

# 2014/15 ANNUAL REPORT

## Financials & KPIs

Auditor General Independent Auditor's Report

Financial Statements

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## AUDITOR GENERAL INDEPENDENT AUDITOR'S REPORT



### Auditor General

#### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

#### WESTERN AUSTRALIAN PLANNING COMMISSION

##### Report on the Financial Statements

I have audited the accounts and financial statements of the Western Australian Planning Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

##### *Commission's Responsibility for the Financial Statements*

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

##### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

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

##### **Opinion**

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Planning Commission at 30 June 2015 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

## AUDITOR GENERAL INDEPENDENT AUDITOR'S REPORT

### **Report on Controls**

I have audited the controls exercised by the Western Australian Planning Commission during the year ended 30 June 2015.

Controls exercised by the Western Australian Planning Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

#### *Commission's Responsibility for Controls*

The Commission is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Western Australian Planning Commission based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

### **Opinion**

In my opinion, 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 2015.

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

I have audited the key performance indicators of the Western Australian Planning Commission for the year ended 30 June 2015.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

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

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Commission determines necessary to ensure that the key performance indicators fairly represent indicated performance.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

## AUDITOR GENERAL INDEPENDENT AUDITOR'S REPORT

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commission's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

### **Opinion**

In my opinion, 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 2015.

### **Independence**

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

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

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Planning Commission for the year ended 30 June 2015 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE  
DEPUTY AUDITOR GENERAL  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
22 September 2015

## FINANCIAL STATEMENTS

### **Certification of Financial Statements**

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 financial year ended 30 June 2015 and the financial position as at 30 June 2015.

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



John Deery  
Chief Finance Officer  
Western Australian Planning Commission

22 September 2015



Eric Lumsden  
Chairman  
Western Australian Planning Commission

22 September 2015

## FINANCIAL STATEMENTS

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

<b>COST OF SERVICES</b>	Note	<b>2015</b>	<b>2014</b>
		<b>\$000</b>	<b>\$000</b>
<b>Expenses</b>			
Supplies and services	6	43,231	34,303
Depreciation expense	7	3,247	3,270
Bad and doubtful debts	8	51	14
Committee/board fees	9	382	275
Grants and subsidies	10	11,657	4,026
Revaluation decrement	11	101,324	0
Compensation payment	12	1,456	5,715
Other expenses	13	6,120	1,512
<b>Total cost of services</b>		<b>167,468</b>	<b>49,115</b>
<b>Income</b>			
<b>Revenue</b>			
Grants from other bodies	14	0	30
Revaluation increment	15	0	48,637
Rental revenue		6,404	6,617
User charges and fees	16	14,511	14,866
Interest revenue	17	5,735	4,447
Other revenue	18	2,641	1,218
<b>Total Revenue</b>		<b>29,291</b>	<b>75,815</b>
<b>Gains</b>			
Gain on disposal of non-current assets	19	16,549	6,844
<b>Total Gains</b>		<b>16,549</b>	<b>6,844</b>
<b>Total income other than income from State Government</b>		<b>45,840</b>	<b>82,659</b>
<b>NET COST OF SERVICES</b>		<b>121,628</b>	<b>(33,544)</b>
<b>Income from State Government</b>			
State grants and contributions	20	100	268
Service appropriation		98,550	93,292
Services received free of charge		436	3
<b>Total income from State Government</b>		<b>99,086</b>	<b>93,563</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(22,542)</b>	<b>127,107</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus	37	1,961	2,155
Gains/losses recognised directly in equity			
<b>Total other comprehensive income</b>		<b>1,961</b>	<b>2,155</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(20,581)</b>	<b>129,262</b>

See also Note 50 'Schedule of Income and Expenses by Service'.

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

## FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$000	2014 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	21	271,989	205,506
Restricted cash and cash equivalents	22	4,419	6,817
Receivables	23	5,498	2,808
Inventories	24	7	9
Other current assets	25	24,961	15,081
Non-current assets classified as held for sale	26	2,766	0
<b>Total Current Assets</b>		<b>309,640</b>	<b>230,221</b>
<b>Non-Current Assets</b>			
Amounts receivable for services	27	4,359	3,979
Land	28	501,789	604,414
Buildings	29	29,503	32,076
Infrastructure	30	8,653	7,298
Equipment	31	879	996
Intangible assets	33	17,940	16,563
<b>Total Non-Current Assets</b>		<b>563,123</b>	<b>665,326</b>
<b>TOTAL ASSETS</b>		<b>872,763</b>	<b>895,547</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	35	16,050	8,928
Other current liabilities	36	15,945	14,899
<b>Total Current Liabilities</b>		<b>31,995</b>	<b>23,827</b>
<b>TOTAL LIABILITIES</b>		<b>31,995</b>	<b>23,827</b>
<b>NET ASSETS</b>		<b>840,768</b>	<b>871,720</b>
<b>EQUITY</b>			
Contributed equity	37	0	3,997
Reserves		35,886	33,925
Accumulated surplus/(deficit)		804,882	833,798
<b>TOTAL EQUITY</b>		<b>840,768</b>	<b>871,720</b>

