



Western Australian Coastal Shipping Commission

Annual Report
2008



WESTERN AUSTRALIA
Laid on the Table of the
Legislative Assembly
26 SEP 2008
This paper should not be
removed from the Chamber



**WESTERN AUSTRALIAN
COASTAL SHIPPING COMMISSION**

ANNUAL REPORT 2008

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

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

THE MINISTER

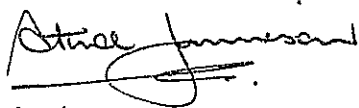
The Hon. Alannah MacTiernan MLA, was the Minister for Planning and Infrastructure for the financial year ended 30 June 2008.

STATEMENT OF COMPLIANCE

Hon Alannah MacTiernan MLA
Minister for Planning and Infrastructure

In accordance with section 61 of the Financial Management Act 2006, I hereby submit for your information and presentation to Parliament, the Annual Report of the Commission for the financial year ended 30 June 2008.

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



A. Jamieson
Chairman
16 September 2008

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MEMBERS OF THE COMMISSION

Chairman	Athol Jamieson Assistant Director General – Operations, Department for Planning and Infrastructure
Vice Chairman	Anne Nolan, B.Econ (Hons.) M.Econ Director General - Department of Industry and Resources Member Curtin Business School Advisory Council
Commissioner	Geoffrey Zimmer Director Project Delivery Fiona Stanley Hospital - Health Department

FUNCTIONS OF THE COMMISSION

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

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

ACCOUNTABLE AUTHORITY

The Western Australian Coastal Shipping Commission Act 1965 empowers the Commission to delegate its duty of Accountable Authority. During 2007-2008, the Commission has delegated the duties of Accountable Authority to:

Mr W Ielati (1 Jul 2007 to 2 Sep 2007)
Mr R. Thorley (3 Sep 2007 to 30 Jun 2008)

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

CHAIRMAN'S FOREWORD

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

The administrative function performed by the Commission in the year to 30 June 2008 included the following activities:

Processing of claims by ex employees and others against the Commission.

Continuing administrative function required by legislative and reporting requirements.

Accounting and reporting of the financial transactions of the Commission.

Processing and settlement of the Commission's liabilities.

Ongoing debt servicing.

Management of the Commission's records.

In the year to 30 June 2008, one former seagoing employee continued to receive fortnightly workers compensation payments. As has been in the past years, the responsibilities for the administration of the Commission was assumed by officers of the Department for Planning and Infrastructure. Additional clerical and claim management assistance has been arranged when required.

**COMMISSION PERFORMANCE - REPORT ON OPERATIONS
FOR THE YEAR ENDED 30 JUNE 2008**

The administration function performed during the year ended 30 June 2008 included the necessary accounting and reporting, record keeping and management necessary to meet legislation and reporting requirements. Claims against the Commission continued to be processed during the year. The administration function was situated within the Fremantle office of the Department for Planning and Infrastructure.

The twelve months to 30 June 2008 saw five new claims by ex employees and others as a consequence of claimed exposure to asbestos. At year-end there remained nine open claims against the Commission citing asbestos exposure as a basis. Of these, six claims were lodged against the Commonwealth in its capacity as the Stevedoring Industry Finance Committee. The Commonwealth has joined the Commission and others as joint defendants to the claims.

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

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

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

The Commission estimates that a Government contribution of \$437,000 will be required to cover the Commission's obligations for the 2008/09 financial year.

Staffing levels

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

Reporting Period	Number of Staff
2006	1
2007	1
2008	0

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

Workers compensation

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

Other Key Legislation Impacting on the Commission's Activities

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

Auditor General Act 2006;

Contaminated Sites Act 2003;

Disability Services Act 1993;

Equal Opportunity Act 1984;

Financial Management Act 2006;

Freedom of Information Act 1992;

Industrial Relations Act 1979;

Minimum Conditions of Employment Act 1993;

Occupational Safety and Health Act 1984;

Public Sector Management Act 1994;

Salaries and Allowances Act 1975;

State Records Act 2000; and

State Supply Commission Act 1991.

Shared Responsibilities with Other Agencies

The Commission did not share any responsibilities with other agencies in 2007-08.

