



GOVERNMENT OF  
WESTERN AUSTRALIA



# Western Australian Coastal Shipping Commission

Annual Report

For the year ended 30 June 2019

# Western Australian Coastal Shipping Commission

## Annual Report 2019

### Table of Contents

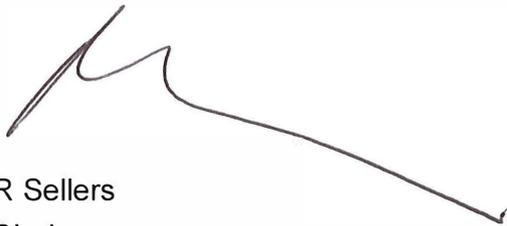
|   | <b>Page</b> |
|---|-------------|
| Statement of Compliance   | 1           |
| Contact Details   | 1           |
| Administration of the Western Australian Coastal Shipping Commission Act 1965 | 2           |
| Ministerial Directives  | 2           |
| Members of the Commission   | 2           |
| Functions of the Commission   | 2           |
| Chairman's Foreword   | 3           |
| Audited Financial Statements and Performance Indicators                       |             |
| Opinion of the Auditor General  | 6           |
| Certification of Financial Statements   | 10          |
| Financial Statements  | 11          |
| Certification of Performance Indicators                                       | 29          |
| Performance Indicators  | 30          |
| Other Legal Requirements  | 31          |

**Statement of Compliance**  
**For the year ended 30 June 2019**

Hon. Rita Saffioti MLA  
**Minister for Transport**

In accordance with section 63 of the Financial Management Act 2006, I hereby submit for your information and presentation to Parliament, the Annual Report of the Western Australian Coastal Shipping Commission for the financial year ended 30 June 2019.

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 1965.



R Sellers  
Chairman  
30 August 2019

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## **Enabling legislation**

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

## **Responsible Minister**

The Hon. Rita Saffioti MLA, Minister for Transport.

## **Ministerial Directives**

No Ministerial directives were received during the financial year.

## **Members of The Commission**

|                        |   |
|------------------------|---|
| <b>Chairman</b>        | Richard Sellers<br>Director General (Department of Transport)                                     |
| <b>Vice Chairman</b>   | Anne Nolan<br>Director General (Department of Finance)  |
| <b>Commissioner</b>    | Ray Buchholz<br>General Manager, Marine Safety (Department of Transport)                          |
| <b>General Manager</b> | Peter Parolo<br>Executive Director, Finance and Procurement Services<br>(Department of Transport) |

## **Staffing levels**

The Commission currently has no permanent employees receiving salary payments.

## **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.

## **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 2019 included the following activities:

- Processing of claims by ex-employees and others against the Commission.
- Continuing administrative functions required by legislative and reporting requirements.
- Accounting and reporting of the financial transactions of the Commission.
- Processing and settlement of the Commission's liabilities.
- Management of the Commission's records.

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

## **Commission Performance - Report on Operations**

### **For the year ended 30 June 2019**

The administration function performed during the year ended 30 June 2019 included the necessary accounting and reporting, record keeping and management necessary to meet legislation and reporting requirements. Claims against the Commission continued to be processed during the year. The administration function is now situated within the Perth office of the Department of Transport at 140 William Street Perth.

The year to 30 June 2019 saw one new claim by an ex-employee as a consequence of claimed exposure to asbestos.

During the year, no claims were settled. The processing and settlement of claims is carried out in conjunction with the Commission's Professional and Indemnity Insurers and their agents and legal advice taken as required.

In addition, ongoing medical payments and other costs for a former seagoing employee 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 \$100,000 will be required to cover the Commission's obligations for the 2019-20 financial year.

## **Administered Legislation**

In the performance of its functions, the Commission complies with the Western Australian Coastal Shipping Commission Act No 1965.

## **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;
- State Records Act 2000; an
- State Supply Commission Act 1991.

