



Annual Report 2020-21

| Western Australian Planning Commission

Financials and Performance Indicators





Auditor General

INDEPENDENT AUDITOR'S OPINION 2021 Western Australian Planning Commission

To the Parliament of Western Australia

Report on the audit of the financial statements

I have audited the financial statements of the Western Australian Planning Commission (Commission) which comprise:

- the Statement of Financial Position at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Planning Commission for the year ended 30 June 2021 and the financial position at the end of that period
- 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Emphasis of Matter – Restatement of comparative balances

I draw attention to Note 8.12 to the financial statements which states that the amounts reported in the previously issued 30 June 2020 Annual Financial Report have been restated and disclosed as comparatives in this Annual Financial Report. My opinion is not modified in respect to this matter.

Responsibilities of the Commissioner for the financial statements

The Commissioner is responsible for:

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

In preparing the financial statements, the Commissioner is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Western Australian Planning Commission. The controls exercised by the Commission are those policies and procedures established by the Commissioner 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 Planning 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 2021.

The Commissioner's responsibilities

The Commissioner 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 were implemented as designed.

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Planning Commission for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and 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 Planning 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 2021.

The Commissioner's responsibilities for the key performance indicators

The Commissioner 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 it 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 Commissioner 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 responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

My independence and quality control relating to the reports on controls and key performance indicators

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

Other information

The Commissioner is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

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

This auditor's report relates to the financial statements, controls and key performance indicators of the Western Australian Planning Commission for the year ended 30 June 2021 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, controls 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, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.



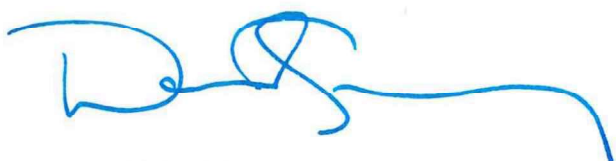
Grant Robinson
Acting Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
1 October 2021

Certification of financial statements

For the reporting period ended 30 June 2021

The accompanying financial statements of the Western Australian Planning 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 reporting period ended 30 June 2021 and the financial position as at 30 June 2021.

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



David Caddy
Chairman

Western Australian Planning Commission
29 September 2021



Jeremy Kwong
AI Chief Finance Officer

Western Australian Planning Commission
29 September 2021

Statement of comprehensive income

For the year ended 30 June 2021

		2021	2020
	Notes	\$000	Restated * \$000
COST OF SERVICES			
Expenses			
Supplies and services	2.1	38,775	34,041
Depreciation and amortisation expense	4.1(a), 4.2(a)	3,603	3,500
Committee / board fees	2.2	570	395
Grants and subsidies	2.3	2,219	2,204
Revaluation decrement	2.5	38,641	38,415
Impairment losses for land	2.6	15,800	27,315
Other expenses	2.4	14,042	11,340
Total cost of services		113,650	117,210
Income			
Rental revenue	3.2	6,265	6,633
User charges and fees	3.3	17,198	11,509
Interest revenue	3.4	1,470	4,431
Other income	3.5	1,131	1,346
Total income		26,064	23,919
Gains/(losses)			
Gain/(loss) on disposal of non-current assets	3.6	(588)	4,465
Total gains/(losses)		(588)	4,465
NET COST OF SERVICES		88,174	88,826
Income from State Government			
Service appropriation	3.1	90,594	93,610
Services received free of charge		223	186
Income from other public sector entities		-	(22)
Total income from State Government		90,817	93,774
SURPLUS FOR THE PERIOD		2,643	4,948
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.8	1,188	4,037
Total other comprehensive income		1,188	4,037
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,831	8,985

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

* 30 June 2020 has been restated for prior period corrections - refer to Note 8.12

Statement of financial position

As at 30 June 2021

	Notes	2021 \$000	2020 Restated * \$000
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	10,798	9,640
Restricted cash and cash equivalents	6.1	449,215	439,570
Receivables	5.1	2,596	4,341
Other current assets	5.2	30,978	32,357
Non-current assets classified as held for sale	8.7	15,291	10,537
Total Current Assets		508,879	496,445
Non-Current Assets			
Amounts receivable for services	5.3	6,639	6,259
Infrastructure, property, plant and equipment	4.1	520,171	545,719
Intangible assets	4.2	36,111	28,917
Total Non-Current Assets		562,921	580,894
TOTAL ASSETS		1,071,800	1,077,338
LIABILITIES			
Current Liabilities			
Payables	5.4	5,011	5,701
Other current liabilities	5.5	1,042	698
Contract liabilities	5.6	8,915	11,647
Total Current Liabilities		14,967	18,046
TOTAL LIABILITIES		14,967	18,046
NET ASSETS		1,056,833	1,059,292
EQUITY			
Contributed equity	8.8	-	-
Reserves	8.8	44,839	43,651
Accumulated surplus	8.8	1,011,994	1,015,641
TOTAL EQUITY		1,056,833	1,059,292

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

* 30 June 2020 has been restated for prior period corrections - refer to Note 8.12

Statement of changes in equity

For the year ended 30 June 2021

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated surplus \$000	Total Equity \$000
Balance at 1 July 2019		4,108	39,614	1,018,309	1,062,032
Correction of prior period error	8.12	-	-	2,612	2,612
Restated balance at 1 July 2019		4,108	39,614	1,020,920	1,064,643
Surplus		-	-	4,948	4,948
Other comprehensive losses	8.8	-	4,037	-	4,037
Total comprehensive income for the period		-	4,037	4,948	8,985
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		5,400	-	-	5,400
Distributions to owners		(9,508)	-	(10,228)	(19,736)
Total		(4,108)	-	(10,228)	(14,336)
Balance at 30 June 2020		-	43,651	1,015,641	1,059,292
Balance at 1 July 2020		-	43,651	1,015,641	1,059,292
Surplus		-	-	2,643	2,643
Other comprehensive income	8.8	-	1,188	-	1,188
Total comprehensive income for the period		-	1,188	2,643	3,831
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		5,400	-	-	5,400
Distributions to owners		(5,400)	-	(6,290)	(11,690)
Total		-	-	(6,290)	(6,290)
Balance at 30 June 2021		-	44,839	1,011,994	1,056,833

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

Statement of cash flows

For the year ended 30 June 2021

	Notes	2021 \$000	2020 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		90,214	93,230
Capital appropriations		5,400	5,400
Funds from other public sector entities		31,292	3,756
Net cash provided by State Government		126,906	102,386
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Supplies and services		(47,161)	(40,883)
Grants and subsidies		(2,519)	(1,904)
GST payments on purchases		(3,152)	(5,370)
GST payment to taxation authority		(2,951)	(451)
Other payments		(5,967)	(3,545)
Receipts			
Rental received		6,700	6,393
User charges and fees		17,145	11,428
Interest received		1,726	5,962
GST receipts on sales		3,295	1,420
GST receipts from taxation authority		4,690	5,207
Other receipts		669	675
Net cash (used in) operating activities		(27,526)	(21,067)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current assets		4,084	11,952
Purchase of non-current assets		(92,661)	(97,058)
Net cash (used in) investing activities		(88,577)	(85,106)
Net (decrease)/increase in cash and cash equivalents		10,803	(3,787)
Cash and cash equivalents at the beginning of the period		449,210	452,997
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.1	460,013	449,210

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

Statement of consolidated account appropriations

For the year ended 30 June 2021

	2021 Estimate \$000	2021 Actual \$000	Variance \$000	2021 Actual \$000	2020 Actual \$000	Variance \$000
<u>Delivery of Services</u>						
Item 87 Net amount appropriated to deliver services	28,350	5,850	(22,500)	5,850	5,904	(54)
Amount Authorised by Other Statutes						
- Metropolitan Region Improvement Tax Act 1959	86,769	84,744	(2,025)	84,744	87,706	(2,962)
Total appropriations provided to deliver services	115,119	90,594	(24,525)	90,594	93,610	(3,016)
<u>Capital</u>						
Item 147 Capital appropriations	5,400	5,400	-	5,400	5,400	-
GRAND TOTAL	120,519	95,994	(24,525)	95,994	99,010	(3,016)
<u>Details of Expenses by Service</u>						
Statutory Planning	17,860	21,693	3,833	21,693	15,764	5,930
Strategic Planning	7,218	4,512	(2,706)	4,512	5,328	(817)
Asset Management	25,501	87,445	61,944	87,445	96,118	(8,673)
Total Cost of Services	50,579	113,650	63,071	113,650	117,210	(3,560)
Less Total Income	(25,424)	(25,476)	(52)	(25,476)	(28,384)	2,908
Net Cost of Services	25,155	88,174	63,019	88,174	88,826	(652)
Purchase of non-current assets	144,524	86,861	(57,663)	86,861	91,018	(4,157)
Revaluation decrement and impairment loss	-	(54,441)	(54,441)	(54,441)	(65,730)	11,289
Adjustments	(54,560)	(30,000)	24,560	(30,000)	(20,504)	(9,496)
Total appropriations provided to deliver services	115,119	90,594	(24,525)	90,594	93,610	(3,016)
<u>Capital Expenditure</u>						
Purchase of non-current assets	5,400	5,800	400	5,800	6,040	(240)
Adjustment for other funding sources	-	(400)	(400)	(400)	(640)	240
Capital appropriations	5,400	5,400	-	5,400	5,400	-

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Notes to the financial statements

1. Basis of preparation

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

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

These annual financial statements were authorised for issue by the Chairperson of the Commission on 29 September 2021.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

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

The *Financial Management Act 2006* and the Treasurer's Instructions take precedence over AASs. Several AASs 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

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

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.