SENIOR MANAGEMENT STRUCTURE

COMMISSION

MR A. JAMIESON - CHAIRMAN (UNTIL MAY 2012)

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

MR G. ZIMMER - COMMISSIONER (UNTIL MAY 2012)

GENERAL MANAGER

MR W. IELATI (APPOINTED AUGUST 2005 and RESIGNED APR 2008)

MR R. THORLEY (ACTING UNTIL JUNE 2008)

**Audited
Financial Statements
and
Performance Indicators**

For the year ended 30 June 2008



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

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

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

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

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

Summary of my Role

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

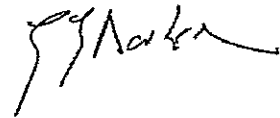
An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions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

**Western Australian Coastal Shipping Commission
Financial Statements and Key Performance Indicators for the year ended 30 June 2008**

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Western Australian Coastal Shipping Commission at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2008.

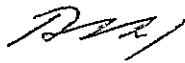


GLEN CLARKE
ACTING AUDITOR GENERAL
22 September 2008

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

The accompanying financial statements of the **Western Australian Coastal Shipping Commission** have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2008 and the financial position as at 30 June 2008.

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



R. THORLEY
Acting Chief Finance Officer
16 September 2008



A. NOLAN
Vice Chair
16 September 2008



A. JAMIESON
Chairman
16 September 2008

WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008	2007
		\$	\$
COST OF SERVICES			
Expenses			
Employee benefits expense	4	7 333	94 155
Finance costs	5	25 246	1 280 666
Supplies and services	6	47 447	53 813
Accommodation	7	-	6 479
Other expenses	8	8 500	6 300
Total costs of services		<u>88 526</u>	<u>1 441 413</u>
INCOME			
Revenue			
Other revenues	9	180 559	3 585
Total revenue		<u>180 559</u>	<u>3 585</u>
Total income other than income from State Government		<u>180 559</u>	<u>3 585</u>
NET COST OF SERVICES		<u>92 033</u>	<u>(1 437 828)</u>
INCOME FROM STATE GOVERNMENT			
Service appropriations	10	17 900 000	4 190 000
Resources received free of charge		-	6 479
Total income from State Government		<u>17 900 000</u>	<u>4 196 479</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		<u>17 992 033</u>	<u>2 758 651</u>

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

WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
BALANCE SHEET
AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
ASSETS			
Current assets			
Cash and cash equivalents	16(a)	789 025	858 335
Receivables	11	291 186	105 323
Other current assets	12	86	80
Total current assets		<u>1 080 297</u>	<u>963 738</u>
LIABILITIES			
Current liabilities			
Payables	13	9 464	421 871
Other borrowings	14	-	17 463 067
Total current liabilities		<u>9 464</u>	<u>17 884 938</u>
NET ASSETS		<u>1 070 833</u>	<u>(16 921 200)</u>
EQUITY			
Contributed equity	15	18 029 968	18 029 968
Accumulated surplus(deficit)		<u>(16 959 135)</u>	<u>(34 951 168)</u>
TOTAL EQUITY		<u>1 070 833</u>	<u>(16 921 200)</u>

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
Balance of equity at start of period		<u>(16 921 200)</u>	<u>(19 679 851)</u>
CONTRIBUTED EQUITY	15	<u>18 029 968</u>	<u>18 029 968</u>
ACCUMULATED SURPLUS (DEFICIT)	15		
Balance at start of period		(34 951 168)	(37 709 819)
Surplus for the period		<u>17 992 033</u>	<u>2 758 651</u>
Balance at end of period		<u>(16 959 135)</u>	<u>(34 951 168)</u>
Balance of equity at end of period		<u>1 070 833</u>	<u>(16 921 200)</u>
Total income and expense for the period		<u>17 992 033</u>	<u>2 758 651</u>

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation	10	<u>17 900 000</u>	<u>4 190 000</u>
Net cash provided by State Government		<u>17 900 000</u>	<u>4 190 000</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(99 183)	(108 425)
Supplies and services		(47 558)	(54 348)
Finance costs		(338 351)	(1 243 155)
GST payments on purchases		(6 045)	(6 144)
GST paid to taxation authority		-	-
Other payments		(6 300)	(6 300)
Receipts			
Insurance claim receipts		(199 128)	26 750
Other receipts		180 560	3 585
GST receipts from taxation authority		9 762	2 035
GST receipts on sales		-	-
Net cash provided by/(used in) operating activities	16(b)	<u>(506 243)</u>	<u>(1 386 002)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	14	<u>(17 463 067)</u>	<u>(2 570 502)</u>
Net cash provided by/(used in) financing activities		<u>(17 463 067)</u>	<u>(2 570 502)</u>
Net increase/(decrease) in cash and cash equivalents		(69 310)	233 496
Cash and cash equivalents at the beginning of the period		<u>858 335</u>	<u>624 839</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	16(a)	<u><u>789 025</u></u>	<u><u>858 335</u></u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

Closure of Stateships

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

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

The settlement of liabilities continued through 2007-2008.