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

## FINANCIAL STATEMENTS

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Note	Contributed Equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total equity \$000
<b>Balance at 1 July 2013</b>	37	0	31,770	706,691	738,461
Surplus/(deficit)				127,107	127,107
Other comprehensive income			2,155		2,155
Total comprehensive income for the period		0	2,155	127,107	129,262
Transactions with owners in their capacity as owners:					
Capital appropriations		5,400			5,400
Distributions to owners		(1,403)			(1,403)
Total		3,997	0	0	3,997
<b>Balance at 30 June 2014</b>		<b>3,997</b>	<b>33,925</b>	<b>833,798</b>	<b>871,720</b>
<b>Balance at 1 July 2014</b>		<b>3,997</b>	<b>33,925</b>	<b>833,798</b>	<b>871,720</b>
Surplus/(deficit)				(22,542)	(22,542)
Other comprehensive income			1,961		1,961
Total comprehensive income for the period		0	1,961	(22,542)	(20,581)
Transactions with owners in their capacity as owners:					
Capital appropriations		5,400			5,400
Distributions to owners		(15,771)			(15,771)
Total		(10,371)	0	0	(10,371)
		(6,374)	35,886	811,256	840,768
Transfer debit balance to Accumulated Surplus		6,374		(6,374)	0
<b>Balance at 30 June 2015</b>		<b>0</b>	<b>35,886</b>	<b>804,882</b>	<b>840,768</b>

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



## FINANCIAL STATEMENTS

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$000	2014 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		98,170	92,912
Capital contributions		5,400	5,400
Equity repayments		(540)	(284)
<b>Net cash provided by State Government</b>		<b><u>103,030</u></b>	<b><u>98,028</u></b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Supplies and services		(38,790)	(24,778)
Committee/board fees		(226)	(53)
Grants and subsidies		(994)	(5,806)
GST payments on purchases		(3,689)	(2,323)
GST payment to taxation authority		(294)	0
Other payments		(1,569)	(14,583)
<b>Receipts</b>			
State and other bodies grants and contributions		100	926
Rental received		6,290	6,583
User charges and fees		14,484	14,902
Interest received		5,573	4,236
GST receipts on sales		545	466
GST receipts from taxation authority		2,158	1,155
Other receipts		1,328	2,298
<b>Net cash provided by/(used in) operating activities</b>	38	<b><u>(15,084)</u></b>	<b><u>(16,977)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current assets		16,255	16,802
Purchase of non-current assets		(40,116)	(47,522)
<b>Net cash provided by/(used in) investing activities</b>		<b><u>(23,861)</u></b>	<b><u>(30,720)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>64,085</b>	<b>50,331</b>
Cash and cash equivalents at the beginning of period		212,323	161,992
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	38	<b><u><u>276,408</u></u></b>	<b><u><u>212,323</u></u></b>

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

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 1. Australian Accounting Standards

#### General

The financial statements of the Western Australian Planning Commission (WAPC) for the year ended 30 June 2015 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

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

#### Early adoption of standards

The WAPC cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction (TI) 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Partial exemption permitting early adoption of AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* has been granted. Aside from AASB 2015-7, there has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the WAPC for the annual reporting period ended 30 June 2015.

### 2. Summary of significant accounting policies

#### (a) General Statement

The WAPC is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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.

#### (b) Basis of Preparation

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

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

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the WAPC's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

## FINANCIAL STATEMENTS

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **(c) Reporting Entity**

The reporting entity comprises the Western Australian Planning Commission.

### **(d) 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.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

### **(e) Income**

#### *Revenue recognition*

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

#### *Sale of land and other assets*

Revenue is recognised from the sale of land and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and proceeds can be measured reliably.

#### *Provision of services*

Revenue is recognised by reference to the stage of completion of the transaction.

#### *Subdivision and strata title application fees*

Revenue is recognised on receipt of application fees and the services are contracted to Department of Planning for determination.

#### *Rental*

Revenue is recognised on a straight line basis in accordance to leasing terms. Refer also Note 2(n) 'Rent'.

#### *Interest*

Revenue is recognised as the interest accrues.

#### *Service Appropriations*

Service Appropriations are recognised as revenues at fair value in the period in which the WAPC gains control of the appropriated funds. The WAPC 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.

## FINANCIAL STATEMENTS

### *Grants, donations, gifts and other non-reciprocal contributions*

Revenue is recognised at fair value when the WAPC obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the end of the reporting period, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

### *Gains*

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.

### **(f) Property, Plant and Equipment and Infrastructure**

#### *Capitalisation/expensing of assets*

Items of property, plant and equipment and infrastructure costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. 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).

#### *Initial recognition and measurement*

Property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

#### *Subsequent measurement*

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and infrastructure and historical cost for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation (buildings and infrastructure only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

In the absence of the market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on using the depreciated replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

## FINANCIAL STATEMENTS

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuation Services) 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.

Fair value of the regional open space buildings and infrastructure has been 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. Independent valuations are obtained every 3 years.

When regional open space buildings and infrastructure are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

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.

Refer to Note 28 'Land', Note 29 'Buildings' and Note 30 'Infrastructure' for further information on revaluations.

### *Derecognition*

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

### *Asset revaluation surplus*

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in Note 28 'Land, Note 29 'Buildings' and Note 30 'Infrastructure'.

### *Depreciation*

All non-current assets 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.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	10 - 40 years
Infrastructure	10 - 40 years
Computer equipment	2.5 years
Other equipment	5 - 20 years
Motor vehicles	5 - 10 years

### **(g) Intangible Assets**

#### *Capitalisation/expensing of assets*

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Cost incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

## FINANCIAL STATEMENTS

### *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 WAPC'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 WAPC resumes the property at a later date, the purchase consideration is calculated by deducting the WAPC's equity as a percentage of the total valuation at the time of acquisition.

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

### **(h) Impairment of Assets**

Property, plant and equipment and infrastructure are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the WAPC is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, or 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 falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

Refer to Note 34 'Impairment of Assets' for the outcome of impairment reviews and testing.