The Commission did not share any responsibilities with other agencies in 2018-2019

# Disclosures and Legal Compliance



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION

#### Report on the Financial Statements

##### **Opinion**

I have audited the financial statements of the Western Australian Coastal Shipping Commission which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Coastal Shipping Commission for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

##### **Basis for Opinion**

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

##### **Responsibility of the Commission for the Financial Statements**

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

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

##### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commission.
- Conclude on the appropriateness of the Commission's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## **Report on Controls**

### ***Opinion***

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Western Australian Coastal Shipping Commission. The controls exercised by the Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

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

In my opinion, in all material respects, the controls exercised by the Western Australian Coastal Shipping Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

### ***The Commission's Responsibilities***

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

### ***Auditor General's Responsibilities***

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

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

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

### ***Limitations of Controls***

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

### **Report on the Key Performance Indicators**

#### ***Opinion***

I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Coastal Shipping Commission for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Western Australian Coastal Shipping Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2019.

#### ***The Commission's Responsibility for the Key Performance Indicators***

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Commission determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditor General's Responsibility***

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

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

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

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

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

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Coastal Shipping Commission for the year ended 30 June 2019 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



SANDRA LABUSCHAGNE  
DEPUTY AUDITOR GENERAL  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia

30 August 2019

# Western Australian Coastal Shipping Commission

## Certification of Financial Statements

For the year ended 30 June 2019

The accompanying financial statements of the Western Australian Coastal Shipping Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2019 and the financial position as at 30 June 2019.

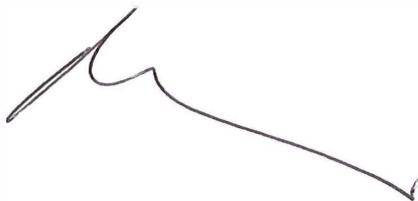
At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



K P Chan  
Chief Finance Officer  
30 August 2019



R Buchholz  
Commissioner  
30 August 2019



R Sellers  
Chairman  
30 August 2019

Western Australian Coastal Shipping Commission  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2019**

|   | Note | 2019<br>(\$)   | 2018<br>(\$)   |
|---|------|----------------|----------------|
| <b>COST OF SERVICES</b>                                     |      |                |                |
| <b>Expenses</b>   |      |                |                |
| Supplies and services                                       | 2.1  | 70 410         | 68 999         |
| Other expenses  | 2.2  | 7 765          | 7 650          |
| <b>Total cost of services</b>                               |      | <b>78 175</b>  | <b>76 649</b>  |
| <b>Income</b>   |      |                |                |
| Revenue   |      | -              | -              |
| <b>Total income other than income from State Government</b> |      | -              | -              |
| <b>NET COST OF SERVICES</b>                                 |      | <b>78 175</b>  | <b>76 649</b>  |
| <b>Income from State Government</b>                         |      |                |                |
| Service appropriations                                      | 3.1  | 100 000        | 100 000        |
| <b>Total income from State Government</b>                   |      | <b>100 000</b> | <b>100 000</b> |
| <b>SURPLUS FOR THE PERIOD</b>                               |      | <b>21 825</b>  | <b>23 351</b>  |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>            |      | <b>21 825</b>  | <b>23 351</b>  |

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

Western Australian Coastal Shipping Commission  
**Statement of Financial Position**  
**As at 30 June 2019**

|                                  | Note | 2019<br>(\$)     | 2018<br>(\$)     |
|----------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                    |      |                  |                  |
| <b>Current assets</b>            |      |                  |                  |
| Cash and cash equivalents        | 5.1  | 2 131 350        | 1 909 555        |
| Receivables                      | 4.1  | 6 088            | 206 323          |
| Other assets                     | 4.2  | 701              | 653              |
| <b>Total current assets</b>      |      | <b>2 138 139</b> | <b>2 116 531</b> |
| <b>LIABILITIES</b>               |      |                  |                  |
| <b>Current liabilities</b>       |      |                  |                  |
| Payables                         | 4.3  | 9 268            | 9 485            |
| <b>Total current liabilities</b> |      | <b>9 268</b>     | <b>9 485</b>     |
| <b>NET ASSETS</b>                |      | <b>2 128 871</b> | <b>2 107 046</b> |
| <b>EQUITY</b>                    |      |                  |                  |
|                                  | 7.5  |                  |                  |
| Contributed equity               |      | 18 029 968       | 18 029 968       |
| Accumulated deficit              |      | (15 901 097)     | (15 922 922)     |
| <b>TOTAL EQUITY</b>              |      | <b>2 128 871</b> | <b>2 107 046</b> |

