underpinning the Region-wide Peel 2020 project.

The Commission has also established a Sustainability Focus Group, comprising key staff members, to coordinate agency operations that support sustainability. This group will continue to monitor the Commission's energy, fuel and paper use as key baseline indicators of the organisation's sustainable use of resources.

The *Sustainability Action Plan* also provides the framework for the Commission to educate, inform and support staff in regards to environmental sustainability principles and their implementation, as well as cultural

awareness and knowledge underpinning social sustainability.

Equal Employment Opportunity Outcomes

The Commission adheres to EEO policies. There is provision for EEO input on the agenda of every routine staff meeting. All supervisors are aware of their EEO responsibilities. As at the end of June 2005, women represented 54 per cent of the Peel Development Commission's staff while women represented 40 per cent of the Commission's corporate executive tier of management. As at the end of June 2005, two of the Commission's staff members were Indigenous Australians with one staff member from a culturally diverse background.

Corruption Prevention

In compliance with the *Premier's Circular 2005/02: Corruption Prevention*, the Peel Development Commission ensured all members of the Management Team were familiar with the *Notification Guidelines for Principal Officers of Public Authorities* (Third

Edition, February 2005) circulated by the Corruption and Crime Commission of Western Australia.

Commission management also communicated the Notification Guidelines to all staff in the Commission under their management responsibility regarding the requirement to notify of suspected misconduct. A corruption prevention policy was developed and communicated to all staff.

Public Interest Disclosures

The Manager Corporate Services is the appointed Public Interest Disclosure Officer. The Commission adopts the guidelines on policy and procedures published by the Public Sector Standards Commissioner. There were no disclosures made to the Commission under these guidelines during the 2004-05 reporting period.

Occupational Health, Safety and Welfare, and Workers' Compensation;

Occupational Health, Safety and Welfare policies continue to be reviewed and monitored as required by the changing needs of the Commission and its working environment. No Worker's Compensation Claims were received during the 2004-05 financial year.

Staff Profile:

	As at 30 June 2004	As at 30 June 2005
Full time permanent	10	8
Part time permanent	1	2
Full time contract	6	9
Part time contract	0	1
Total	17	21

REPORT ON OPERATIONS



Disability Service Plan Outcomes

The Peel Development Commission has revised its *Disability Services Plan* to include strategies and processes that:

- Ensure Disability Service Commission guidelines for access are addressed in new regional infrastructural and related developments where the Peel Development Commission is an initiator or partner;
- Enable all members of the public, stakeholders and staff (including those with disability) to have access to services or facilities provided by the Peel Development Commission;
- Ensure information provided by the Commission, including that provided via direct communication, written material or audio-visual information is, where possible, accessible for clients with disabilities;
- Inform all Commission staff of relevant issues when dealing with clients with disabilities; and

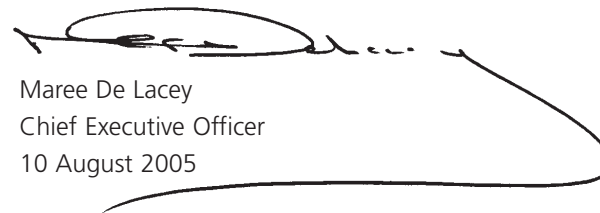
- Include active participation by Disability Services Commission staff and stakeholders in the Peel 2020 Visioning project for the Peel Region.

Cultural Diversity and Language Services Outcomes

The Peel Community Development Group (PCDG) facilitated a year-long capacity building project targeting community development workers and community groups within the Region. Jointly funded by the Commission and Lotterywest the project hosted a range of workshops and events including community visioning, governance training, community development training, legal aid workshops and cultural diversity training. Delivered through Fairbridge Western Australia Inc, the 'managing diversity' workshops focused on encouraging respect for diversity, using diversity as an asset and dealing with problems arising from diversity issues. The Commission's staff are familiar with resources available to assist with communication with Culturally and Linguistically Diverse clientele.

Youth Outcomes

In partnership with the Peel Community Development Group (PCDG) and others, the Commission has supported engagement with the young people of the Region through service delivery and capacity building. The Commission is ensuring the voices of young people are heard in the Peel 2020 Sustainability Strategy process, and has provided funding to youth services in Peel Region to support positive youth outcomes. Examples include funding to the Fairbridge Music Program and for the Youth Centre Coordinator at Boddington.