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. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

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:

	Notes	2021 \$000	2020 \$000
Supplies and services	2.1	38,775	34,041
Committee / board fees	2.2	570	395
Grants and subsidies	2.3	2,219	2,204
Other expenses	2.4	14,042	11,340
Revaluation decrement	2.5	38,641	38,415
Impairment losses for land	2.6	15,800	27,315

2.1 Supplies and services

Consultants and contractors	4,854	6,383
Services provided by Department of Planning, Lands and Heritage - labour	11,249	10,840
Services provided by Department of Planning, Lands and Heritage - other	20,945	14,892
Cleaning / gardening	272	136
Lease / rental / hire charges	-	137
Advertising and promotion	174	186
Printing	28	31
Utilities	848	1,001
Communications	6	8
Consumables	261	265
Supplies and services - other	140	162
Total supplies and services	38,775	34,041

Supplies and services:

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.

2.2 Committee / board fees

Travel	5	39
Sitting fees	489	326
Superannuation	46	30
Other provisions	30	-
	570	395

Committee / board fees are recognised as an expense in the reporting period in which they are incurred.

2.3 Grants and subsidies

Recurrent

General government agencies	300	300
Non government agencies	1,555	1,526
Local government	364	368
Other	-	10
	2,219	2,204

Transactions in which the Commission provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and / or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

	2021	2020
	\$000	\$000
2.4 Other expenses		
Licence fees	12	89
Minor equipment purchases	32	15
Other staff costs	52	61
Rates and taxes	828	852
Insurance	249	301
Compensation costs	5,490	3,017
Expected credit losses expense	-	235
Write-off other assets	1,003	139
Repairs and maintenance	6,125	6,318
Other	250	313
	14,042	11,340

Other expenses:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. They are recognised as an expense in the reporting period in which they are incurred.

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

2.5 Revaluation decrement

Revaluation decrement	38,641	38,415
	38,641	38,415

2.6 Impairment losses for land

Impairment losses for land	15,800	27,315
	15,800	27,315

Impairment losses for land are recognised in the Statement of Comprehensive Income. Where a land asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Please refer to Note 4.1 (a) for guidance in relation to the impairment assessment.

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:

	Notes	2021 \$000	2020 \$000
Income from State Government	3.1	90,817	93,774
Rental revenue	3.2	6,265	6,633
User charges and fees	3.3	17,198	11,509
Interest revenue	3.4	1,470	4,431
Other revenue	3.5	1,131	1,346
Gains	3.6	(588)	4,465

3.1 Income from State Government

Appropriation received during the period:

- Metropolitan Region Improvement Tax	84,744	87,706
- Service appropriation ^(a)	5,850	5,904
	90,594	93,610

Services received free of charge from other State government agencies during the period:

State Solicitor's Office - Legal services	223	181
Department of Water and Environmental Regulation - Meeting representation	-	5
Total services received	223	186

Income received from other public sector entities:

Gains from disposal of non-current assets ^(c)	-	(22)
Total income received from other public sector entities	-	(22)
Total income from State Government	90,817	93,774

^(a) 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 to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account - Note 5.3) comprises the budgeted depreciation expense for the year and any agreed increase in leave liabilities during the year.

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

^(c) Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised from public sector entities in profit or loss in the statement of comprehensive income.

3.2 Rental revenue

Rental revenue	6,265	6,633
	6,265	6,633

Rental revenue is received on properties leased by the Commission prior to the properties being used for their acquired purpose under the Metropolitan Region Scheme, the Peel Region Scheme and the Greater Bunbury Region Scheme.

Revenue is recognised on a straight line basis in accordance to leasing terms.

3.3 User charges and fees

Subdivision application fees	12,866	9,142
Endorsement fees	28	25
Plan and diagram fees	1,883	1,494
Land reservation certificates	1,283	770
Other	1,138	78
	17,198	11,509

Revenue is recognised and measured at the fair value of application fees received or receivable and the services are contracted to the Department of Planning, Lands and Heritage for determination.

3.4 Interest revenue

Interest earned on bank deposits	1,470	4,431
	1,470	4,431

Revenue is recognised as the interest accrues.

	2021 \$000	2020 \$000
3.5 Other revenue		
Whiteman Park revenue ^(a)	249	209
Recoup of expenditure	639	398
Other	243	739
	1,131	1,346

(a) Excludes rental revenue on leases held at Whiteman Park which is included within rental revenue (Note 3.2)

Revenue is recognised when it can be reliably measured.

3.6 Gains

Net proceeds from disposal of non-current assets

Land and Rental Buildings	3,804	6,974
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Selling costs of disposal of non-current assets

Land and Rental Buildings	(63)	(77)
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Carrying amount of non-current assets disposed

Land and Rental Buildings	(4,329)	(2,432)
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Net gain/(loss)	(588)	4,465
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Total gains/(loss)	(588)	4,465
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Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

4 Key assets

Assets the Commission utilises for economic benefit or service potential

This section includes information regarding the key assets the Commission utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2021	2020
		\$000	\$000
Infrastructure, property, plant and equipment	4.1	520,171	545,719
Intangibles	4.2	36,111	28,917
Total key assets		556,282	574,635

4.1 Infrastructure, property, plant and equipment

	Land	Rental Buildings	Regional Open Space	Infrastructure	Assets under construction	Equipment	Motor vehicles	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
1 July 2020								
Gross carrying amount	496,864	21,511	14,492	10,586	1,337	5,264	722	550,776
Accumulated depreciation	-	(813)	(0)	(42)	-	(3,682)	(519)	(5,057)
Carrying amount at start of period	496,864	20,698	14,491	10,543	1,337	1,582	204	545,719
Additions	67,423	2,837	25	-	2,312	8	-	72,605
Additions - Metronet	-	-	-	-	14,693	-	-	14,693
Revaluation increments / (decrements)	(38,641)	1,188	-	-	-	-	-	(37,454)
Impairment losses ^(a)	(15,800)	-	-	-	-	-	-	(15,800)
Disposals	(33,883)	(1,029)	-	-	-	-	-	(34,912)
Transfers from held for sale	310	-	-	-	-	-	-	310
Transfers to held for sale	(9,771)	-	-	-	-	-	-	(9,771)
Transfers from/(to) State of WA	(11,690)	-	-	-	-	-	-	(11,690)
Transfers to / (from) works in progress	-	-	55	474	(2,011)	1,143	339	0
Depreciation	-	(2,213)	(443)	(475)	-	(352)	(47)	(3,529)
Carrying amount at 30 June 2021	454,812	21,480	14,128	10,542	16,331	2,382	496	520,171
30 June 2021								
Gross carrying amount	454,812	24,506	14,571	11,059	16,331	6,416	1,061	528,757
Accumulated depreciation	-	(3,026)	(443)	(517)	-	(4,034)	(565)	(8,586)

^(a) Impairment losses are recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to its recoverable amount, an impairment loss is recognised in the profit or loss. Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

Initial recognition

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired at or no nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land,
- buildings,
- regional open space; and
- infrastructure.

Land, buildings, infrastructure and regional open space are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2020 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2021 and recognised at 30 June 2021.

In undertaking the revaluation, fair value of land was determined by reference to market values: \$80,686,000 (2020: \$136,391,541) and buildings: \$478,000 (2020: \$1,259,400). For the remaining balance of land, fair value was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

For the remaining balance, fair value of rental buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

The fair value of regional open space buildings and infrastructure is assessed every 3 years. Fair value of the regional open space buildings and infrastructure is determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available.