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

1. Australian equivalents to International Financial Reporting Standards

General

The Commission's financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

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

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Commission for the annual reporting period ended 30 June 2008.

2. Summary of significant accounting policies

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

2. Summary of significant accounting policies (continued)

(b) Basis of Preparation

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

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

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

(c) Contributed Equity

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

(d) Income

Revenue recognition

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

Service Appropriations

Service Appropriations are recognised as revenues at nominal value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at Treasury. See note 10 *Income from State Government*.

(e) Financial Instruments

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

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

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables

Financial Liabilities

- Payables
- WATC borrowings

The fair value of receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(f) Cash and Cash Equivalents

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

2. Summary of significant accounting policies (continued)

(g) Accrued Wages

Accrued wages (refer note 13 *Payables*) represent the amount due to one former seagoing employee but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued wages are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued wages to be equivalent to its net fair value.

(h) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. See note 19 *Financial Instruments* and note 11 *Receivables*.

(i) Payables

Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 19 *Financial Instruments* and note 13 *Payables*.

(j) Superannuation Expense

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

(k) Resources Received Free of Charge or for Nominal Consideration

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

(l) Comparative Figures

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

3. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Commission:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Commission's exposure to risks, including enhanced disclosure regarding components of the Commission's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

Future impact of Australian Accounting Standards not yet operative

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

<i>Title</i>	<i>Operative for reporting periods beginning on/after</i>
<i>AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Commission does not expect any financial impact when the Standard is first applied.</i>	<i>1 January 2009</i>
<i>Review of AAS 27 'Financial Reporting by Local Governments', 29 'Financial Reporting by Government Departments' and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:</i>	
<i>AASB 1004 'Contributions' (December 2007).</i>	<i>1 July 2008</i>
<i>AASB 1050 'Administered Items' (December 2007).</i>	<i>1 July 2008</i>
<i>AASB 1051 'Land Under Roads' (December 2007).</i>	<i>1 July 2008</i>
<i>AASB 1052 'Disaggregated Disclosures' (December 2007).</i>	<i>1 July 2008</i>
<i>AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007).</i>	<i>1 July 2008</i>
<i>Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities (revised) (December 2007).</i>	<i>1 July 2008</i>
<i>The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise, there will be no financial impact.</i>	

	2008	2007
	\$	\$
4. Employee benefits expense		
Wages and salaries ⁽ⁱ⁾	-	77 672
Superannuation	7 333	16 303
Long service leave	-	-
Other employee expenses	-	180
	<u>7 333</u>	<u>94 155</u>

(i) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.

5. Finance costs

Interest charge	24 083	1 240 757
Guarantee fee	1 163	39 909
	<u>25 246</u>	<u>1 280 666</u>

6. Supplies and services

Communication	5	1 332
Consumables	4 501	8 322
Insurance	601	2 015
Government charges	-	133
Service level agreement with Department for Planning and Infrastructure	41 215	40 158
Internal audit	1 125	1 853
	<u>47 447</u>	<u>53 813</u>

7. Accommodation expenses

Office rental	-	6 479
	<u>-</u>	<u>6 479</u>

8. Other expenses

External audit ⁽ⁱ⁾	8 500	6 300
	<u>8 500</u>	<u>6 300</u>

(i) See note 21 Remuneration of Auditor.

9. Other revenues

Other revenue ⁽ⁱ⁾	180 559	3 585
	<u>180 559</u>	<u>3 585</u>

(i) Discount on early repayment of WATC loan.