Maree De Lacey
Chief Executive Officer
10 August 2005

PERFORMANCE INDICATORS

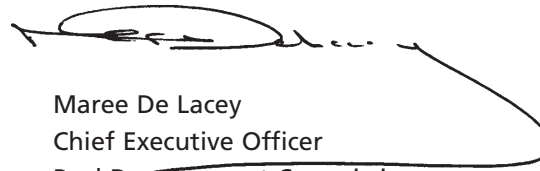
PERFORMANCE INDICATORS

Certification of Performance Indicators for the Year Ended 30 June 2005

We hereby certify that the Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Peel Development Commission's performance, and fairly represent the performance of the Peel Development Commission for the financial year ended 30 June 2005.



John Collett
Chairman
Peel Development Commission Board
10 August 2005



Maree De Lacey
Chief Executive Officer
Peel Development Commission
10 August 2005

Commission Priorities, Objectives and Areas of Focus

The Peel Development Commission's priorities and objectives were framed by the following areas of focus:

- 1) Planning in Partnership for a Sustainable Future
- 2) Improved Regional Infrastructure
- 3) Increased Diversification in the Regional Economy, and Enhanced Regional Investment
- 4) A Skilled Region
- 5) Equitable Access to Community Infrastructure
- 6) Conservation and Restoration of the Region's Natural and Built Heritage
- 7) Government Decision-Making is Based on a Thorough Understanding of Peel's Regional Issues.

PERFORMANCE INDICATORS



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**PEEL DEVELOPMENT COMMISSION
PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005**

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Peel Development Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2005.

Scope

The Commission's Role

The Commission is responsible for developing and maintaining proper records and systems for preparing performance indicators.

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

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

D D R PEARSON
AUDITOR GENERAL
4 November 2005

PERFORMANCE INDICATORS

Overall Effectiveness Indicators

The effectiveness of the Commission in achieving its outcomes is determined by undertaking an annual client/stakeholder survey. In 2004-05, the Commission engaged an independent market research consultancy to undertake its Client Survey.

The Commission provided a database of 326 individuals who had been key clients and stakeholders during 2004-05. From this list, 259 clients were randomly selected by the research consultant for the survey sample. Using the telephone as the primary means of contact, 180 surveys were successfully completed, providing a response rate of 69.5 per cent of the sample contacted. The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of key clients within an actual sampling error of +/- 4.89 per cent.

Outcome: Development and Promotion of the Peel Region	2003-04 Actual (a)	2004-05 Actual (b)	2004-05 Target (c)
Client satisfaction with contribution to the region's economic base (d)	72.1%	74.7%	85%
Client satisfaction with the provision of regional information (d)	50.3%	81.4%	95%

Notes:

- (a) Client satisfaction as measured in 2003/04 and reported in the previous year included those who rated the Commission (on a five-scale ranking) as 'very effective', 'effective' and were 'neutral', and excluded those who rated the Commission as 'ineffective' and 'very ineffective'.
- (b) In 2004/05 this satisfaction rating has excluded those who rated the Commission as 'neutral' in their responses. This figure has also been re-adjusted for the actual satisfaction rating obtained for the 2003/04 survey.
- (c) Targets nominated in the 2004-05 WA Government Budget Statements included those who rated the Commission as 'very effective', 'effective' and were 'neutral'. The exclusion of 'neutral' responses accounts for the gap between indicator targets and actual ratings.
- (d) Due to the modified seven areas of the Commission's Strategic Plan (around which the 2004/05 Annual Report is structured), client satisfaction ratings regarding the Commission's 'contribution to the region's economic base' and 'provision of regional information' were derived from questions which most closely approximated these indicators.

PERFORMANCE INDICATORS

Efficiency Indicators

The Commission's key services, adopted on 1 January 1998, are:

(1) Facilitation and coordination; and

(2) Information and advice.

Both services are measured in cost per service hour.

	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Actual	2004-05 Target
Facilitation & Coordination	\$76.81	\$89.03	\$82.03	\$83.12	\$123.75
Information & Advice	\$75.59	\$78.79	\$82.28	\$83.96	\$82.80

It needs to be noted that specific infrastructure costs relating to the construction of the Rail Heritage Centre/Precinct (\$117,883), reconstruction of the Dwellingup to Boddington Railway (\$91,998), and Grants and Subsidies (\$1,317,453) have been excluded from the calculations of the efficiency indicators because they are not considered to be directly attributable to the production of services.