Significant assumptions and judgements:

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Finite useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Buildings	10 - 40 years
Regional open space	10 - 40 years
Infrastructure	10 - 40 years
Computer equipment	2 - 5 years
Other equipment	5 - 20 years
Motor vehicles	5 - 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Land which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of land because its service potential has not, in any material sense, been consumed during the reporting period.

4.1 (a) Depreciation and impairment

Charge for the period

Depreciation

Regional open space buildings	443	444
Rental buildings	2,213	2,216
Infrastructure	475	434
Equipment	352	349
Vehicles	47	58
Total depreciation for the period	3,529	3,500

As at 30 June 2021, there were no indications of impairment to buildings, infrastructure and equipment assets.

All surplus assets at 30 June 2021 have either been classified as assets held for sale or have been written-off.

Please refer to Note 4.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where land and buildings acquisitions have not been independently valued by the Western Australian Land Information Authority (Valuations and Property Analytics) at the end of the reporting period, the carrying amount of the land and buildings is impaired to reflect the change of use on acquisition.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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

4.2 Intangible assets

Caveat interest

When a property is reserved for possible future acquisition, the owner may apply under certain circumstances through the provisions of Part 11 of the Planning and Development Act 2005 to sell the property at a lesser price than might reasonably be expected had there been no reservation. If approved, compensation representing the difference is paid to the vendor.

At the time of a compensation payment, the Commission's equity in the property is established on the ratio of compensation paid as a proportion of the unaffected value of the property. If the Commission resumes the property at a later date, the purchase consideration is calculated by deducting the Commission's equity as a percentage of the total valuation at the time of acquisition.

	2021	2020
	\$000	\$000
Caveat interest - at cost	33,741	28,917
Water Licence - at cost	2,444	-
Water Licence - accumulated amortisation	(74)	-
	36,111	28,917

Reconciliation

1 July 2020

Carrying amount at start of period	28,917	24,593
Additions	10,551	4,350
Disposals	(3,283)	(17)
Transfers	-	(9)
Accumulated Amortisation	(74)	-
Carrying amount at 30 June 2021	36,111	28,917

Initial recognition

Caveat interest in excess of \$1 are reported as intangible assets. They are recognised at cost, considered to have an indefinite useful life and are not amortised.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation.

The caveat interests are a purchase of the right to buy should the property owner decide to sell. The amount is reviewed for impairment each year and there have been no impairment indicators noted for this year.

4.2 (a) Amortisation and impairment

	2021	2020
	\$000	\$000
Charge for the period		
Water Licence ^(a)	74	-
	74	-

^(a) Amortisation rate for Water Licence had been calculated based on the licence period which is 9 years

As at 30 June 2021, there were no indications of impairment to intangible assets. The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Department have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Asset	Useful life: years
Software ^(a)	2 to 5 years

^(a) Software that is not integral to the operation of any related hardware.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note Finite useful lives.

5 Other 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:

	Notes	2021 \$000	2020 \$000
Receivables	5.1	2,596	4,341
Other current assets	5.2	30,978	32,357
Amounts receivable for services (Holding Account)	5.3	6,639	6,259
Payables	5.4	5,011	5,701
Other current liabilities	5.5	1,042	698
Contract liabilities	5.6	8,915	11,647

5.1 Receivables

Receivables	2,005	1,813
Allowance for impairment of receivables	(352)	(505)
GST receivable	464	2,345
Accrued interest	372	628
Other accrued income	107	60
Balance at end of period	2,596	4,341

The Commission does not hold any collateral or other credit enhancements as security for receivables.

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

5.2 Other current assets

Current

Prepayments	15,307	30,000
Unsettled land and building purchases	15,334	2,046
Tenant security bonds	338	311
Balance at end of period	30,978	32,357

Other current 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.

5.3 Amounts receivable for services (Holding Account)

Non-current	6,639	6,259
Balance at end of period	6,639	6,259

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the Holding Account).

The Commission receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

5.4 Payables

Current

Accrued expenses	5,011	5,701
Total current	5,011	5,701

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.

5.5 Other current liabilities

Current

Tenants' bonds ^(a)	338	311
Income in advance ^(b)	495	379
Provision for compensation claim in relation to Taking Order of land	-	2
Receipts on Account ^(c)	210	6
Total current	1,042	698

^(a) Refundable tenant deposits

^(b) Includes monies received from other agencies for rent received in advance.

^(c) Receipts on Account includes deposits received in advance.

5.6 Contract liabilities

Current

Unsettled land and building sales	8,915	11,647
Total current	8,915	11,647

Unsettled land and building sales, represents disposals, that are not settled until a new certificate of title has been issued.

6 Financing

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

	Notes	2021 \$000	2020 \$000
Cash and cash equivalents	6.1	460,013	449,210
Commitments	6.2	70,000	70,000

6.1 Cash and cash equivalents

Cash and cash equivalents

- Western Australian Planning Commission Account (WAPC Account)		10,796	9,638
- Cash advance		2	2
		10,798	9,640

Restricted cash and cash equivalents:

- Metropolitan Region Improvement Fund ^(a)		443,433	434,712
- Western Australian Planning Commission Account ^(b)		5,781	4,858
		449,215	439,570
Balance as at end of period		460,013	449,210

^(a) Cash held in the Metropolitan Region Improvement Fund is to be used for various projects and studies

^(b) Cash held in the Commission Account is to be used for Regional Land Acquisitions, Coastal Zone Management and various other studies.

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

6.2 Commitments

Capital commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year		70,000	-
Later than 1 year and not later than 5 years		-	70,000
		70,000	70,000

Capital commitments represented the expenditure to the Yanchep rail extension, as part of the Metronet project.

7 Financial instruments and contingencies

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

	Notes	2021 \$000	2020 \$000
Financial instruments	7.1		
Contingent assets and liabilities	7.2		

7.1 Financial instruments

Financial assets

Cash and cash equivalents	460,013	449,210
Financial assets at amortised cost ^(a)	8,771	8,254
Total financial assets	468,784	457,464

^(a) The amount of Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable)

Financial liabilities

Financial liabilities at amortised cost ^(b)	5,011	5,701
Total financial liabilities	5,011	5,701

^(b) The amount of Financial liabilities at amortised cost excludes GST payable to the ATO (statutory receivable)

7.2 Contingent assets and liabilities

Contingent assets

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

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

	\$000	\$000
The following contingent assets are excluded from the assets included in the financial statements:		
Litigations in progress:	265	-

Contingent liabilities

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

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

	\$000	\$000
The following contingent liabilities are excluded from the liabilities included in the financial statements:		
Litigations in progress:	66,900	9,780

Contaminated sites

Under the *Contaminated Sites Act 2003* (CSA), the Commission is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values.

The Commission is required to recognise a contingent liability in respect of a site where:

- the site has been classified contaminated - remediation required (C-RR) under the Act, and remediation costs cannot be reliably estimated;
- the site has been classified as possibly contaminated - investigation required (PC-IR) under the Act, and investigation costs cannot be reliably estimated.

During the 2020-21 financial year, 2 sites require remediation or other management and have been classified by DWER as 'contaminated – remediation required'. In addition, 11 sites require formal investigation and have been classified by DWER as 'possibly contaminated - investigation required'.

8 Other disclosures

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

	Notes
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related party transactions	8.3
Related bodies	8.4
Affiliated bodies	8.5
Remuneration of auditors	8.6
Non-current assets classified as assets held for sale	8.7
Equity	8.8
Supplementary financial information	8.9
Initial application of accounting standards	8.10
Explanatory statement	8.11
Restatement of prior period comparatives due to error	8.12

8.1 Events occurring after the end of the reporting period

No information has become apparent after the end of the reporting period which would materially affect the financial statements.

8.2 Key management personnel

The Commission has determined key management personnel to include responsible minister and members of the accountable authority. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for members of the accountable authority for the reporting period are presented within the following bands:

Compensation Band (\$)	2021	2020
0 - 10,000 ^(a)	10	12
10,001 - 20,000	4	7
20,001 - 30,000	5	1
280,001 - 290,000	-	1
290,001 - 300,000	1	-
	20	21

^(a) Includes eight (8) members (2020: eight (8) members) from other government agencies who did not receive any compensation from the Commission.

	\$000	\$000
Total compensation of key management personnel	548	433

Total compensation includes the superannuation expense incurred by the Commission in respect of members of the accountable authority.

8.3 Related party transactions

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

Related parties of the Commission include:

- the responsible minister and their close family members, and their controlled or jointly controlled entities;
- the members of the accountable authority 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; and
- the Government Employees Superannuation Board (GESB).