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

Western Australian Coastal Shipping Commission  
**Statement of Changes in Equity**  
**For the year ended 30 June 2019**

|   | Note | Contributed<br>Equity<br>(\$) | Accumulated<br>Deficit<br>(\$) | Total<br>Equity<br>(\$) |
|---|------|-------------------------------|--------------------------------|-------------------------|
| <b>Balance as 1 July 2017</b>             | 7.5  | 18 029 968                    | (15 946 273)                   | 2 083 695               |
| Total comprehensive income for the period |      | -                             | 23 351                         | 23 351                  |
| <b>Balance at 30 June 2018</b>            |      | <b>18 029 968</b>             | <b>(15 922 922)</b>            | <b>2 107 046</b>        |
| <b>Balance as 1 July 2018</b>             | 7.5  | 18 029 968                    | (15 922 922)                   | 2 107 046               |
| Total comprehensive income for the period |      | -                             | 21 825                         | 21 825                  |
| <b>Balance at 30 June 2019</b>            |      | <b>18 029 968</b>             | <b>(15 901 097)</b>            | <b>2 128 871</b>        |

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

Western Australian Coastal Shipping Commission  
**Statement of Cash Flows**  
**For the year ended 30 June 2019**

|   | Note | 2019<br>(\$)     | 2018<br>(\$)     |
|---|------|------------------|------------------|
| <b>CASH FLOWS FROM STATE GOVERNMENT</b>                     |      |                  |                  |
| Service appropriation                                       | 3.1  | 100 000          | 100 000          |
| <b>Net cash provided by State Government</b>                |      | <b>100 000</b>   | <b>100 000</b>   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |      |                  |                  |
| <b>Payments</b>   |      |                  |                  |
| Insurance claim payments                                    |      | (18 008)         | (15 049)         |
| Supplies and services                                       |      | (70 537)         | (68 308)         |
| GST payments on purchases                                   |      | (9 034)          | (8 907)          |
| Other payments  |      | (7 650)          | (7 650)          |
| <b>Receipts</b>   |      |                  |                  |
| GST receipts from taxation authority                        |      | 9 015            | 8 963            |
| Insurance claim receipts                                    |      | 218 009          | 353 667          |
| <b>Net cash provided by/ (used in) operating activities</b> | 5.2  | <b>121 795</b>   | <b>262 716</b>   |
| Net increase/(decrease) in cash & cash equivalents          |      | 221 795          | 362 716          |
| Cash and cash equivalents at the beginning of the period    |      | 1 909 555        | 1 546 839        |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>   | 5.1  | <b>2 131 350</b> | <b>1 909 555</b> |

*The Statement of Cash Flows should be read in conjunction with the accompanying notes.*

# Western Australian Coastal Shipping Commission

## Notes to the Financial Statements

### For the year ended 30 June 2019

#### 1. Basis of preparation

The Commission is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit reporting entity (as profit is not its principal objective).

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 28 August 2019.

#### Statement of compliance

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

1. The *Financial Management Act 2006*
2. The Treasurer's Instructions
3. Australian Accounting Standards including applicable interpretations
4. Where appropriate, those accounting standard paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act* and the Treasurer's Instructions (the instructions) take precedence over Australian Accounting Standards. Several Accounting Standards are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

#### Basis of preparation

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.

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

The settlement of liabilities continued through 2018-2019.

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. All values are rounded to the nearest dollar.

#### Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

# Western Australian Coastal Shipping Commission

## Notes to the Financial Statements

### 1. Basis of preparation (continued)

#### Contributed equity

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

# Western Australian Coastal Shipping Commission

## 2. Use of our funding

### Expenses incurred in the delivery of services

This section provides additional information about how the Commission's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Commission in achieving its objectives and the relevant notes are:

|                       | <b>Note</b> | <b>2019<br/>(\$)</b> | <b>2018<br/>(\$)</b> |
|-----------------------|-------------|----------------------|----------------------|
| Supplies and services | 2.1         | 70 410               | 68 999               |
| Other expenses        | 2.2         | 7 765                | 7 650                |