The variance between the 2004–05 actual costs and 2004–05 targets is consistent with previous years.

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

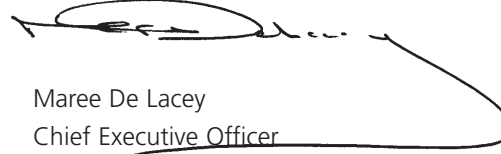
Certificate of Financial Statements for the Year Ended 30 June 2005

The accompanying financial statements of the Peel Development Commission have been prepared in compliance with the provisions of the *Financial Administration and Audit Act* (1985), from proper accounts and records, to present fairly the financial transactions for the financial year ending 30 June 2005 and the financial position as at 30 June 2005.

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



John Collett
Chairman
Peel Development Commission Board
10 August 2005



Maree De Lacey
Chief Executive Officer
Peel Development Commission
10 August 2005



Christine Abbott
Principal Accounting Officer
Peel Development Commission
10 August 2005

FINANCIAL STATEMENTS



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

PEEL DEVELOPMENT COMMISSION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion,

- (i) the controls exercised by the Peel Development Commission provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at 30 June 2005 and its financial performance and cash flows for the year ended on that date.

Scope

The Commission's Role

The Commission is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

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

D D R PEARSON
AUDITOR GENERAL
4 November 2005

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2005

		2005	2004
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	2	1,278,567	1,005,799
Supplies and services	3	321,735	773,602
Depreciation expenses	4	42,308	35,385
Administration expenses	5	178,448	199,581
Accommodation expenses	6	171,779	134,234
Grants & subsidies	7	1,317,453	602,968
Capital user charge	8	18,000	35,940
Total cost of services		3,328,290	2,787,509
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
User charges and fees	9	424,521	36,659
Local government grants			49,000
Other grants			20,500
Commonwealth grants and contributions	11	36,364	192,636
<i>Revenue from non-operating activities</i>			
Other revenues from ordinary activities	10	0	18,453
Total revenues from ordinary activities		460,885	317,248
NET COST OF SERVICES		2,867,405	2,470,261
REVENUES FROM STATE GOVERNMENT	12		
Service appropriation		2,051,000	2,758,000
Resources received free of charge		0	0
Liabilities assumed by the Treasurer		28,523	303,389
Grant received from government agencies		464,468	485,750
Total revenues from State Government		2,543,991	3,547,139
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS.		(323,414)	1,076,878

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

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2005

		2005	2004
ASSETS			
Current Assets			
Cash and cash equivalents	21	1,321,246	1,842,163
Trade and other receivables	13	147,636	43,316
Other current assets	15	18,076	13,393
Total Current Assets		1,486,958	1,898,872
Non-Current Assets			
Amounts receivable for services	14	233,000	194,000
Plant and Equipment	16(a)	76,850	69,019
Total Non-Current Assets		309,850	263,019
Total Assets		1,796,808	2,161,891
LIABILITIES			
Current Liabilities			
Trade and other payables	17	42,272	40,701
Provisions	18	133,780	123,873
Other current liabilities	19	107,150	173,466
Total Current Liabilities		283,202	338,040
Non-Current Liabilities			
Provisions	18	46,374	33,205
Total Non-Current Liabilities		46,374	33,205
Total Liabilities		329,576	371,245
NET ASSETS		1,467,232	1,790,646
Equity			
Contributed equity	20	137,770	137,770
Accumulated surplus		1,329,463	1,652,876
TOTAL EQUITY		1,467,233	1,790,646

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2005

CASH FLOWS FROM STATE GOVERNMENT

Service appropriations	
Capital contribution	
Holding account drawdown	
Net cash provided by State Government	

2005**2004**

1,970,00

2,715,000

0

50,000

42,000

7,000

2,012,000

2,772,000

Utilised as follows:

CASH FLOWS FROM OPERATING ACTIVITIES

Payments

Employee costs	(1,217,796)	(1,166,862)
Supplies and services	(2,103,426)	(1,584,909)
Capital User Charge	(18,000)	0
GST payments on purchases	(135,844)	(155,394)
GST payments to taxation authority	0	(44,058)