Material transactions with other related parties

Outside of normal citizen type transactions with the Commission, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.4 Related bodies

The Commission had no related bodies during the financial year 2020-21 and 2019-20.

8.5 Affiliated bodies

The Commission had no affiliated bodies during the financial year 2020-21 and 2019-20.

8.6 Remuneration of auditors

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

Auditing the accounts, financial statements, controls and key performance indicators

2021	2020
73	75

8.7 Non-current assets classified as assets held for sale

The following table represents a summary of assets held for sale:

	Land \$000	Total \$000
2020		
Opening balance	255	255
Assets reclassified as held for sale	10,339	10,339
Total assets classified as held for sale	10,594	10,594
Less assets sold	(57)	(57)
Closing balance	10,537	10,537
2021		
Opening balance	10,537	10,537
Assets reclassified as held for sale	9,771	9,771
Less asset reclassified as Land	(310)	(310)
Total assets classified as held for sale	19,998	19,998
Less assets sold	(4,707)	(4,707)
Closing balance	15,291	15,291

8.8 Equity

Contributed equity

	2021 \$000	2020 \$000
Balance at start of period	-	4,108
<i>Contributions by owners</i>		
Capital appropriation	5,400	5,400
Total contributions by owners	5,400	5,400
<i>Distribution to owners</i>		
Transfer land to State of WA	(5,400)	(9,508)
Total distribution to owners	(5,400)	(9,508)
Balance at end of period	-	-

Asset revaluation surplus

Balance at start of period	43,651	39,614
<i>Net revaluation increments/(decrements)</i>		
Rental buildings	1,188	747
Regional Open Space Buildings	-	1,411
Infrastructure	-	1,879
Total asset revaluation surplus	44,839	43,651

Accumulated surplus

Balance at start of period	1,015,641	1,020,920
Result for the period	2,643	4,948
Distribution to owners - Transfer land to State of WA	(6,290)	(10,228)
Total accumulated surplus	1,011,994	1,015,641
Balance at end of period	1,056,833	1,059,292

8.9 Supplementary financial information

(a) Write-offs

During the financial year, \$62k (2020: \$NIL) was written off the Commission's books under the authority of:

The accountable authority	62	-
	62	-

(b) Losses through theft, defaults and other causes

During 2020-21 and 2019-20 the Commission did not report any losses due to theft, defaults and other causes.

(c) Gifts of public property

There were no gifts of public property provided by the Commission during the financial year 2020-21 and 2019-20.

8.10 Initial application of accounting standards

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors came into effect for annual reporting periods beginning on or after 1 January 2020.

This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public-sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.

The Commission has not identified any public private partnerships within scope of the Standard and there is no impact on the financial statements.

8.11 Explanatory statement (Controlled Operations)

All variances between annual estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances which are greater than 10% and 1% prior year of Total Cost of Services for the Statements of Comprehensive Income and Statement of Cash Flows, and are greater than 10% and 1% prior year of Total Assets for the Statement of Financial Position

8.11.1 Statement of Comprehensive Income Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2021 and 2020
	Note	2021	2021	2020		
		\$000	\$000	\$000	\$000	\$000
Expenses						
Supplies and services	A	36,008	38,775	34,041	2,767	4,734
Depreciation expense		3,600	3,603	3,500	3	103
Committee / board fees		613	570	395	(43)	175
Grants and subsidies expense		2,250	2,219	2,204	(31)	15
Revaluation decrement	1	-	38,641	38,415	38,641	226
Impairment losses for land	2, B	-	15,800	27,315	15,800	(11,515)
Other expenses	3, C	8,108	14,042	11,340	5,934	2,701
Total cost of services		50,579	113,650	117,210	63,071	(3,560)
Income						
Revenue						
Rental revenue		6,731	6,265	6,633	(466)	(368)
User charges and fees	4, D	13,343	17,198	11,509	3,855	5,689
Interest revenue	E	2,100	1,470	4,431	(630)	(2,961)
Other revenues		750	1,131	1,346	381	(215)
Total Revenue		22,924	26,064	23,919	3,140	2,145
Gains						
Gain on disposal of non-current assets	5, F	2,500	(588)	4,465	(3,088)	(5,053)
Revaluation increment		-	-	-	-	-
Total Gains		2,500	(588)	4,465	(3,088)	(5,053)
NET COST OF SERVICES		25,155	88,174	88,826	63,019	(652)
Income from State Government						
Service appropriation	6	115,119	90,594	93,610	(24,525)	(3,016)
Services received free of charge		450	223	186	(227)	37
Income from other public sector entities		-	-	(22)	-	22
Total income from State Government		115,569	90,817	93,774	(24,752)	(2,957)
SURPLUS/(DEFICIT) FOR THE PERIOD		90,414	2,643	4,948	(87,771)	(2,305)
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	1,188	4,037	1,188	(2,849)
Total other comprehensive income		-	1,188	4,037	1,188	(2,849)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		90,414	3,831	8,985	(86,583)	(5,154)

Major Estimate and Actual (2021) Variance Narratives

1 Revaluation decrement is higher than budget estimate by \$38.6 million (100%) mainly due to movements in land values following the Valuer General's valuation assessment of land held by the Commission. Given the nature of these transactions, estimates cannot be determined.

2 Impairment losses for land are higher than budget estimate by \$15.8 million (100%) mainly due to a change of land use. Given the nature of these transactions, estimates cannot be determined.

3 Other expenses are higher than budget estimate by \$5.9 million (73%) mainly due to compensation paid to landowners for the compulsory acquisition of their properties through the provisions of the *Planning and Development Act 2005* and *Land Administration Act 1997*.

4 User charges and fees are higher than budget estimate by \$3.9 million (29%) mainly due to an increase in subdivision application fees following the Australian Government's HomeBuilder grant and the State's Building Bonus.

5 Loss on disposal of non-current assets is mainly due to the higher fair value (carrying amount) of assets compared to proceeds. Given the nature of these transactions, estimates cannot be determined.

6 Service appropriations are lower than budget estimate by \$24.5 million (21%) mainly due to the deferral of \$22.5 million appropriation to 2021-22 due to deferral of Public Infrastructure works and lower collections through the Metropolitan Regional Improvement Tax (\$2 million).

Major Actual (2021) and Comparative (2020) Variance Narratives

A Supplies and services increased by \$4.7 million (14%) mainly due to increase in funding paid to Department of Planning, Lands and Heritage for the assessment and administration of statutory planning applications. The volume of statutory planning applications and associated fees increased during the year as a result of COVID-19 stimulus initiatives including the Australian Government's HomeBuilder grant and the State's Building Bonus.

B Impairment losses for land decreased by \$11.5 million (42%) mainly due to a change of land use for land acquired during the year.

C Other expenses increased by \$2.7 million (24%) mainly due to compensation paid to landowners for the compulsory acquisition of their properties through the provisions of the *Planning and Development Act 2005* and *Land Administration Act 1997*.

D User charges and fees increased by \$5.7 million (49%) mainly due to higher statutory planning application fees collected during the year as a result of the implementation of COVID-19 stimulus initiatives including the Australian Government's HomeBuilder grant and the State's Building Bonus.

E Interest revenue decreased by \$3 million (67%) mainly due to a lower interest rate (average of 0.3%) during the current financial year than (the average rate of 0.9%) in 2020.

F Loss on disposal of non-current assets in 2020-21 is mainly due to the higher fair value (carrying amount) of assets compared to proceeds. Given the nature of these transactions, estimates cannot be determined.

8.11.2 Statement of Financial Position Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2021 and 2020
Note	2021	2021	2020			
	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS						
<i>Current Assets</i>						
Cash and cash equivalents		11,883	10,798	9,640	(1,085)	1,158
Restricted cash and cash equivalents		380,467	449,215	439,570	68,748	9,645
Receivables		4,797	2,596	4,341	(2,201)	(1,745)
Other current assets		32,417	30,978	32,357	(1,439)	(1,378)
Non-current assets classified as held for sale		6,886	15,291	10,537	8,405	4,754
Total Current Assets		436,450	508,879	496,445	72,429	12,434
<i>Non-Current Assets</i>						
Amounts receivable for services		6,639	6,639	6,259	(0)	380
Infrastructure, property, plant and equipment	7	646,668	520,171	545,719	(126,497)	(25,547)
Intangible assets		28,917	36,111	28,917	7,194	7,195
Other non-current assets	8	22,500	-	-	(22,500)	-
Total Non-Current Assets		704,724	562,921	580,894	(141,803)	(17,973)
TOTAL ASSETS		1,141,174	1,071,800	1,077,338	(69,374)	(5,539)
LIABILITIES						
<i>Current Liabilities</i>						
Payables		1	5,011	5,701	5,010	(690)
Other current liabilities		8,257	1,042	698	(7,215)	344
Contract liabilities		11,647	8,915	11,647	(2,732)	(2,732)
Total Current Liabilities		19,905	14,967	18,046	(4,938)	(3,079)
TOTAL LIABILITIES		19,905	14,967	18,046	(4,938)	(3,079)
NET ASSETS		1,121,269	1,056,833	1,059,292	(64,436)	(2,460)
EQUITY						
Contributed equity		(25,828)	-	-	25,828	-
Reserves		43,325	44,839	43,651	1,514	1,187
Accumulated surplus		1,152,460	1,011,994	1,015,641	(140,466)	(3,647)
Other		(48,688)	-	-	48,688	-
TOTAL EQUITY		1,121,269	1,056,833	1,059,292	(64,436)	(2,460)

Major Estimate and Actual (2021) Variance Narratives

7 Infrastructure, property, plant and equipment are lower than budget estimates by \$126.5 million (20%) mainly due to the unbudgeted land revaluation decrement and land impairment loss throughout the year.