### **(i) Non-current Assets (or Disposal Groups) Classified as Held for Sale**

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

### **(j) Leases**

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the WAPC is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

The WAPC has entered into a number of leases to rent land and buildings where the WAPC, as lessor, retains all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases. Lease revenue is recognised in the Statement of Comprehensive Income on a straight line basis over the lease term.

## FINANCIAL STATEMENTS

### **(k) Financial Instruments**

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

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

Financial instruments have been disaggregated into the following classes:

#### Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

#### Financial Liabilities

- Payables
- Finance lease liabilities
- Borrowings

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

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

### **(l) Cash and Cash Equivalents**

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

### **(m) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first-in first-out basis. See Note 24 'Inventories'.

### **(n) Amounts Receivable for Services (Holding Account)**

The WAPC receives income from the State Government partly in cash and partly as an asset (holding account receivable). The holding account receivable balance, resulting from service appropriation funding, is accessible on the emergence of the cash funding requirement to cover asset replacement.

### **(o) Rent**

Rental revenue is received on properties leased by the WAPC 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.

Regular rental valuations are commissioned to ensure a competitive rental is obtained for each leased property. Rental revenue receivables are recognised at the amounts receivable, as they are due for settlement no more than 30 days from the date of recognition.

## FINANCIAL STATEMENTS

### **(p) Receivables**

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the WAPC will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

### **(q) Payables**

Payables are recognised when the WAPC becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

### **(r) Provisions**

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

#### ***(i) Provisions - Employee Benefits***

##### *Annual leave and long service leave*

Annual and long service leave that is expected to be settled wholly within 12 months after the end of the reporting period is considered to be a 'short-term employee benefits'. The annual and long service leave liability is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual and long service leave that is not expected to be settled wholly within 12 months after the end of the reporting period is considered to be 'other long-term employee benefits'. The annual and long service leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the WAPC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

##### *Superannuation*

The Government Employees Superannuation Board (GESB) and other fund providers administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.



## FINANCIAL STATEMENTS

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The WAPC makes concurrent contributions to GESB and other funds on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the WAPC's liability for superannuation charges in respect of employees who are not members of the Pension Scheme and GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the WAPC to GESB extinguishes the agency's obligations to the related superannuation liability.

The WAPC has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the WAPC to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and the GSS, and is recouped from the Treasurer for the employer's share.

See also Note 2(s) 'Superannuation expense'.

### **(ii) Provisions - Other**

#### *Employment on-costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the WAPC's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

### **(s) Superannuation Expense**

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, and other superannuation fund.

### **(t) Assets and Services Received Free of Charge or for Nominal Cost**

Assets or services received free of charge or for nominal cost, that the WAPC would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

### **(u) Comparative Figures**

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

## FINANCIAL STATEMENTS

### 3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The WAPC evaluates these judgements regularly.

#### Operating lease commitments

The WAPC has entered into a number of leases to rent land and buildings where the WAPC, as lessor, retains all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

### 4. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Estimating economic service potential of rental buildings

The WAPC has depreciated its rental buildings based on the estimated economic service potential of each building to the WAPC. The service potential of the buildings cannot always be reliably estimated due to timing of land disposals not always being under the control of the WAPC. For example, changes to the Metropolitan Region Scheme and the capital works programs of other agencies and local governments.

### 5. Disclosure of changes in accounting policy and estimates

#### Initial application of an Australian Accounting Standard

The WAPC has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2014 that impacted on the WAPC.

##### *Int 21 Levies*

This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the WAPC at reporting date.

##### *AASB 10 Consolidated Financial Statements*

This Standard, issued in August 2011, supersedes *AASB 127 Consolidated and Separate Financial Statements* and *Int 112 Consolidation - Special Purpose Entities*, introducing a number of changes to accounting treatments.

The adoption of the new Standard has no financial impact for the WAPC as it does not impact accounting for related bodies and the WAPC has no interests in other entities.

##### *AASB 11 Joint Arrangements*

This Standard, issued in August 2011, supersedes *AASB 131 Interests in Joint Ventures*, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.

There is no financial impact for the WAPC as the new standard continues to require the recognition of the WAPC's share of assets and share of liabilities for the unincorporated joint operation.

##### *AASB 12 Disclosure of Interests in Other Entities*

This Standard, issued in August 2011, supersedes disclosure requirements under *AASB 127 Consolidated and Separate Financial Statements*, *AASB 128 Investments in Associates* and *AASB 131 Interests in Joint Ventures*. There is no financial impact.

## FINANCIAL STATEMENTS

### *AASB 127 Separate Financial Statements*

This Standard, issued in August 2011, supersedes *AASB 127 Consolidated and Separate Financial Statements*, removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. There is no financial impact.

### *AASB 128 Investments in Associates and Joint Ventures*

This Standard supersedes *AASB 128 Investments in Associates*, introducing a number of clarifications for the accounting treatments of changed ownership interest.

The adoption of the new Standard has no financial impact for the WAPC as it does not hold investments in associates and joint ventures.

### *AASB 1031 Materiality*

This Standard supersedes *AASB 1031 (February 2010)*, removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian Pronouncements. There is no financial impact.

### *AASB 1055 Budgetary Reporting*

This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The WAPC will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.

*AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]*

This Standard gives effect to consequential changes arising from the issuance of *AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures*. There is no financial impact for the WAPC.

*AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]*

This Standard adds application guidance to *AASB 132* to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.

*AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.*

This Standard introduces editorial and disclosure changes. There is no financial impact.

*AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]*

This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The WAPC does not routinely enter into derivatives or hedges, therefore there is no financial impact.