#### 2.1 Supplies and services

|   |               |               |
|---|---------------|---------------|
| Communication                               | -             | 53            |
| Consumables                                 | 9 149         | 9 022         |
| Insurance                                   | 1 532         | 552           |
| Service level agreement                     | 59 036        | 58 452        |
| Professional fees                           | 693           | 920           |
| <b>Total supplies and services expenses</b> | <b>70 410</b> | <b>68 999</b> |

#### 2.2 Other expenses

|                             |              |              |
|-----------------------------|--------------|--------------|
| Audit cost                  | 7 765        | 7 650        |
| <b>Total other expenses</b> | <b>7 765</b> | <b>7 650</b> |

**Supplies and services** are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

**Other expenses** includes the 2019 Audit fee. See also note 7.4 Remuneration of Auditor.

# Western Australian Coastal Shipping Commission

## 3. Our funding sources

### How we obtain our funding

This section provides additional information about how the Commission obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Commission and the relevant notes are:

|   | 2019    | 2018    |
|---|---------|---------|
|   | (\$)    | (\$)    |
| <b>3.1 Income from State Government</b>   |         |         |
| Appropriation received during the period: |         |         |
| Service appropriation (i)                 | 100 000 | 100 000 |

**(i) Service Appropriations** are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited in the bank account. Service appropriations fund the net cost of services delivered.

# Western Australian Coastal Shipping Commission

## 4. Assets and liabilities

This section sets out those assets and liabilities that arose from the Commission's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

|              | Note | 2019<br>(\$) | 2018<br>(\$) |
|--------------|------|--------------|--------------|
| Receivables  | 4.1  | 6 088        | 206 323      |
| Other assets | 4.2  | 701          | 653          |
| Payables     | 4.3  | 9 268        | 9 485        |

### 4.1 Receivables

#### Current

|                                     |              |                |
|-------------------------------------|--------------|----------------|
| Receivables                         | 5 007        | 205 250        |
| GST Receivable                      | 1 081        | 1 073          |
| <b>Balance at the end of period</b> | <b>6 088</b> | <b>206 323</b> |

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

### 4.2 Other assets

#### Current

|                                     |            |            |
|-------------------------------------|------------|------------|
| Prepayments                         | 701        | 653        |
| <b>Balance at the end of period</b> | <b>701</b> | <b>653</b> |

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

### 4.3 Payables

#### Current

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Accrued payables                    | 9 268        | 9 485        |
| <b>Balance at the end of period</b> | <b>9 268</b> | <b>9 485</b> |

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 settlement is generally within 30 days.

# Western Australian Coastal Shipping Commission

## 5. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the agency.

|                                     | <b>Note</b> |
|-------------------------------------|-------------|
| Cash and cash equivalents           | 5.1         |
| Reconciling of operating activities | 5.2         |

### 5.1 Cash and cash equivalents

|                           | <b>2019</b>      | <b>2018</b>      |
|---------------------------|------------------|------------------|
|                           | <b>(\$)</b>      | <b>(\$)</b>      |
| Cash and cash equivalents | <u>2 131 350</u> | <u>1 909 555</u> |

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash at bank and which is subject to insignificant risk of changes in value.

### 5.2 Reconciliation of net cost of services to net cash flows used in operating activities

|  | <b>2019</b>           | <b>2018</b>           |
|--|-----------------------|-----------------------|
|  | <b>(\$)</b>           | <b>(\$)</b>           |
| <b>Net cost of services</b>                  | (78 175)              | (76 649)              |
| <b>(Increase)/decrease in assets:</b>        |                       |                       |
| Current receivables (i)                      | 200 233               | 338 721               |
| Other current assets                         | (49)                  | (49)                  |
| <b>Increase/(decrease) in liabilities:</b>   |                       |                       |
| Current payables(i)                          | (216)                 | 698                   |
| Net GST receipts/(payments) (ii)             | (19)                  | 57                    |
| Change in GST in receivables/payables(iii)   | 21                    | (61)                  |
| <b>Net cash used in operating activities</b> | <u><b>121 795</b></u> | <u><b>262 717</b></u> |

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

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

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

# Western Australian Coastal Shipping Commission

## 6. Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of the Commission.

|                           | <b>Notes</b> |
|---------------------------|--------------|
| Financial risk management | 6.1          |
| Contingent assets         | 6.2.1        |
| Contingent liabilities    | 6.2.2        |

### 6.1 Financial risk management

Financial instruments held by the Commission are cash and cash equivalents, 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.