	2008	2007
	\$	\$
10. Income from State Government		
Appropriation received during the year:		
Service appropriation	<u>17 900 000</u>	<u>4 190 000</u>
Resources received free of charge have been determined on the basis of the following estimates provided by agencies and are considered at fair value:		
State Solicitor's Office		-
Department for Planning and Infrastructure		
- Accommodation	-	6 479
- Internal Audit	-	-
	<u>-</u>	<u>6 479</u>
Total income from State Government	<u>17 900 000</u>	<u>4 196 479</u>

11. Receivables

Current		
General receivables ⁽ⁱ⁾	290 071	90,943
Debtors Accrued	378	9,293
GST	737	5,087
	<u>291 186</u>	<u>105 323</u>

(i) Credit Risk

Ageing of receivables past due but not impaired based on the information provided to senior management, at the balance sheet date:

Not more than 3 months	21 132	15 893
More than 3 months but less than 6 months	93 382	15 696
More than 6 months but less than 1 year	57 400	58 908
More than 1 year	44 360	-
	<u>216 274</u>	<u>90 497</u>

12. Other current assets

Prepayments	<u>86</u>	<u>80</u>
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13. Payables

Current		
Accrued payables	9 086	421 689
Accrued wages	378	182
	<u>9 464</u>	<u>421 871</u>

	2008	2007
	\$	\$
14. Borrowings		
Current		
Western Australian Treasury Corporation	-	17 463 067
Non- Current		
Western Australian Treasury Corporation	-	-

The total amount of the loan from WATC was repaid on 9 July 2007.

15. Equity

Contributed equity

Balance at start of year	18 029 968	18 029 968
Balance at end of year	18 029 968	18 029 968

Accumulated surplus/(deficit)

Balance at start of year	(34 951 168)	(37 709 819)
Result for the period	17 992 033	2 758 651
Balance at end of year	(16 959 135)	(34 951 168)

16. Notes to the Cash Flow Statement

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and Cash Equivalents	789 025	858 335
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2008	2007
\$	\$

16. Notes to the Cash Flow Statement (continued)

(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities.

Net cost of services	92 033	(1 437 829)
Non cash items	-	-
Resources received free of charge	-	6 479
(Increase)/decrease in assets:		
Current receivables	(185 863)	18 502
Other current assets	(6)	(3)
Increase/(decrease) in liabilities:		
Current payables	(412 407)	120 194
Provisions	-	(93 345)
Net cash provided by/(used in) operating activities	<u>(506 243)</u>	<u>(1 386 002)</u>

17. Contingent liabilities

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

(a) Workers compensation claims

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

18. Explanatory statement

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

Significant variations between estimates and actual results for 2008.

	2008	2008	Variance
	Estimate	Actual	
	\$	\$	\$
Supplies and services	158 280	47 447	(110 833)
Employee benefits expense	120 676	7 333	(113 343)
Finance costs	114 044	25 246	(88 798)
	<u>393 000</u>	<u>80 026</u>	<u>(312 974)</u>

18. Explanatory statement (continued)

Supplies and services expense

The variance was mainly due to no legal fees and worker's compensation insurance franchise was incurred during 2007-2008 financial year.

Employee benefits expense

The variance was due to the services of the permanent employee was ended before the end of 2006-2007 financial year but after 2007-2008 budget was done.

Finance costs

The variance was due to full payment of WATC loan in July 2007.

Significant variations between actual results for 2007 and 2008.

	2008	2007	Variance
	\$	\$	\$
Revenue			
Service appropriations	17 900 000	4 190 000	13 710 000
Other revenues	180 559	3 585	176 974
	<u>18 080 559</u>	<u>4 193 585</u>	<u>13 886 974</u>
Expenses			
Employee benefits expense	7 333	94 155	(86 822)
Finance costs	25 246	1 280 666	(1255 420)
	<u>32 579</u>	<u>1 374 821</u>	<u>(1 342 242)</u>

Service appropriations

The increase was mainly due to the funds used for the retirement of WATC loan.

Other revenues

The increase was mainly due to the discount on the early repayment of WATC loan in July 2007.

Employee benefits expense

The decrease was due to there is no more permanent staff in 2007-2008 financial year.

Finance costs

The decrease was due to full payment of WATC loan in early July 2007.

19. Financial instruments

(a) Financial Risk Management Objectives and Policies

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

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission. The Commission measures credit risk on a fair value basis and monitors on a regular basis.

19. Financial instruments (continued)

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at note 20(b).

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

Liquidity risk

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

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

Market risk

The Commission does not trade in foreign currency and is not materially exposed to other price risks and the Commission is not exposed to interest rate risk because cash assets are non-interest bearing.