## FINANCIAL STATEMENTS

*AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049].*

The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not a key attribute of the investor's relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.

*AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.*

Part B of this omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014. It has no financial impact.

*AASB 2014-1 Amendments to Australian Accounting Standards*

Part A of this Standard consists primarily of clarifications to Accounting Standards and have no financial impact for the WAPC.

Part B of this Standard has no financial impact as the WAPC contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.

Part C of this Standard has no financial impact as it removes references to AASB 1031 *Materiality* from a number of Accounting Standards.

*AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*

This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.

### **Future impact of Australian Accounting Standards not yet operative**

The WAPC cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the WAPC has not applied early any of the following Australian Accounting Standards that have been issued that may impact the WAPC. Where applicable, the WAPC plans to apply these Australian Accounting Standards from their application date.

**Operative for  
reporting  
periods  
beginning  
on/after**

*AASB 9 Financial Instruments*

1 Jan 2018

This Standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*, introducing a number of changes to accounting treatments.

The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 *Amendments to Australian Accounting Standards*. The WAPC has not yet determined the application or the potential impact of the Standard.

## FINANCIAL STATEMENTS

### Operative for reporting periods beginning on/after

*AASB 15 Revenue from Contracts with Customers*

1 Jan 2017

This Standard establishes the principles that the WAPC shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cashflows arising from a contract with a customer. The WAPC has not yet determined the application or the potential impact of the Standard.

*AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]*

1 Jan 2018

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.

The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The WAPC has not yet determined the application or the potential impact of the Standard.

*AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*

1 Jan 2018

Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The WAPC has not yet determined the application or the potential impact of AASB 9.

*AASB 2014-1 Amendments to Australian Accounting Standards*

Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the WAPC to determine the application or potential impact of the Standard.

1 Jan 2018

*AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]*

1 Jan 2016

The WAPC establishes Joint Operations in pursuit of its objectives and does not routinely acquire interest in Joint Operations. Therefore, there is no financial impact on application of the Standard.

*AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]*

1 Jan 2016

The adoption of this Standard has no financial impact for the WAPC as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.

*AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15*

1 Jan 2017

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The WAPC has not yet determined the application or the potential impact of the Standard.

## FINANCIAL STATEMENTS

### Operative for reporting periods beginning on/after

*AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* 1 Jan 2018

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of *AASB 9 (December 2014)*. The WAPC has not yet determined the application or the potential impact of the Standard.

*AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) - Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]* 1 Jan 2015

This Standard makes amendments to *AASB 9 Financial Instruments (December 2009)* and *AASB 9 Financial Instruments (December 2010)*, arising from the issuance of *AASB 9 Financial Instruments* in December 2014. The WAPC has not yet determined the application or the potential impact of the Standard.

*AASB 2014-9 Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 & 128]* 1 Jan 2016

This Standard amends *AASB 127* and consequentially amends *AASB 1* and *AASB 128*, to allow entities to use the equity method of accounting for investment in subsidiaries, joint ventures and associates in their separate financial systems. The WAPC has not yet determined the application or the potential impact of the Standard.

*AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]* 1 Jan 2016

This Standard amends *AASB 10* and *AASB 128* to address an inconsistency between the requirements in *AASB 10* and those in *AASB 128 (August 2011)*, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The WAPC has not yet determined the application or the potential impact of the Standard.

*AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]* 1 Jan 2016

These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The WAPC has not yet determined the application or the potential impact of the Standard.

*AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]* 1 Jan 2016

This Standard amends *AASB 101* to provide clarification regarding the disclosure requirements in *AASB 101*. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.

## FINANCIAL STATEMENTS

**Operative for  
reporting  
periods  
beginning  
on/after**

*AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* 1 Jul 2015

This Standard completes the withdrawal of references to *AASB 1031* in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.

*AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]* 1 Jul 2016

The amendments extend the scope of *AASB 124* to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The WAPC has not yet determined the application of the Standard, though there is no financial impact.

## FINANCIAL STATEMENTS

	2015 \$000	2014 \$000
<b>6. Supplies and Services</b>		
Consultants and contractors	6,211	4,782
Services provided by Department of Planning - labour	8,204	7,933
Services provided by Department of Planning - other	17,209	17,775
Repairs and maintenance	3,607	2,512
Cleaning / gardening	168	157
Lease / rental / hire charges	229	193
Advertising and promotion	202	237
Printing	92	114
Utilities	221	156
Communication	73	75
Consumables	400	260
Unallocated service delivery agreement expenses	6,539	0
Other	76	109
	<b>43,231</b>	<b>34,303</b>
<b>7. Depreciation</b>		
Regional open space buildings	463	462
Rental buildings	2,251	2,271
Infrastructure	257	248
Equipment	241	247
Vehicles	35	42
	<b>3,247</b>	<b>3,270</b>
<b>8. Bad and Doubtful Debt Expense</b>		
Bad debts written off	0	3
Doubtful debts expense	51	11
	<b>51</b>	<b>14</b>
<b>9. Committee / Board Fees</b>		
Travel	42	11
Sitting fees	309	242
Superannuation	29	22
Other	2	0
	<b>382</b>	<b>275</b>
<b>10. Grants and Subsidies</b>		
General government agencies	10,794	3,156
Non government agencies	348	441
Local government	515	323
Other	0	106
	<b>11,657</b>	<b>4,026</b>
<b>11. Revaluation Decrement</b>		
Land	101,324	0
	<b>101,324</b>	<b>0</b>
<b>12. Compensation Payment</b>		
Interest compensation and contribution of legal costs on acquisition of property	1,456	5,715
	<b>1,456</b>	<b>5,715</b>