8 Other non-current assets are lower than budget estimates by \$22.5 million (100%) due to the deferral of Public Infrastructure works.

Major Actual (2021) and Comparative (2020) Variance Narratives

No major variances

8.11.3 Statement of Cash Flow Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2021 and 2020
	Note	2021 \$000	2021 \$000	2020 \$000	\$000	\$000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation	9	114,739	90,214	93,230	(24,525)	(3,016)
Capital appropriations		5,400	5,400	5,400	-	(0)
Funds from other public sector entities	10, G	35,000	31,292	3,756	(3,708)	27,536
Net cash provided by State Government		155,139	126,906	102,386	(28,233)	24,520
CASH FLOWS FROM OPERATING ACTIVITIES						
<u>Payments</u>						
Supplies and services	H	(43,903)	(47,161)	(40,883)	(3,258)	(6,278)
Grants and subsidies		(2,250)	(2,519)	(1,904)	(269)	(615)
GST payments on purchases	I	(3,020)	(3,152)	(5,370)	(132)	2,218
GST payment to taxation authority	11, J	(310)	(2,951)	(451)	(2,641)	(2,500)
Other payments	12, K	(346)	(5,967)	(3,545)	(5,621)	(2,422)
<u>Receipts</u>						
Rental received		6,731	6,700	6,393	(31)	307
User charges and fees	13, L	13,343	17,145	11,428	3,802	5,717
Interest received	M	2,100	1,726	5,962	(374)	(4,236)
GST receipts on sales	14, N	310	3,295	1,420	2,985	1,875
GST receipts from taxation authority	15	3,020	4,690	5,207	1,670	(518)
Other receipts		750	669	675	(81)	(6)
Net cash (used in) operating activities		(23,575)	(27,526)	(21,067)	(3,951)	(6,458)
CASH FLOWS FROM INVESTING ACTIVITIES						
<u>Payments</u>						
Proceeds from sale of non-current assets	O	5,000	4,084	11,952	(916)	(7,868)
Other payments	16	(21,000)			21,000	
Purchase of non-current assets	17	(149,924)	(92,661)	(97,058)	57,263	4,397
Net cash (used in) investing activities		(165,924)	(88,577)	(85,106)	77,347	(3,471)
CASH FLOWS FROM FINANCING ACTIVITIES						
<u>Payments</u>						
Other payments	18	(22,500)	-	-	22,500	-
Net cash provided by / (used in) financing activities		(22,500)	-	-	22,500	-
Net increase/(decrease) in cash and cash equivalents		(56,860)	10,803	(3,787)	67,663	14,590
Cash and cash equivalents at the beginning of the period		449,210	449,210	452,997	-	(3,787)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		392,350	460,013	449,210	67,663	10,803

Major Estimate and Actual (2021) Variance Narratives

9 Service appropriation are lower than budget estimate by \$24.5 million (21%) mainly due to the deferral of \$22.5 million appropriation to 2021-22 and lower collection of Metropolitan Regional Improvement Tax (\$2 million).

10 Funds from other public sector entities is lower than budget by \$3.7 million (11%) due to the final valuation calculations of land sold for the Tonkin Highway extension.

11 GST payments to taxation authority are higher than budget estimate by \$2.6 million (852%) mainly due to higher taxable land sales as a result of the sale for Tonkin Highway extension.

12 Other payments are higher than budget estimate by \$5.6 million (1,624%) mainly due to compensation paid to landowners for acquisition of their land.

13 User charges and fees are higher than budget estimate by \$3.8 million (28%) mainly due to higher statutory planning application fees collected during the year as a result of the implementation of COVID-19 stimulus initiatives.

14 GST receipts on sales are higher than budget estimate by \$3 million (963%) mainly due to higher taxable land sales as a result of the sale for Tonkin Highway extension.

15 GST receipts from taxation authority are higher than budget estimate by \$1.7 million (55%) mainly due to timing difference in receipt from taxation authority.

16 Other payments are lower than budget estimate by \$21 million (100%) mainly due to the re-purposing of funding in the 2020-21 Mid-year Review and deferral of payment within the forward estimate period.

17 Purchase of non-current assets are lower than budget estimate by \$57.3 million (38%) mainly due to deferral of land acquisitions to 2021-22.

18 Other payments are lower than budget estimate by \$22.5 million (100%) mainly due to the re-purposing of the funding in the 2021-22 Budget process.

Major Actual (2021) and Comparative (2020) Variance Narratives

G Funds from other public sector entities increased by \$27.5m (733%) and is related to the sale of land for Tonkin Highway extension in 2021.

H Supplies and services increased by \$6.3 million (15%) mainly due to increase in funding charter payment to Department of Planning, Lands and Heritage for the assessment and administration of statutory planning applications. The volume of statutory planning applications and the resulting fees received increased in the year as a result of COVID-19 stimulus initiatives implemented in the year.

I GST payments on purchases decreased by \$2.2 million (41%) due to lower taxable land acquisition expenditures.

J GST payments to taxation authority increased by \$2.5 million (554%) mainly due to higher taxable land sales as a result of the sale for Tonkin Highway extension.

K Other payments increased by \$2.4 million (68%) mainly due to compensation paid to landowners for the taking of their lands.

L User charges and fees increased by \$5.7 million (50%) mainly due to higher statutory planning application fees collected during the year as a result of the implementation of COVID-19 stimulus initiatives.

M Interest received decreased by \$4.2million (71%) mainly due to a lower interest rate (average of 0.3%) during the current financial year than the average rate of 0.9% in 2020.

N GST receipts on sales increased by \$1.9 million (132%) mainly due to higher taxable land sales as a result of the sale for Tonkin Highway extension.

O Proceeds from sale of non-current assets decreased by \$7.9 million (66%) mainly due to the level and value of land sale activities.

8.12 Restatement of prior period comparatives due to error

1. A number of land parcels totalling \$2,612k were found to be under the control of WAPC which had not been recorded as part of the Infrastructure, property, plant and equipment balance in the prior year, resulting in an understatement of this balance. This was adjusted against accumulated surplus because it could not be determined when this parcel first came into the control of WAPC.

2. A number of parcels of land were found to have been valued on a restricted basis when they should have been valued on an unrestricted basis for the year ended 30 June 2020. This resulted in overstatement of the revaluation decrement in the statement of comprehensive income, and a corresponding understatement of Infrastructure, property, plant and equipment and assets held for sale.

There was no material impact for the above two restatements on the 30 June 2019 Statement of Financial Position and accordingly no third balance sheet has been presented.

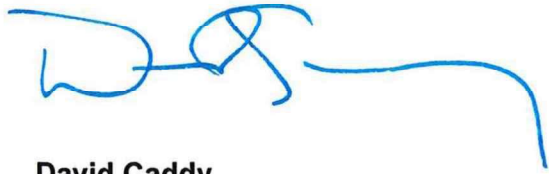
Statement of Financial Position (Extract)	30 June 2020 (as previously reported)	Increase/ (Decrease)	30 June 2020 (Restated)
	\$000	\$000	\$000
Infrastructure, property, plant and equipment	537,843	7,876	545,719
Non-current assets classified as held for sale	6,886	3,651	10,537
Total Assets	1,065,811	11,527	1,077,338
Net Assets	1,047,765	11,527	1,059,292
Accumulated surplus	1,004,114	11,527	1,015,641
Total Equity	1,047,765	11,527	1,059,292

Statement of Comprehensive Income (Extract)	Year Ended 30 June 2020 (as previously reported)	Increase/ (Decrease)	Year Ended 30 June 2020 (Restated)
	\$000	\$000	\$000
Revaluation decrement	47,331	(8,916)	38,415
Total cost of services	126,126	(8,916)	117,210
NET COST OF SERVICES	97,742	(8,916)	88,826
SURPLUS/(DEFICIT) FOR THE PERIOD	(3,968)	8,916	4,948
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	69	8,916	8,985

Key performance indicators

Certification of key performance indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Planning Commission's performance, and fairly represent the performance of the Western Australian Planning Commission for the financial year ended 30 June 2021.