Receipts

User charges and fees	355,612	17,865
Local government grants	0	49,000
Commonwealth grants and contributions	36,364	192,636
Grants received from government agencies	464,468	485,750
Other grants	0	20,500
GST receipts on sales	67,339	36,638
GST receipts from taxation authority	68,505	147,683

Net cash provided by/(used in) operating activities

21

(2,482,778)

(2,001,151)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of non-current physical assets	(76,747)	(36,412)
Proceeds from sale of non-current assets	26,608	0

Net cash provided by/(used in) investing activities

(50,139)

(36,412)

Net increase/(decrease) in cash held

(520,917)

734,437

Cash assets at the beginning of the financial year

1,842,163

1,107,726

CASH ASSETS AT THE END OF THE FINANCIAL YEAR

1,321,246

1,842,163

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

1 Significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views 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 Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which as noted are measured at fair value.

(a) Service Appropriations

Service Appropriations are recognised as revenues in the period in which the Authority gains control of the appropriated funds. The Authority gains control of appropriated funds at the time those funds are deposited into the Authority's bank account or credited to the holding account held at the Department of Treasury and Finance.

(b) Contributed equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position.

(c) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Commission obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

Contributions 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.

(d) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Authority has passed control of the goods or other assets or delivery of the service to the customer.

(e) Acquisition of Assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

(f) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on a straight line basis using rates which are reviewed annually. Useful lives for each class of depreciable asset are:

Furniture and fittings	10 years
Office equipment	3 to 5 years
Computing hardware	3 to 5 years
Computing software	3 to 5 years
Other Fittings	10 years

(g) Employee Benefits

Annual Leave

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. This method of measurement of the liability is consistent with the requirements of Accounting Standard AASB 1028 "Employee Benefits".

Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The Pension Scheme and the pre-transfer benefit for employees who transferred to the Gold State Superannuation Scheme are unfunded and the liability for future payments is assumed by the Treasurer.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by payment of employer contributions to the GESB.

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The GESB's records are not structured to provide the information for the Authority. Accordingly, deriving the information for the Authority is impractical under current arrangements and thus any benefits thereof would be exceeded by the cost of obtaining the information.

Employment Benefit On-cost

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses.

(h) Leases

The Commission has entered into a number of operating lease arrangements for the rent of the office building and motor vehicles where the lessor effectively retains all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the *Statement of Financial Performance* over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

(i) Cash

For the purpose of the Statement of Cash Flows, cash is cash assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

(j) Receivables

Receivables are recognised as amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 60 days overdue.

(k) Payables

Payables, including accruals not yet billed, are recognised when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

(l) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(m) Comparative Figures

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

(n) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain areas, to the nearest dollar.

2 Employee expenses

	2005	2004
Wages and salaries	1,007,589	812,416
Long Service Leave	6,212	13,709
Annual Leave	127,662	66,285
Superannuation	122,223	104,059
Workers' Compensation Insurance	14,881	9,330
	<u>1,278,567</u>	<u>1,005,799</u>

3 Supplies and Services

Consultants and contractors	321,735	773,602
	<u>321,735</u>	<u>773,602</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
4 Depreciation expense		
Furniture and fittings	3,427	3,141
Office equipment	4,572	4,610
Other fittings	2,030	3,333
Computing hardware	27,959	20,866
Computing software	4,320	3,435
	<u>42,308</u>	<u>35,385</u>
5 Administration expenses		
Communication	39,621	37,330
Consumables	82,627	73,847
Maintenance	14,651	26,097
Other staff costs	41,549	62,307
	<u>178,448</u>	<u>199,581</u>
6 Accommodation expenses		
Lease rentals (incl. motor vehicle leases)	161,146	125,043
Cleaning	10,633	9,191
	<u>171,779</u>	<u>134,234</u>
7 Grants & subsidies		
Project Related Grants	670,135	203,468
2003/04 Regional Development Scheme Grants	647,318	399,500
	<u>1,317,453</u>	<u>602,968</u>
8 Capital User Charge	18,000	35,940

A capital user charge rate of 8% has been set by the WA Government and represents the opportunity cost of capital invested in the net assets of the Authority used in the provision of services. The charge is calculated on the net assets adjusted to take account of exempt assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