## FINANCIAL STATEMENTS

	<b>2015</b>	<b>2014</b>
	<b>\$000</b>	<b>\$000</b>
<b>13. Other Expenses</b>		
Licence / maintenance fees	129	97
Minor equipment purchases	46	40
Other staff costs	80	75
Rates and taxes	755	636
Insurance	273	226
Refund of revenue from previous years	0	382
Impairment losses for land	4,187	0
Other	649	56
	<b>6,120</b>	<b>1,512</b>
<b>14. Grants from Other Bodies</b>		
External - local government	0	30
	<b>0</b>	<b>30</b>
<b>15. Revaluation Increment</b>		
Land	0	48,637
	<b>0</b>	<b>48,637</b>
<b>16. User Charges and Fees</b>		
Easements	0	441
Subdivision and strata title application fees	11,493	11,381
Endorsement fees	37	26
Plan and diagram fees	1,926	1,775
Land reservation certificates	1,023	1,095
Development application fees	32	148
	<b>14,511</b>	<b>14,866</b>
<b>17. Interest Revenue</b>		
Interest earned on Commonwealth Bank account	5,735	4,447
	<b>5,735</b>	<b>4,447</b>
<b>18. Other Revenue</b>		
Sale of goods	1	0
Whiteman Park revenue <sup>(a)</sup>	866	812
Recoup of expenditure	312	88
Land acquired for nil cost and capitalised at fair value	1,441	261
Other	21	57
	<b>2,641</b>	<b>1,218</b>

(a) Excludes rental revenue on leases held at Whiteman Park which is included within rental revenue on Statement of Comprehensive Income.

## FINANCIAL STATEMENTS

	<b>2015</b>	<b>2014</b>
	<b>\$000</b>	<b>\$000</b>
<b>19. Net Gain/(Loss) on Disposal of Non-Current Assets</b>		
<u>Proceeds from disposal of non-current assets</u>		
Land	25,596	13,454
Rental Buildings	675	793
<u>Selling costs of disposal of non-current assets</u>		
Land	(59)	(87)
Rental Buildings	(9)	(14)
<u>Carrying amount of disposal of non-current assets</u>		
Land	(6,938)	(6,848)
Rental Buildings	(2,670)	(454)
Other Assets	(46)	0
Net gain/(loss)	<b>16,549</b>	<b>6,844</b>
<b>20. Income from State Government</b>		
State grants and contributions		
- General government agencies	100	268
	100	268
Service appropriation received during the financial period <sup>(a)</sup> :		
- Metropolitan Region Improvement Tax	92,769	87,576
- Other	5,781	5,716
	98,550	93,292
Services received free of charge from other state government agencies during the financial period: <sup>(b)</sup>		
Determined on the basis of the following estimates provided by agencies:		
State Solicitor's Office	430	0
Department of Water	6	3
	436	3
	<b>99,086</b>	<b>93,563</b>
(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liabilities during the financial year.		
(b) 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.		
<b>21. Cash and Cash Equivalents</b>		
<u>Current</u>		
Cash held at the Commonwealth Bank:		
- Metropolitan Region Improvement Fund	261,891	198,753
- Western Australian Planning Commission Account	10,095	6,751
Cash advance	2	2
	<b>271,989</b>	<b>205,506</b>

## FINANCIAL STATEMENTS

**2015**                      **2014**  
**\$000**                        **\$000**

### 22. Restricted Cash and Cash Equivalents

Current

- Metropolitan Region Improvement Fund <sup>(a)</sup>	294	342
- Western Australian Planning Commission Account <sup>(b)</sup>	4,126	6,475
	<b>4,419</b>	<b>6,817</b>

(a) Cash held in the MRIF is to be used for various projects and studies.

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

### 23. Receivables

Current

Receivables	462	313
Allowance for impairment of receivables	(116)	(65)
GST receivable	2,151	1,008
Accrued interest	1,510	1,347
Other accrued income	1,491	205
	<b>5,498</b>	<b>2,808</b>

**Reconciliation of changes in the allowance for impairment of receivables:**

Balance at start of period	65	70
Doubtful debts expense	51	11
Amounts written off during the period	0	(16)
<b>Balance at end of period</b>	<b>116</b>	<b>65</b>

### 24. Inventories

Current

Inventories held for resale:		
- Publications at cost	7	9
	<b>7</b>	<b>9</b>

### 25. Other Assets

Current

Settlement payments	24,685	14,789
Tenant security bonds	276	261
Prepayments	0	31
	<b>24,961</b>	<b>15,081</b>

### 26. Non-current assets classified as held for sale

Opening balance

Land	0	0
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Assets reclassified as held for sale

Land	2,766	0
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Total assets classified as held for sale

Land	2,766	0
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Less assets sold

Land	0	0
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Closing balance

Land	<b>2,766</b>	<b>0</b>
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## FINANCIAL STATEMENTS

	2015	2014
	\$000	\$000

### 27. Amounts Receivable for Services

Non-current	4,359	3,979
	<b>4,359</b>	<b>3,979</b>

Represents the non-cash component of service appropriations. See Note 2(n) 'Amounts Receivable For Services (Holding Account)'. It is restricted in that it can only be used for asset replacement.

### 28. Land

This represents the total fair value of properties owned by the WAPC. Properties are either negotiated purchases or are compulsorily acquired under the provisions of the *Planning and Development Act 2005* or the *Land Administration Act 1997*.