#### (a) Summary of risks and risk management

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

The maximum exposure to credit risk at end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown at note 6.1(c) 'Credit risk exposure' and note 4.1 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable from insurers. The Commission trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there is no significant credit risk.

**Market risk** is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks. The Commission is not exposed to interest rate risk because cash assets are non-interest bearing and the Commission have no borrowings.

**Liquidity risk** arises when the Commission is unable to meet its financial obligations as they fall due. The Commission is exposed to liquidity risk through its trading in the normal course of business. The Commission has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

# Western Australian Coastal Shipping Commission

## 6. Risks and Contingencies (continued)

### (b) Categories of Financial Instruments

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

|  | <b>2019</b>      | <b>2018</b>      |
|--|------------------|------------------|
|  | <b>(\$)</b>      | <b>(\$)</b>      |
| <b>Financial Assets</b>                          |                  |                  |
| Cash and cash equivalents                        | 2 131 350        | 1 909 555        |
| Receivables (i)                                  | 5 007            | 205 250          |
| <b>Total Financial Assets</b>                    | <b>2 136 357</b> | <b>2 114 805</b> |
| <b>Financial Liabilities</b>                     |                  |                  |
| Financial liabilities measured at amortised cost | 9 268            | 9 485            |
| <b>Total Financial Liability</b>                 | <b>9 268</b>     | <b>9 485</b>     |

(i) excludes GST recoverable from the ATO (statutory receivable)

### (c) Credit risk exposure

No credit risk exposure on the Commission's trade receivables exist because the main receivable is the amounts receivable from insurers.

# Western Australian Coastal Shipping Commission

## 6. Risks and Contingencies (continued)

### (d) Liquidity Risk and Interest Rate Exposure

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

|                              | Weighted<br>Average<br>Effective<br>Interest<br>Rate | Carrying<br>Amount | Non-Interest<br>Bearing | Nominal<br>Amount | Up to 1<br>month | 1- 3<br>months | 3 months<br>to 1 year | 1-5<br>years | More than<br>5 years |
|------------------------------|--|--------------------|-------------------------|-------------------|------------------|----------------|-----------------------|--------------|----------------------|
|                              | %  | (\$)               | (\$)                    | (\$)              | (\$)             | (\$)           | (\$)                  | (\$)         | (\$)                 |
| <b>2019</b>                  |  |                    |                         |                   |                  |                |                       |              |                      |
| <b>Financial Assets</b>      |  |                    |                         |                   |                  |                |                       |              |                      |
| Cash & cash equivalents      | -  | 2 131 350          | 2 131 350               | 2 131 350         | 2 131 350        | -              | -                     | -            | -                    |
| Receivables (i)              | -  | 5 007              | 5 007                   | 5 007             | 5 007            | -              | -                     | -            | -                    |
|                              |  | <b>2 136 357</b>   | <b>2 136 357</b>        | <b>2 136 357</b>  | <b>2 136 357</b> | -              | -                     | -            | -                    |
| <b>Financial Liabilities</b> |  |                    |                         |                   |                  |                |                       |              |                      |
| Payables                     | -  | 9 268              | 9 268                   | 9 268             | 9 268            | -              | -                     | -            | -                    |
|                              |  | <b>9 268</b>       | <b>9 268</b>            | <b>9 268</b>      | <b>9 268</b>     | -              | -                     | -            | -                    |
| <b>2018</b>                  |  |                    |                         |                   |                  |                |                       |              |                      |
| <b>Financial Assets</b>      |  |                    |                         |                   |                  |                |                       |              |                      |
| Cash & cash equivalents      | -  | 1 909 555          | 1 909 555               | 1 909 555         | 1 909 555        | -              | -                     | -            | -                    |
| Receivables (i)              | -  | 205 251            | 205 251                 | 205 251           | 205 251          | -              | -                     | -            | -                    |
|                              |  | <b>2 114 806</b>   | <b>2 114 806</b>        | <b>2 114 806</b>  | <b>2 114 806</b> | -              | -                     | -            | -                    |
| <b>Financial Liabilities</b> |  |                    |                         |                   |                  |                |                       |              |                      |
| Payables                     | -  | 9 485              | 9 485                   | 9 485             | 9 485            | -              | -                     | -            | -                    |
|                              |  | <b>9 485</b>       | <b>9 485</b>            | <b>9 485</b>      | <b>9 485</b>     | -              | -                     | -            | -                    |