David Caddy
Chairman
Western Australian Planning Commission
29 September 2021

The WAPC's desired outcome and key performance indicators

For the year ended 30 June 2021

Relationship to Government Goals

The Western Australian Planning Commission (WAPC) has state-wide responsibility for urban, rural and regional integrated strategic and statutory land use planning and land development. The WAPC's vision is to create better places to live and work for all Western Australians, while its mission is to ensure that the planning system develops policy and enables planning decisions for the long-term benefit of the Western Australian community.

Through the desired outcome and services listed below, the WAPC contributes to the Government's goal for "Better Places: A quality environment with liveable and affordable communities and vibrant regions".

GOVERNMENT GOAL	DESIRED OUTCOMES	SERVICES
Better Places A quality environment with liveable and affordable communities and vibrant regions	An efficient and effective planning system that promotes the use and development of land in Western Australia	1. Statutory Planning 2. Strategic Planning 3. Asset Management

The key effectiveness indicators that follow provide information on how well the land use planning activities of the WAPC contribute to the development of land use planning and land use implementation strategies that guide the State's long term urban settlement and economic development. Results can be compared with performance in previous years (where available) and targets published in the Budget Papers. The key efficiency indicators measure the relationship between the services delivered and the resources used to produce the service. For example, results are presented on a cost per application or per hectare managed basis for easy comprehension. The efficiency indicators incorporate the cost of each service, and as such, measure the overall efficiency in achieving the desired outcome.

Outcome and Key Effectiveness Indicators

WAPC Desired Outcome:

An efficient and effective planning system that promotes the use and development of land in Western Australia

Effectiveness Indicator:

The proportion of residential land in the metropolitan area that is capable of multiple dwellings within 400m and 800m of the Capital City, a Strategic Metropolitan Centre, or a Train Station

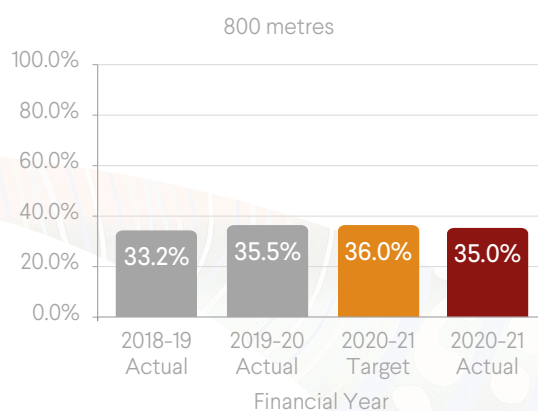
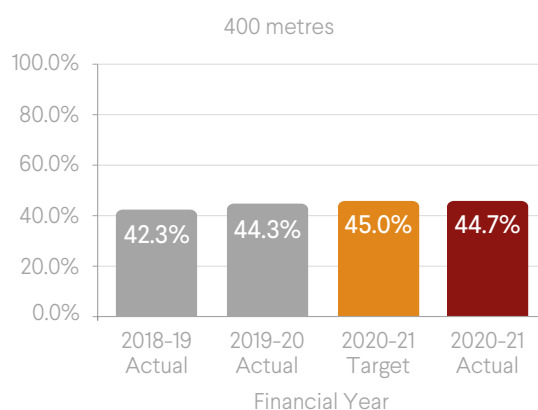
Under the *Planning and Development Act 2005*, the WAPC is responsible for promoting the sustainable use and development of land in Western Australia. *Perth and Peel @3.5 million*, a high level spatial framework and strategic plan for the future growth of the metropolitan Perth and Peel region, recognises the need to plan for land and housing opportunities to accommodate a doubling of the Perth and Peel regions' population to 3.5 million. The main objective is to promote a balanced consolidated development approach that effectively accommodates a larger proportion of new dwellings within existing urban areas. Therefore, one of the WAPC's policy objectives aims to realise more medium to high density residential development in close proximity to activity centres and public transport. This ensures equitable access to infrastructure, and encourages the use of public transport instead of private motor vehicles.

This KPI aligns with the Sub-regional planning frameworks which focus on achieving higher densities of employment and residential development in appropriate places within a predominantly built-up environment while making better use of established infrastructure over the long term. The frameworks build upon the principles of *Directions 2031 and Beyond* and are key instruments in achieving a more consolidated urban form that will reduce dependence on new urban greenfield developments. They provide the strategic spatial framework which will guide local governments in achieving optimal urban consolidation over the long term.

In addition to passenger train stations within the metropolitan area, this KPI covers the Tier 1 and Tier 2 activity centres identified in *Directions 2031 and Beyond*, namely the:

- Perth Capital City (which includes Perth, West Perth, East Perth and Northbridge)
- Strategic Metropolitan Centres (Armadale, Cannington, Fremantle, Joondalup, Mandurah, Morley, Midland, Stirling, and Rockingham).

Most land zoned for residential development is allocated a residential density code (R-Code). However, the zoning of land is not the only indication of permissible development of land. Some land is not allocated an R-Code by a local planning scheme but rather by a structure plan (or equivalent) that has been prepared under the local planning scheme. The calculation of this KPI will exclude emerging Strategic Metropolitan Centres until those centres have at least 1 hectare of commercial floor space.



Effectiveness Indicator:

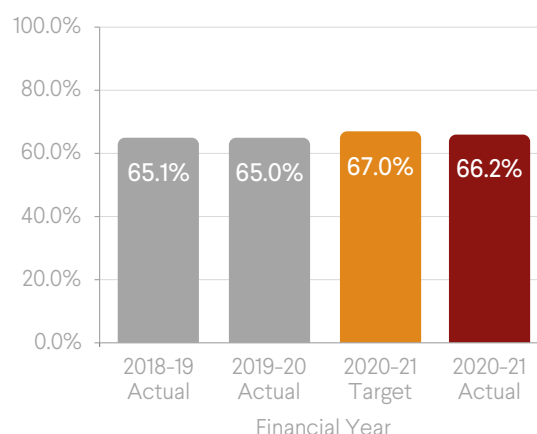
The proportion of residential land that is zoned R40 and above that is within 400m of a Major Regional Centre

Under the *Planning and Development Act 2005*, the WAPC is responsible for promoting the sustainable use and development of land in Western Australia.

This KPI aligns with the Regional Planning and Infrastructure Frameworks which aim to address the future population growth in regional WA in accordance with the Activity Centres Framework and Settlement Hierarchy. The KPI focuses on the major regional centres, which are typically significant centres for population, economic activity and employment. The KPI aligns with policy objectives which aim to realise more medium to high density residential development in close proximity to the major regional centres as this provides efficient access to existing infrastructure.

The KPI covers residential land that is in proximity to the Major Regional Centres, which are Albany, Broome, Bunbury, Geraldton, Kalgoorlie, Karratha, and Port Hedland.

The proportion of residential land that is zoned R40 and above that is within 400m of a Major Regional Centre



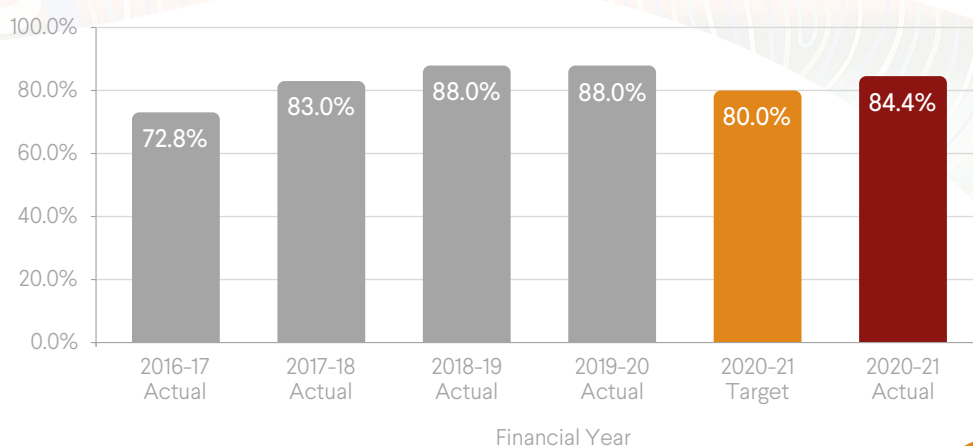
Effectiveness Indicator:

The percentage of subdivision applications determined within the statutory timeframe

Subdivision is the division of land into separate lots, or the amalgamation of several lots into a larger lot. For this measure, subdivisions include green title and survey strata subdivisions. Subdivision applications are determined within strategic, legislative and policy frameworks that promote the sustainable use and development of land in Western Australia.