#### Metropolitan Region Scheme Purchases

Other regional roads - at fair value	10,924	46,858
Primary regional roads - at fair value	33,088	69,187
Parks and recreation areas - at fair value	322,436	340,204
Other land purchases - at fair value	18,007	31,676
Land surplus to requirements - at fair value	95,085	89,671
	<b>479,541</b>	<b>577,596</b>

#### Peel and Greater Bunbury Region Scheme Purchases

Other regional roads - at fair value	51	51
Primary regional roads - at fair value	7,357	7,808
Parks and recreation areas - at fair value	13,226	16,756
Other land purchases - at fair value	1,614	2,203
	<b>22,248</b>	<b>26,818</b>

#### Total land

	<b>501,789</b>	<b>604,414</b>
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Land was revalued at 1 July 2014 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2015 and recognised at 30 June 2015. In undertaking the revaluation, fair value was determined by reference to market value where the land has been identified as being surplus to the region scheme requirements and on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Valuation Services, the Office of the Auditor General and the Department of Treasury assessed the valuations globally to ensure that the valuations provided as at 1 July 2014 were compliant with fair value as at 30 June 2015.

Information on fair value measurements is provided in Note 32.

## FINANCIAL STATEMENTS

**2015**                      **2014**  
**\$000**                      **\$000**

### 29. Buildings

#### Regional open space buildings

At fair value	15,542	17,185
Accumulated depreciation	(850)	(462)
	<b>14,692</b>	<b>16,723</b>

#### Rental buildings

At fair value	14,811	15,353
Accumulated depreciation	0	0
	<b>14,811</b>	<b>15,353</b>

#### **Total buildings**

**29,503**                      **32,076**

Rental Buildings were revalued at 1 July 2014 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2015 and recognised at 30 June 2015. In undertaking the revaluation, fair value was determined by reference to current market value where the buildings have been identified as being surplus to the region scheme requirements and on the basis of depreciated replacement cost where buildings are held for the purpose of the schemes.

Valuation Services, the Office of the Auditor General and the Department of Treasury assessed the valuations globally to ensure that the valuations provided as at 1 July 2014 were compliant with fair value as at 30 June 2015.

Information on fair value measurements is provided in Note 32.

### 30. Infrastructure

At fair value	6,660	6,578
Accumulated depreciation	(500)	(248)
	<b>6,160</b>	<b>6,330</b>

#### Work in Progress

Construction costs	2,493	968
	<b>2,493</b>	<b>968</b>

#### **Total infrastructure**

**8,653**                      **7,298**

### 31. Equipment

#### Computer Equipment

At cost	211	211
Accumulated depreciation	(211)	(211)
	<b>0</b>	<b>0</b>

#### Other Equipment

At cost	2,618	2,459
Accumulated depreciation	(1,857)	(1,616)
	<b>761</b>	<b>843</b>

#### Vehicles

At cost	335	335
Accumulated depreciation	(217)	(182)
	<b>118</b>	<b>153</b>

#### **Total equipment**

**879**                      **996**

Reconciliations - (part of Note 28 to 31)

Reconciliations of the carrying amounts of land and equity in land, buildings, infrastructure, equipment and motor vehicles at the beginning and end of the reporting period are set out in the table below.

	Land \$000	Regional Open Space Buildings \$000	Rental Buildings \$000	Infrastructure \$000	Equipment \$000	Motor Vehicles \$000	Works in Progress \$000	Total \$000
<b>2015</b>								
Carrying amount at start of year	604,414	16,723	15,353	6,330	843	153	968	644,784
Additions	27,807	11	840	271	159	0	1,543	30,631
Revaluation increments	0	0	1,961	0	0	0	0	1,961
Revaluation decrements	(101,324)	0	0	0	0	0	0	(101,324)
Classified as held for sale	(2,766)	0	0	0	0	0	0	(2,766)
Disposals	(6,928)	0	(528)	0	0	0	0	(7,456)
Transfers	(15,227)	0	0	0	0	0	0	(15,227)
Transferred to / from works in progress	0	0	0	0	0	0	0	0
Impairment losses <sup>(a)</sup>	(4,187)	0	0	(138)	0	0	0	(4,325)
Other - Demolished	0	(1,579)	(564)	(46)	0	0	0	(2,189)
Write-offs / Expensed	0	0	0	0	0	0	(18)	(18)
Depreciation	0	(463)	(2,251)	(257)	(241)	(35)	0	(3,247)
<b>Carrying amount at end of year</b>	<b>501,789</b>	<b>14,692</b>	<b>14,811</b>	<b>6,160</b>	<b>761</b>	<b>118</b>	<b>2,493</b>	<b>540,824</b>

	Land \$000	Regional Open Space Buildings \$000	Rental Buildings \$000	Infrastructure \$000	Equipment \$000	Motor Vehicles \$000	Works in Progress \$000	Total \$000
<b>2014</b>								
Carrying amount at start of year	493,312	15,546	15,179	4,958	1,026	195	2,807	533,023
Additions	70,432	0	744	87	64	0	1,333	72,660
Revaluation increments	48,637	0	2,155	0	0	0	0	50,792
Revaluation decrements	0	0	0	0	0	0	0	0
Disposals	(7,967)	0	(454)	0	0	0	0	(8,421)
Transfers	0	0	0	0	0	0	0	0
Transferred to / from works in progress	0	1,639	0	1,533	0	0	(3,172)	0
Other - Demolished	0	0	0	0	0	0	0	0
Write-offs / Expensed	0	0	0	0	0	0	0	0
Depreciation	0	(462)	(2,271)	(248)	(247)	(42)	0	(3,270)
<b>Carrying amount at end of year</b>	<b>604,414</b>	<b>16,723</b>	<b>15,353</b>	<b>6,330</b>	<b>843</b>	<b>153</b>	<b>968</b>	<b>644,784</b>

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

Information on fair value measurements is provided in Note 32.