(i) Receivables excludes the GST recoverable from the ATO (statutory receivable)

## **6. Risks and Contingencies (continued)**

### **(e) Interest rate sensitivity analysis**

No interest rate sensitivity has been provided as the Commission does not earn or incur interest.

### **6.2. Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

#### **6.2.1 Contingent assets**

The Commission has no contingent assets as at the year ended 30 June 2019.

#### **6.2.2 Contingent liabilities**

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

##### ***Workers compensation claims***

There is one present claim against the Commission. A former seagoing employee who received fortnightly payments under the provisions of the Seafarers Rehabilitation and Compensation Act 1992 retired in August 2010 but continues to receive other benefits for his medical and other expenses which are recouped from insurers. In general, all claims are covered by insurers.

# Western Australian Coastal Shipping Commission

## Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

|  | <b>Notes</b> |
|--|--------------|
| Events occurring after the end of the reporting period         | 7.1          |
| Key management personnel                                       | 7.2          |
| Related party transactions                                     | 7.3          |
| Remuneration of auditors                                       | 7.4          |
| Equity   | 7.5          |
| Initial Application of Australian Accounting Standards         | 7.6          |
| Future impact of Australian standards issued not yet operative | 7.7          |

### 7.1 Events occurring after the end of the financial year

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

### 7.2 Key Management Personnel

The Commission has determined key management personnel to include cabinet ministers and senior officers of the Commission. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

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.

The Commission does not employ officers.

### 7.3 Related Party Transactions

The Commission is a wholly owned public-sector entity that is controlled by the State of Western Australia.

Related parties of the Commission include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public-sector entities);
- associates and joint ventures of a wholly-owned public-sector entity

# Western Australian Coastal Shipping Commission

## 7.3 Related Party Transactions (continued)

### Significant transactions with government entities

In conducting its activities, the agency is required to transact with the State and entities relating to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- service appropriations (Note 3.1)
- service level agreement with Department of Transport (Note 2.1)
- external audit (Note 7.4)

### Material transactions with other related parties

During the year, there were no material related party transactions (including general citizen type transactions) between the Commission and Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

## 7.4 Remuneration of auditors

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

|  | 2019<br>(\$) | 2018<br>(\$) |
|--|--------------|--------------|
| Auditing the accounts, financial statements and key performance indicators | 7 765        | 7 650        |

*The expense is included at note 2.2 Other Expenses.*

## 7.5 Equity

|                                      | 2019<br>(\$)        | 2018<br>(\$)        |
|--------------------------------------|---------------------|---------------------|
| <b>Contributed equity</b>            |                     |                     |
| Balance at start and end of period   | 18 029 968          | 18 029 968          |
| Accumulated surplus/(deficit)        |                     |                     |
| Balance at start of period           | (15 922 922)        | (15 946 273)        |
| Result for the period                | 21 825              | 23 351              |
| <b>Balance at end of period</b>      | <b>(15 901 097)</b> | <b>(15 922 922)</b> |
| <b>Total Equity at end of period</b> | <b>2 128 871</b>    | <b>2 107 046</b>    |

# Western Australian Coastal Shipping Commission

## 7.6 Initial Application of Australian Accounting Standards

### AASB 9 Financial instruments

AASB 9 Financial instruments replaces AASB 139 *Financial instruments: Recognition and Measurements* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Commission applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has not resulted in any changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Commission has not restated the comparative information which continues to be reported under AASB 139.

#### The nature of these adjustments are described below:

##### (a) Classification and measurement

There was no impact on receivables as a result of adopting AASB 9 because there was no provision for doubtful debts as at 30 June 2018. The entire receivables amount held at 30 June 2018 was recovered during the current year.