(b) Categories of Financial Instruments

In addition to cash in bank, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2008 \$000	2007 \$000
Financial Assets		
Cash	789	858
Loans and receivables ^(a)	290	105
Financial Liabilities		
Measured at amortised cost	9	17 885

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

(c) Financial Instrument Disclosures

Credit Risk, Liquidity Risk and Interest Rate Risk Exposures

The following table details the Commission's exposure to liquidity risk and interest rate risk as at balance sheet date. The Commission's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Commission.

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

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

19. Financial instruments (continued)

	Weighted Average Effective Interest Rate	Variable Interest Rate	Non- Interest Bearing	Contractual Maturity Dates:					More than 5 years	Adjustment for discounting	Carrying amount
				Within 1 year	1-2 Years	2-3 Years	3-4 Years	4-5 Years			
2008	%	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	
Financial Assets											
Cash assets			789							789	
Receivables ^(a)			290							290	
			1 079							1 079	
Financial Liabilities											
Payables			9							9	
			9							9	

	Weighted Average Effective Interest Rate	Variable Interest Rate	Non- Interest Bearing	Contractual Maturity Dates:					More than 5 years	Adjustment for discounting	Carrying amount
				Within 1 year	1-2 Years	2-3 Years	3-4 Years	4-5 Years			
2007	%	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	
Financial Assets											
Cash assets			858							858	
Receivables ^(a)			105							105	
			963							963	
Financial Liabilities											
Payables			422							422	
WATC loans/Bank Borrowings	6.25		17 463							17 463	
			422 17 463							17 885	

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

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

Fair values

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

20. Remuneration of members of the accountable authority and senior officers

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

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

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

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

Remuneration of senior officers

The Commission has no senior officer permanently employed by the end of 2006-2007 financial year and throughout 2007-2008 financial year.

21. Remuneration of Auditor

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

	2008	2007
	\$	\$
Auditing the accounts, financial statements and performance indicators	<u>8 500</u>	<u>6 300</u>

The expense is included at note 8 *Other expenses*.

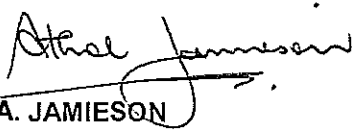
22. Events occurring after reporting date

There was no significant event that occurred after reporting date.

WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2008

CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Commission's performance, and fairly represent the performance of the Western Australian Coastal Shipping Commission for the financial year ended 30 June 2008.



A. JAMIESON
Chairman
16 September 2008



A. NOLAN
Vice Chair
16 September 2008

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2008**

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

Key Efficiency Indicator

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

	<u>2008</u> <u>\$'000</u>	<u>2007</u> <u>\$'000</u>	<u>2006</u> <u>\$'000</u>
Staff salaries and associated costs	7	94	91
Legal fees	-	-	27
Insurance	1	2	1
Loan guarantee fee	1	40	42
Withholding tax	-	-	873
General	14	24	33
	<u>23</u>	<u>160</u>	<u>1 067</u>

Key Effectiveness indicator

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

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

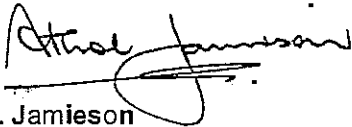
**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
OTHER LEGAL REQUIREMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

Other Legal Requirements

Compliance with Public Sector Management Act Section 31(1)

1. In the administration of the Commission, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.
2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made in 1. is correct.
3. The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged:	nil
Number of breaches found, including details of multiple breaches per application:	nil
Number still under review:	nil



**A. Jamieson
Chairman
16 September 2008**

Electoral Act 1907 section 175ZE

In compliance with section 175ZE of the *Electoral Act 1907*, the Commission is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations. In the year to 30 June 2008, the Commission incurred no expenditures that would fall into this category.



MINISTER FOR PLANNING AND INFRASTRUCTURE

HON ALANNAH MacTIERNAN
BA LLB BJuris JP MLA

During the 2007/08 financial year, the shipping activity formally provided by Stateships to the north of the state and to the Northern Territory was provided more economically by an appropriate operator with an annual subsidy from Government.

In 2007/08 the operation of the Western Australian Coastal Shipping Commission was concerned with the handling of claims and settlement of liabilities.

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

A handwritten signature in black ink, appearing to read 'Alannah MacTiernan', written in a cursive style.

**ALANNAH MacTIERNAN MLA
MINISTER FOR PLANNING AND INFRASTRUCTURE**