Under delegated authority, officers of the Department of Planning, Lands and Heritage (the Department) determine the majority of subdivision applications on behalf of the WAPC. This KPI demonstrates the WAPC's and the Department's effectiveness in determining subdivision applications within the statutory timeframe. The statutory timeframe is currently 90 days as specified in s. 143(2) of the *Planning and Development Act 2005*, or within any such longer period that may be agreed between the WAPC and the applicant in writing.

The percentage of subdivision applications determined within the statutory timeframe



Effectiveness Indicator: The percentage of development applications determined within the statutory timeframe

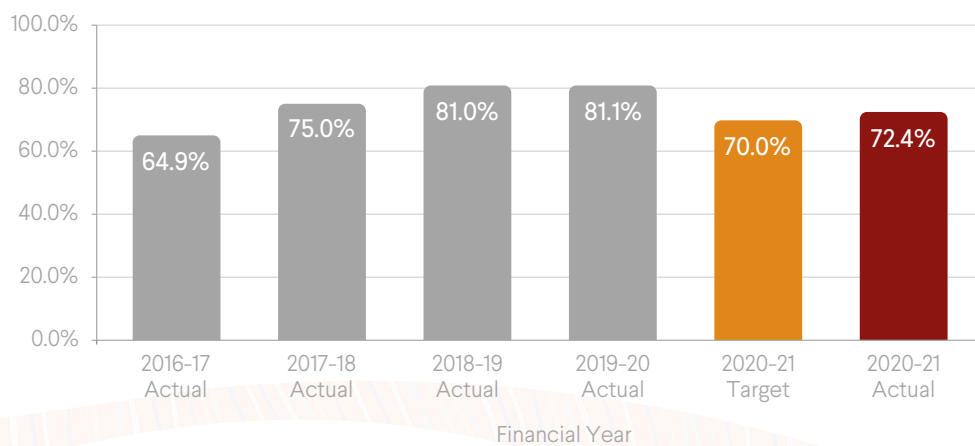
Development applications detail the proposed development of land, and these applications are determined within strategic, legislative and policy frameworks that promote the sustainable use and development of land in Western Australia.

Under delegated authority, officers of the Department of Planning, Lands and Heritage (the Department) determine the majority of development applications on behalf of the WAPC. This KPI demonstrates the WAPC's and the Department's effectiveness in determining development applications within the required timeframe. The required timeframe is 60 days for the metropolitan region as specified in clause 31(2) of the Metropolitan Region Scheme or within such further time as may be agreed in writing between the applicant and the WAPC. For the Greater Bunbury and Peel regions, the required timeframe is 90 days as stated in clause 47(2) of the Greater Bunbury Region Scheme and clause 41(2) of the Peel Region Scheme or within such further time as is agreed in writing between the applicant and the WAPC.

Explanation for significant variance

The 2020-21 result was 8.7 per cent lower than 2019-20 due mainly to a significant increase in the number of planning applications processed in 2020-21. This was attributed to the COVID-19 stimulus announcements in 2020 relating to the home builder grants, and amendments to legislation to cut red tape and support job-creating projects. While the number of development applications were five per cent lower than 2019-20, resources were directed towards the processing of subdivision applications which were 47.4 per cent higher than those processed in 2019-20.

The percentage of development applications determined within the statutory timeframe



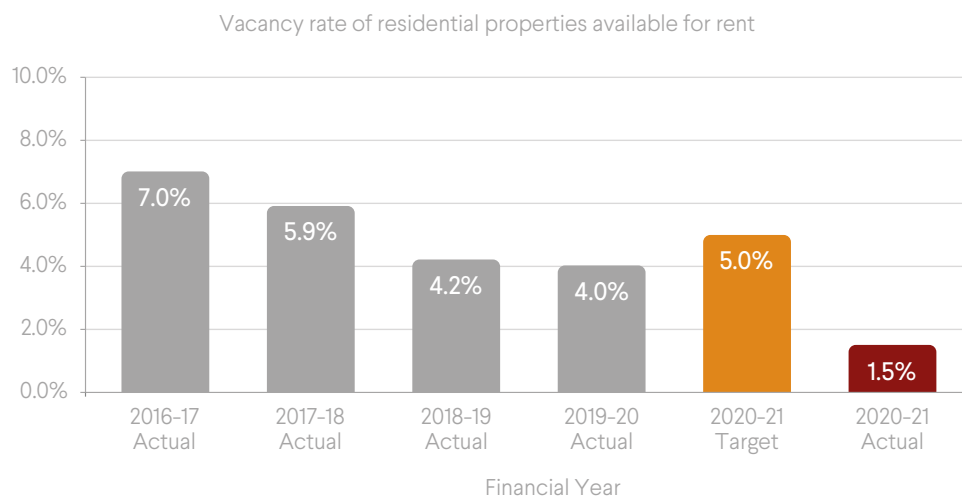
Effectiveness Indicator: Vacancy rate of residential properties available for rent

One of the key functions of the WAPC is to 'Develop, maintain and manage land that is reserved under a region planning scheme or improvement scheme'. In 2020-21 the WAPC owned 245 residential properties that were situated on reserved land. The Department of Planning, Lands and Heritage (the Department) managed 232 of these properties while real estate agents managed the remaining properties on behalf of the WAPC. This indicator relates to the 232 properties managed by the Department. The Department aims to maximise rental income on the basis of high occupancy rates and market rentals. Wherever possible, the Department leases these properties until the land is required for the purpose for which it was reserved.

This KPI reports on the vacancy rate of the residential properties. While market factors will have an impact on performance, the vacancy rate measures the effectiveness of the Department's management of these properties on behalf of the WAPC.

Explanation for significant variance

The variance between the 2020-21 actual, and both the 2019-20 actual and 2020-21 target is due mainly to the residential tenancies COVID-19 response. The measures taken as part of this response included a moratorium on evictions from 30 March 2020 to 28 March 2021, the Residential Rent Relief Grant Scheme which provided assistance to tenants to pay off debts that arose before 1 December 2020, and a freeze on rental rates until 28 March 2021.



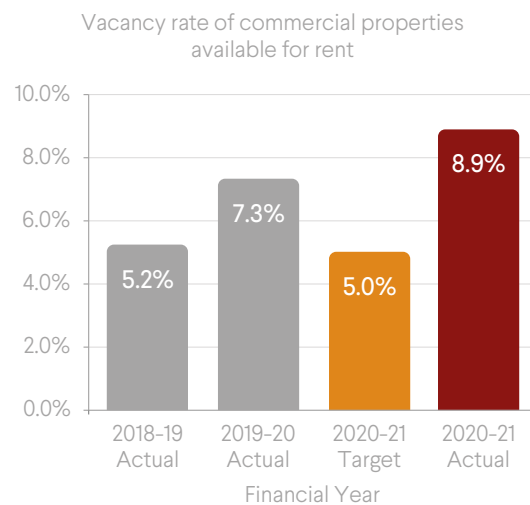
Effectiveness Indicator: Vacancy rate of commercial properties available for rent

One of the key functions of the WAPC is to 'Develop, maintain and manage land that is reserved under a region planning scheme or improvement scheme'. In 2020-21 the WAPC owned and managed 67 commercial properties that were situated on reserved land. The Department of Planning, Lands and Heritage (the Department) managed 66 of these properties while real estate agents managed the remaining property on behalf of the WAPC. This indicator relates to the 66 properties managed by the Department. The Department aims to maximise rental income on the basis of high occupancy rates and market rentals. Wherever possible, the Department leases these properties until the land is required for the purpose for which it was reserved.

This KPI reports on the vacancy rate of the commercial properties. While market factors will have an impact on performance, the vacancy rate measures the effectiveness of the Department's management of these properties on behalf of the WAPC.

Explanation for significant variance

The variance between the 2020-21 actual, and both the 2019-20 actual and 2020-21 target is due mainly to the poor condition of the WAPC's commercial properties, and the lack of interest received during the COVID-19 state of emergency from businesses willing to commit to commercial lease agreements.