9 User charges and fees

	2005	2004
Recoup for service provided	412,345	0
Website software rental	0	1,200
Project contributions	0	18,715
Alcoa contribution to visioning workshop (2003/04)	0	4,667
Sale of publications and videos	156	0
Charge for administration overheads	0	5,000
Other	20	7,077
	<u>412,521</u>	<u>36,659</u>

10 Other revenue

Decrease in superannuation liability.	0	18,453
---------------------------------------	---	--------

11 Commonwealth grants and contributions

Project funding	36,364	192,636
-----------------	--------	---------

12 Revenues (to)/from Government

Appropriation revenue received during the year:		
Services appropriations	2,009,000	2,758,000
Holding account drawdown	42,000.00	—
	<u>2,051,000</u>	<u>2,758,000</u>
Liabilities assumed by the Treasurer		
Superannuation payout on behalf of Peel Development Commission	28,523	303,389
	28,523	303,389
Grants received from government agencies	464,468	485,750
	<u>464,468</u>	<u>485,750</u>
	<u>2,543,991</u>	<u>3,547,139</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

13 Receivables

Current

Trade debtors
GST Receivable

2005

2004

89,582

20,673

58,054

22,643

147,636

43,316

14 Amounts receivable for services

Non - current

233,000

194,000

This asset represents the non-cash component of service appropriations.

It is restricted in that it can only be used for asset replacement or payment of leave liability.

15 Other Assets

Prepayments

18,076

13,393

18,076

13,393

16(a) Plant and equipment

Furniture and fittings at cost
Accumulated depreciation

32,259

26,470

(17,346)

(13,919)

14,913

12,551

Office equipment at cost
Accumulated depreciation

79,094

89,119

(68,682)

(74,280)

10,412

14,839

Other fittings at cost
Accumulated depreciation

11,109

11,109

(11,057)

(9,027)

52

2,082

Computing hardware at cost
Accumulated depreciation

167,112

140,190

(119,258)

(103,771)

47,854

36,419

Computing Software at cost
Accumulated depreciation

56,605

55,752

(52,986)

(52,624)

3,619

3,128

Total of property plant and equipment

76,850

69,019

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

16(b) Plant and Equipment (con't)

Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment at the beginning and end of the current financial year are set out below.

	Furniture and fittings	Office equipment	Other fittings	Computing hardware	Computing Software	Total
2005	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	12,551	14,839	2,082	36,411	3,128	69,011
Additions	5,789	10,396		51,856	8,706	76,747
Disposals	0	(11,100)		(12,454)	(3,895)	(27,449)
Depreciation	(3,427)	(4,572)	(2,030)	(27,959)	(4,320)	(42,308)
Depreciation - write back on disposal		849		0		849
Carrying amount at end of year	14,913	10,412	52	47,854	3,619.00	76,850

17 Payables

ATO - PAYG
ATO - FBT
Trade Payables

2005	2004
37,363	28,600
4,909	4,500
—	7,601
42,272	40,701

18 Provisions

Current

Annual leave
Long service leave

82,520	56,540
51,260	67,333
133,780	123,873

Non-current

Long service leave

46,374	33,205
46,374	33,205

Total Employment Entitlements

180,154	157,078
---------	---------

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

19 Other Liabilities

Accrued expenses
Accrued salaries

2005

107,150
—

2004

173,466
173,466

20 Equity

Contributed Equity

Opening balance

137,770

80,000

Capital contributions (i)

0

50,000

Holding account drawdown

0

7,000

Transfer of superannuation liability to the Treasurer (ii)

0

770

Closing balance

137,770

137,770

(i) From 1 July 2002, capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited straight to equity in the Statement of Financial Position.

(ii) On 30th June 2004 the superannuation liability was transferred to the Treasurer. It will be reported centrally by the Department of Treasury and Finance from that date.