## FINANCIAL STATEMENTS

### 32. Fair Value Measurements

Assets measured at fair value	Level 1	Level 2	Level 3	Fair value at end of period
<b>2015</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Land (Note 28)		109,084	392,705	501,789
Regional open space buildings (Note 29)			14,692	14,692
Rental buildings (Note 29)		1,051	13,760	14,811
Infrastructure (Note 30)			6,160	6,160
	0	110,136	427,316	537,452

Assets measured at fair value	Level 1	Level 2	Level 3	Fair value at end of period
<b>2014</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Land (Note 28)		207,110	397,304	604,414
Regional open space buildings (Note 29)			16,723	16,723
Rental buildings (Note 29)		4,588	10,765	15,353
Infrastructure (Note 30)			6,330	6,330
	0	211,698	431,122	642,820

The regional open space buildings and infrastructure are revalued every 3 years. The last revaluation was performed on 26 June 2013.

#### Valuation techniques to derive Level 2 fair values

Level 2 fair values of Land and Buildings are derived using the market approach. Market evidence of sales prices of comparable land and buildings in close proximity is used to determine price per square metre.

#### Fair value measurements using significant unobservable inputs (Level 3)

<b>2015</b>	Land \$000	Regional Open Space Buildings \$000	Rental Buildings \$000	Infrastructure \$000
Fair Value at start of period	397,304	16,723	10,765	6,330
Additions	23,156	11	385	271
Revaluation increments/(decrements) recognised in Profit & Loss	(112,083)	0	0	0
Revaluation increments/(decrements) recognised in Other Comprehensive Income	0	0	1,967	0
Transfers (from/(to) Level 2)	103,581	0	3,393	0
Transfers from/(to) non-current assets classified as held for sale	(2,224)		0	
Disposals	(1,802)	0	0	(138)
Transfers	(15,227)		0	
Others - demolished	0	(1,579)	(563)	(46)
Depreciation Expense	0	(463)	(2,187)	(257)
<b>Fair Value at end of period</b>	<b>392,705</b>	<b>14,692</b>	<b>13,760</b>	<b>6,160</b>

Total gains or losses for the period included in profit or loss, under 'Other Gains'

0	0	0	0
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## FINANCIAL STATEMENTS

<b>2014</b>	<b>Land</b>	<b>Regional Open Space Buildings</b>	<b>Rental Buildings</b>	<b>Infrastructure</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Fair Value at start of period	323,042	15,546	10,859	4,958
Additions	30,895	1,639	130	1,620
Revaluation increments/(decrements) recognised in Profit & Loss	40,134	0	0	0
Revaluation increments/(decrements) recognised in Other Comprehensive Income	0	0	1,485	0
Transfers (from/(to) Level 2)	4,840	0	0	0
Transfers from/(to) non-current assets classified as held for sale	0		0	
Disposals	(1,607)	0	0	0
Depreciation Expense	0	(462)	(1,709)	(248)
<b>Fair Value at end of period</b>	<b>397,304</b>	<b>16,723</b>	<b>10,765</b>	<b>6,330</b>
Total gains or losses for the period included in profit or loss, under 'Other Gains'	0	0	0	0

### Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Fair value for existing use of regional open space buildings and infrastructure assets are determined by reference to the highest and best use, considering the most probable use that is physically, appropriately justified, legally permissible, financially feasible and which results in the highest value of the property being valued.

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuation Services) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

### Basis of Valuation

In the absence of market-based evidence, due to the specialised nature of some non financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.



## FINANCIAL STATEMENTS

### Information about significant unobservable inputs (Level 3) in fair value measurements

Description	Fair value 2015 \$000	Fair value 2,014 \$000	Valuation techniques	Unobservable inputs
Land	392,705	397,304	Market approach	Selection of land with similar approximate utility
Rental buildings	13,760	10,765	Depreciated Replacement Cost	Consumed economic benefit / obsolescence of asset
Regional open space buildings	14,692	16,723	Depreciated Replacement Cost	Historical cost per square metre
Infrastructure	6,160	6,330	Depreciated Replacement Cost	Historical cost per square metre

Reconciliations of the opening and closing balances is provided in Note 28 to 31.

### 33. 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 WAPC'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 WAPC resumes the property at a later date, the purchase consideration is calculated by deducting the WAPC's equity as a percentage of the total valuation at the time of acquisition.

	<b>2015</b>	<b>2014</b>
	<b>\$000</b>	<b>\$000</b>
Caveat interest - at cost	17,940	16,563
	<b>17,940</b>	<b>16,563</b>
<b>Reconciliations</b>		
Carrying amount at start of period	16,563	16,223
Additions	3,680	340
Disposals	(2,299)	0
Transfers	(4)	0
<b>Carrying amount at end of period</b>	<b>17,940</b>	<b>16,563</b>

### 34. Impairment of assets

Parcels of land acquired towards the end of financial end were not revalued by the Western Australian Land Information Authority (Valuation Services). These parcels of land were acquired for specific purposes such as primary regional roads, parks & recreation areas and others. As there was a change in the classification of land use, the Commission performed an assessment to determine the fair value of these parcels of land which resulted in an impairment loss of \$4.18 million.

There were no indications of impairment to buildings, infrastructure and equipment assets at 30 June 2015.