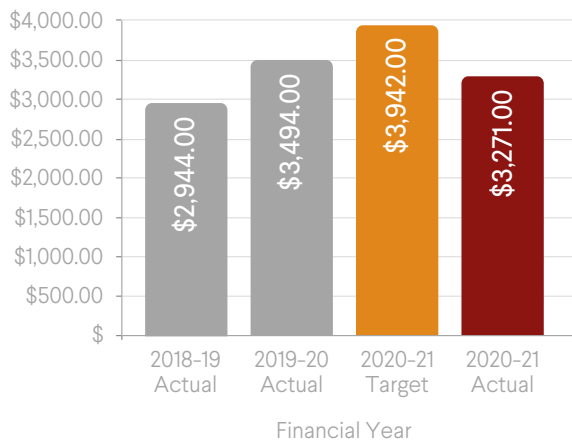
WAPC Services:
Service 1 - Statutory Planning

Efficiency Indicator:
Average cost per statutory application

Under delegated authority, officers of the Department of Planning, Lands and Heritage (the Department) determine the majority of statutory applications on behalf of the WAPC. The WAPC receives revenue from subdivision applications and deposited plans, and transfers these monies to the Department to process these applications.

This KPI measures the average cost to the WAPC for the processing of these statutory applications.

Average cost per statutory application



Explanation for significant variance

The 2020-21 result is significantly lower than target and the 2019-20 result due mainly to:

- Expenditure on statutory applications being 21.5 per cent above target and 37.6 per cent above 2019-20, however
- The number of applications processed were 46.4 per cent above target and 47 per cent above the number processed in 2019-20.

This was attributed to the COVID-19 stimulus announcements in 2020 relating to the home builder grants, and amendments to legislation to cut red tape and support job-creating projects.

Service 2 - Strategic Planning

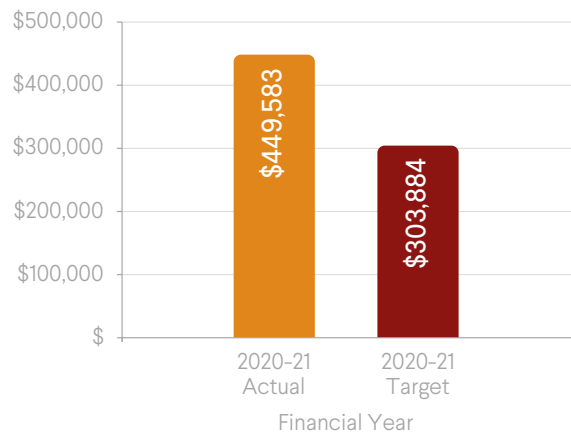
Efficiency Indicator:
Average cost per strategic project

Strategic planning within the WAPC involves the development and advancement of frameworks, strategies and policies that guide the State’s long-term development, economic prosperity and environmental management in ways that reflect the aspirations of the Western Australian community.

The WAPC funds the Department of Planning, Lands and Heritage (the Department) to undertake work on its behalf in relation to strategic projects. This new KPI measures the average total cost of service for the strategic projects that the Department undertakes.

As this is a new key performance indicator, a comparative against previous years is not provided.

Average cost per strategic project



Explanation for significant variance

The 2020-21 result is significantly lower than target due mainly to underspending on projects totalling approximately \$1.45 million.

Service 3 - Asset Management

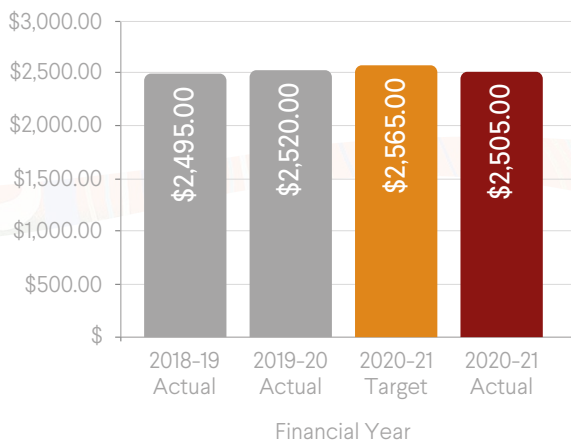
One of the key functions of the WAPC is to 'Develop, maintain and manage land that is reserved under a region planning scheme or improvement scheme'. This includes properties reserved under the Metropolitan, Peel, and Greater Bunbury Region Schemes for primary and other regional roads, parks and recreation, regional open space, special uses including planning control areas and improvement plans, and major land development projects. The resources required to manage each type of property can vary considerably, and as such it is proposed to separate the asset management efficiency indicators into three KPIs.

Efficiency Indicator: Average cost of service for the management of Whiteman Park per hectare managed

Whiteman Park is a unique recreation and conservation reserve that contains natural bushland and leisure facilities in Perth's northern suburbs. The parkland is reserved for parks and recreation in the Metropolitan Region Scheme, creating a space for the community. The creation of the parkland also serves to protect the Gngangara Water Mound, a vital source of drinking water for the Perth metropolitan area, and creates a haven for local flora and fauna. In total, staff at Whiteman Park manage approximately 3,760 hectares of reserved land.

Whiteman Park's vision is dedicated to the education and conservation of environmental, transport and cultural heritage. As such, the park provides visitors with an opportunity to experience a wide range of transport heritage in one place.

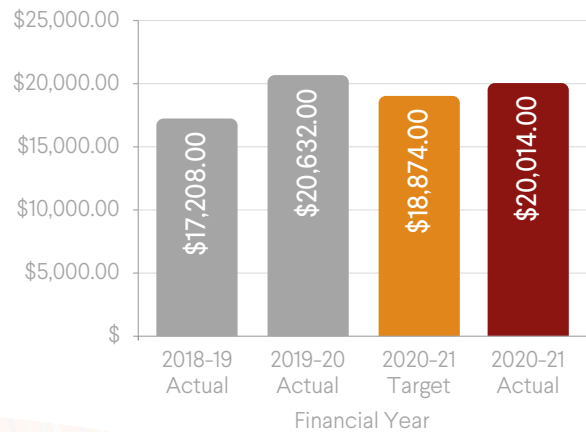
Average cost of service for the management of Whiteman Park per hectare managed



Efficiency Indicator: Average cost of service for the management of residential and commercial properties per property

In 2020-21, the WAPC owned 245 residential and 67 commercial properties on reserved land. The Department of Planning, Lands and Heritage managed the majority of these properties on behalf of the WAPC, while real estate companies managed those properties located in regional Western Australia. This KPI represents the average cost of managing all residential and commercial properties.

Average cost of service for the management of residential and commercial properties per property



Explanation for significant variance

The 2020-21 result exceeded target due mainly to expenditure being 4.7 per cent greater than target. Actual results exceeded budget particularly in relation to salaries and wages, and maintenance expenses on commercial properties. In addition, there were four less residential properties managed during the year than anticipated.

**Efficiency Indicator:
Average cost of service for the management of reserved land (excluding Whiteman Park and Residential and Commercial properties) per hectare managed**

One of the key functions of the WAPC is to 'Develop, maintain and manage land that is reserved under a region planning scheme or improvement scheme'. This includes properties reserved under the Metropolitan, Peel, and Greater Bunbury Region Schemes for primary and other regional roads, parks and recreation, regional open space areas, special uses including planning control areas and improvement plans, and major land development projects.

The WAPC currently owns approximately 21,700 hectares of reserved land, and about 4,220 hectares of this land is managed by the Department of Biodiversity, Conservation and Attractions. The Department of Planning, Lands and Heritage manages the remaining reserved land on behalf of the WAPC.

A significant proportion of the WAPC's expenditure on asset management is attributed to the management Whiteman Park, and residential and commercial properties. This KPI represents the average cost of managing other reserved land (i.e., excluding Whiteman Park, the residential and commercial properties, and land managed by the Department of Biodiversity, Conservation and Attractions), which covers an area of approximately 12,920 hectares.

Explanation for significant variance

The 2020-21 result was significantly lower than 2019-20 due mainly to lower expenditure in relation to remediation work on a WAPC property in Belmont. In 2001, the WAPC purchased a property in Belmont for parks and recreational purposes, however, a slope failure (landslide) of up to 11 metres above the river occurred in January 2012. Temporary remedial works were carried out, but in 2014 and 2015 further observations indicated that the slope continued to be affected by instability. Funding for a remediation project was approved as part of the 2018-19 Mid-Year Review, and a contract was awarded in July 2019. The 2020-21 result exceeded the target due mainly to unplanned expenditure to revegetate the riverbank in Belmont.

Average cost of service for the management of reserved land (excluding Whiteman Park and Residential and Commercial properties) per hectare managed