Accumulated Surplus/(deficiency)

Opening Balance

1,652,877

575,998

Change in Net Assets

(323,414)

1,076,878

Closing Balance

1,329,463

1,652,877

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

21 Notes to the Statement of Cash Flows

(a) Reconciliation of cash

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

	2005	2004
Cash assets	1,321,246	1,842,163
(b) Reconciliation of net cost of services to net cash flows used in operating activities		
Net cost of services	(2,867,405)	(2,470,261)
Non-cash items:		
Depreciation expense	42,308	35,385
Resources received free of charge	0	0
Liability assumed by the Treasurer	28,523	303,389
Transfer of Superannuation liability to the Treasurer	0	770
(Increase)/decrease in assets:		
Current receivables	(104,320)	(24,989)
Other current assets	(4,683)	(11,524)
Increase/(decrease) in liabilities:		
Current accounts payable	1,571	(14,695)
Employee entitlements	23,076	(412,497)
Other current liabilities	(66,316)	107,519
Grants received from WA Government agencies	464,468	485,750
Net GST payments	0	(15,131)
Change in GST in receivables/payables	0	15,133
Net cash used in operating activities	(2,482,778)	(2,001,151)

(c) At the reporting date, the Commission has fully drawn on all financing facilities, details of which are disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

22 Commitments for expenditure

(a) Lease commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities, payable:

Within 1 year

Later than 1 year and not later than 5 years

	2005	2004
Within 1 year	89,769	108,608
Later than 1 year and not later than 5 years	8,993	56,274
	<u>98,762</u>	<u>164,882</u>

23 Events Occurring After Reporting Date

There are no events occurring after reporting date.

24 Explanatory Statement

- (i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10%.

	2005	2004	Variance
Supplies and services	321,735	773,602	(451,867)
Recoups from Regional Development Schemes			
Depreciation expense	42,308	35,385	6,923
Capital user charge	18,000	35,940	(17,940)
Decrease due to refund of overpayments in previous years.			
User charges and fees	424,521	36,659	387,862
Increase due to recoups from Regional Development Schemes			
Local government grants	0	49,000	(49,000)
decrease in government allocated funds			
Commonwealth grants and contributions	36,364	192,636	(156,272)
decrease in Commonwealth allocated funds			
Liability assumed by the Treasurer	28,523	303,389	(274,866)
Superannuation payout by the Treasurer on the Commission's behalf in 2004.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

24 Explanatory Statement (cont'd)

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

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10%.

	Estimates 2005	Actual 2005	Variance
Supplies and services	732,000	321,735	(410,265)
Underspend from recoups from Regional Development Schemes			
User charges and fees	0	424,521	(424,521)
Recoups from Supplies and Services			
Liability assumed by the Treasurer	0	28,523	(28,523)
Superannuation payout by the Treasurer on the Commission's behalf.			

25 Financial Instruments

(a) Interest Rate Risk Exposure

The following table details the Commission's exposure to interest rate risk as at the reporting date:

		Non-Interest Bearing \$000	Total \$000
2005			
Financial Assets			
Cash assets		1,321	1,321
Receivables	148	148	
		<u>1,469</u>	<u>1,469</u>
Financial Liabilities			
Payables		42	42
Other Liabilities		107	107
Employee Entitlements		180	180
		<u>329</u>	<u>329</u>
2004			
Financial assets		1,885	1,885
Financial liabilities		371	371

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

(b) Credit Risk Exposure

All financial assets are unsecured

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

26 Remuneration and Retirement Benefits of Members of the Accountable Authority and Senior Officers

Remuneration of Members of the Accountable Authority

The number of members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$	2005	2004
Under \$3,000	10	7
\$3,001 – \$10,000	1	2
\$10,001 – \$20,000	1	
The total remuneration of the members of the Accountable Authority is:	<u>32,626</u>	<u>34,539</u>

The superannuation included here represents the superannuation expense incurred by the Commission in respect of members of the Accountable Authority.

No members of the Accountable Authority are members of the Pension Scheme.

Remuneration of Senior Officers

The number of Senior Officers other than the members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$	2005	2004
120,001 – 130,000	0	1
130,001 – 140,000	1	0
The total remuneration of Senior Officers, excluding members of the Accountable Authority is:	<u>137,434</u>	<u>128,621</u>

No Senior Officers are members of the Pension Scheme.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

27 Remuneration of Auditor

Remuneration to the Auditor General for the financial year is as follows:

	2005	2004
Auditing the accounts, financial statements and performance indicators.	\$15,000	\$13,500

28 The Impact of Adopting International Accounting Standards

The Peel Development Commission is adopting international accounting standards in compliance with AASB 1 First Time Adoption of Australian Equivalents to International Financial Reporting Standards (IFRS).