In summary, upon the adoption of AASB 9, the Department had the following reclassifications as at 1 July 2018:

|                     | AASB 9 Category       |                               |                               | Fair Value through P/L \$ 000 |
|---------------------|-----------------------|-------------------------------|-------------------------------|-------------------------------|
|                     | Amortised cost \$ 000 | Fair value through OCI \$ 000 | Fair Value through P/L \$ 000 |                               |
| <b>Assets</b>       |                       |                               |                               |                               |
| Receivables         | 205 250               | 205 250                       | -                             | -                             |
| <b>Total Assets</b> |                       | <b>205 250</b>                | -                             | -                             |

##### (b) Impairment

The adoption of AASB 9 has fundamentally changed the Commissions accounting for impairment losses for financial assets by replacing AASB139's incurred loss approach with a forward-looking expected credit loss approach. AASB 9 requires the Commission to recognise an allowance for expected credit loss for all financial assets not held at fair value through profit or loss.

Under adoption of AASB 9, the Commission didn't recognise any additional impairments on the Commission's receivables and therefore there is no resulting change in accumulated surplus/deficit as at 1 July 2018.

## Western Australian Coastal Shipping Commission

### 7.7 Future impact of Australian standards issued not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements' or by an exemption from Treasurer's instruction 1101. Where applicable, the Commission plans to apply the following Australian Accounting Standards from their application date.

#### **Operative for financial years commencing after 1 Jan 2020**

##### *AASB 1058 Income for Not-for-Profit Entities*

This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an Agency. The Commission anticipates that the application will not materially impact appropriations or untied grant revenues.

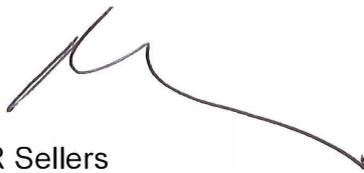
##### *AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*

This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.

Western Australian Coastal Shipping Commission  
**Key Performance Indicators**  
**For the year ended 30 June 2019**

**Certification of Key Performance Indicators**

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Commission's performance, and fairly represent the performance of the Western Australian Coastal Shipping Commission for the financial year ended 30 June 2019.



R Sellers  
Chairman  
30 August 2019



R Buchholz  
Commissioner  
30 August 2019

# Western Australian Coastal Shipping Commission

## Key Performance Indicators

### For the year ended 30 June 2019

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.

|                             | 2019<br>\$'000 | 2018<br>\$'000 | 2017<br>\$'000 |
|-----------------------------|----------------|----------------|----------------|
| Insurance                   | 1              | 1              | 1              |
| Service Level Agreement (i) | 59             | 58             | 59             |
| General                     | 17             | 17             | 16             |
|                             | <u>77</u>      | <u>76</u>      | <u>76</u>      |

(i) From the current reporting period onwards, the Commission has considered it appropriate to include the costs of the Service Level Agreement with the Department of Transport in its Key Performance Indicators. Comparatives have been adjusted accordingly.

### Key Effectiveness indicator

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

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

## Western Australian Coastal Shipping Commission

### Other Legal Requirements

For the year ended 30 June 2019

#### Compliance with Public Sector Management Act Section 31(1)

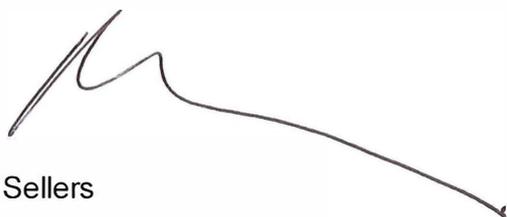
In the administration of the Commission, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.

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.

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 |

R Sellers  
Chairman  
30 August 2019



#### 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 2019, the Commission incurred no expenditures that would fall into this category.



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## Minister for Transport; Planning

Our ref: 72-20559

### **ATTESTATION: STATESHIPS 2018-19 ANNUAL REPORT**

For the duration of the financial year ended 30 June 2019, 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 blue ink, consisting of a large, stylized 'R' followed by a series of loops and a long horizontal stroke.

**HON RITA SAFFIOTI MLA  
MINISTER FOR TRANSPORT**

07 AUG 2019

07 AUG 2019

07 AUG 2019

07 AUG 2019