AASB 1 requires an opening balance sheet as at 1 July 2004 and the restatement of the financial statements for the reporting period to 30 June 2005 of the IFRS basis. These financial statements will be presented as comparatives in the first annual report prepared on an IFRS for the period ended 30 June 2006.

AASB 1047 Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards requires financial reports for the periods ending on or after 30 June 2004 to disclose:

1. Key differences in accounting policies that are expected to arise from adopting Australian equivalents to IFRS.

The Peel Development Commission is aware of the IFRS and is assessing the impact on the Commission.

Currently there are no key differences in accounting policies that are expected to arise from adopting Australian equivalents to IFRS.

29 Service Information

	Facilitation & Coordination		Information & Advice		Total	Total
	2005	2004	2005	2004	2005	2004
COST OF SERVICES						
Expenses from ordinary activities						
Employee expenses	813,545	903,409	465,022	102,390	1,278,567	1,005,799
Supplies and services	103,886	678,297	217,849	95,305	321,735	773,602
Depreciation expense	42,308	31,379	–	4,006	42,308	35,385
Administration expenses	135,518	176,988	42,930	22,593	178,448	199,581
Accommodation expenses	125,895	119,039	45,884	15,195	171,779	134,234
Grants & subsidies	1,317,453	602,968	–	–	1,317,453	602,968
Capital user charge	18,000	35,940	–	–	18,000	35,940
Total cost of services	2,556,605	2,548,020	771,685	239,489	3,328,290	2,787,509

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

29 Output Information (cont'd)

	Facilitation & Coordination		Information & Advice		Total	Total
	2005	2004	2005	2004	2005	2004
Revenues from ordinary activities						
<i>Revenue from operating activities</i>						
User charges and fees	412,365	36,079	—	580	412,365	36,659
Local government grants	—	49,000	—	—	—	49,000
Other grants	12,000	20,500	—	—	12,000	20,500
Commonwealth grants and contributions	36,364	192,636	—	—	36,364	192,636
	—	—	—	—	—	—
<i>Revenue from non-operating activities</i>	—	—	—	—	—	—
Other revenues from ordinary activities	—	16,364	156	2,089	156	18,453
Total revenues from ordinary activities	460,729	314,579	156	2,669	460,885	317,248
NET COST OF SERVICES	2,095,876	2,233,441	771,529	236,820	2,867,405	2,470,261
REVENUES FROM GOVERNMENT						
Service appropriations	1,866,000	2,381,000	185,000	377,000	2,051,000	2,758,000
Resources received free of charge	—	—	—	—	—	—
Liabilities assumed by the Treasurer	28,523	269,045	—	34,344	28,523	303,389
Grant received from government agencies	464,468	485,750	—	—	464,468	485,750
Total revenues from Government	2,358,991	3,135,795	185,000	411,344	2,543,991	3,547,139
CHANGE IN NET ASSETS	263,115	902,354	(586,529)	174,524	(323,414)	1,076,878

PUBLICATIONS AND PROMOTIONAL MATERIAL

The Regional Development Commissions Act (1993)

Living in the Regions – The Peel Report and the State Report

A look at the regional population of Western Australia and the Peel Region, with emphasis on the social impacts of life in the Regions.

Peel Economic Perspective

An overview of the infrastructure and industries that contribute to the Peel Regional economy. Updated and republished in July 2003. A new update should be available by the end of 2005.

Peel Geographic Perspective

Provides an easily understood profile of the geographic features of the Peel Region and their impact on development. Updated and republished in July 2003.

Horticultural Opportunities – Peel Region

An eight-page information brochure, published in 2004, highlighting horticultural opportunities in the Region.

Demand for Industrial Land in the Peel Region

A report prepared by Worley Pty Ltd for the Peel Development Commission. Key factors influencing the location of industry are examined.

Where Are We Now?

An environmental, social and economic overview of the Peel Region, prepared as part of the Peel 2020 Project and available on the Internet at <http://www.peel2020.net.au>.

Customer Service Charter

This publication outlines the quality of service clients can expect from the Peel Development Commission.

Video

The Peel Region – Your Natural Choice video promotes tourism, lifestyle, business/industry opportunities and the many attractions of the Peel Region.

Internet

<http://www.peel.wa.gov.au>

The Peel Development Commission's internet website.