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**2015**  
**\$000**                      **2014**  
**\$000**

### 35. Payables

Current

Trade payables	0	0
Accrued expenses	16,050	8,928
	<b>16,050</b>	<b>8,928</b>
	<b>16,050</b>	<b>8,928</b>

### 36. Other Liabilities

Current

Tenants' bonds	276	261
Income in advance <sup>(a)</sup>	15,635	14,537
Other liabilities	34	101
	<b>15,945</b>	<b>14,899</b>
	<b>15,945</b>	<b>14,899</b>

(a) \$13.3m (FY2014:\$13.3m) received from Public Transport Authority and Main Roads for full payment for lands acquired by the WAPC for the purpose of the Southern Suburbs Railway and Perth-Darwin Highway.

### 37. Equity

The Western Australian Government holds the equity interest in the WAPC on behalf of the community. Equity represents the residual interest in the net assets of the WAPC. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

#### Contributed equity

Balance at start of period	3,997	0
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Contribution by owners

Capital contribution <sup>(a)</sup>	5,400	5,400
Repayable capital appropriation recognised as a liability <sup>(b)</sup>	0	0
<b>Total contributions by owners</b>	<b>5,400</b>	<b>5,400</b>

Distribution to owners

Net Assets transferred to Government <sup>(c)</sup>	(15,771)	(1,403)
<b>Total distribution to owners</b>	<b>(15,771)</b>	<b>(1,403)</b>

	<b>(6,374)</b>	<b>3,997</b>
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Transfer of debit balance to Accumulated surplus <sup>(d)</sup>	6,374	0
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<b>Balance at end of period</b>	<b>0</b>	<b>3,997</b>
	<b>0</b>	<b>3,997</b>

(a) Under TI 955 *Contributions by Owners Made to Wholly Owned Public Sector Entities*, capital contributions have been designated as contributions by owners in accordance with AASB Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities*.

(b) Under TI 955 repayable capital appropriations are to be recognised as a liability by the entity. When the original appropriation was received by WAPC, it was treated as an equity contribution as the repayable amount could not be measured with any degree of accuracy. Given that all but one claim is yet to be resolved, it is now appropriate to recognise it as a liability to Department of Treasury the estimated amount repayable to Department of Treasury. Therefore this amount was transferred from equity to a liability as per the intention of the TI 955.

(c) TI 955 requires non-reciprocal transfers of net assets to Government to be accounted for as distribution to owners in accordance with AASB Interpretation 1038.

## FINANCIAL STATEMENTS

(d) TI 955 requires a debit balance in the Contributed Equity to be transferred to Accumulated surplus in the Statement of Financial Position.

<b>Reserves</b>	<b>2015</b>	<b>2014</b>
	<b>\$000</b>	<b>\$000</b>
<u>Asset Revaluation Surplus:</u>		
Balance at start of period	33,925	31,770
Net revaluation increments/(decrements):		
Rental buildings	1,961	2,155
<b>Balance at end of period</b>	<b>35,886</b>	<b>33,925</b>
<u>Accumulated surplus/(deficit)</u>		
Balance at start of period	833,798	706,691
Transfer of debit balance in Contributed equity	(6,374)	0
Result for the period	(22,542)	127,107
<b>Balance at end of period</b>	<b>804,882</b>	<b>833,798</b>
<b>Total Equity at end of period</b>	<b>840,768</b>	<b>871,720</b>

### 38. Notes to the Statement of Cash Flows

#### Reconciliation of Cash

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

Cash and cash equivalents (see Note 21 'Cash and Cash Equivalents')	271,989	205,506
Restricted cash and cash equivalents (see Note 22 'Restricted Cash and Cash Equivalents')	4,419	6,817
	<b>276,408</b>	<b>212,323</b>

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

Net cost of services	(121,628)	33,544
<u>Non cash items:</u>		
Depreciation expense	3,247	3,270
Bad and doubtful debts expense	51	14
Revaluation (increment) / decrement	101,324	(48,637)
Resources received free of charge	436	3
Land not acquired at fair value (credited to other revenue)	(1,441)	(261)
Impairment losses	4,187	0
Grants and subsidies	9,841	0
Adjustment for other non-cash items	11	(1)
Net (gain)/loss on sale of assets	(16,549)	(6,844)
 Add : State grants and contributions	 100	 268
 <u>(Increase)/decrease in assets:</u>		
Current receivables	(236)	1,508
Current inventory	2	0
Other current assets	16	23
 <u>Increase/(decrease) in liabilities:</u>		
Payables	6,758	912
Other current liabilities	14	11

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	<b>2015</b>	<b>2014</b>
	<b>\$000</b>	<b>\$000</b>
Net GST receipts/(payments)	(1,280)	(702)
Change in GST in receivables/payables	64	(85)
<b>Net cash provided by/(used in) operating activities</b>	<b>(15,084)</b>	<b>(16,977)</b>

### 39. Remuneration of Members of the Accountable Authority

The number of members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	<b>No.</b>	<b>No.</b>
\$		
0 - 10,000	1	3
10,001 - 20,000	7	5
120,001 - 130,000	0	1
220,001 - 230,000	1	0
	9	9

	<b>\$000</b>	<b>\$000</b>
Base remuneration and superannuation	321	213
Annual leave and long service leave accruals	14	0
Other benefits	3	2
<b>The total remuneration of members of the accountable authority</b>	<b>338</b>	<b>216</b>

The total remuneration includes the superannuation expense incurred by WAPC in respect of members of the accountable authority.

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

### 40. Remuneration of Auditor

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

Auditing the accounts, financial statements and key performance indicators	<b>68</b>	<b>68</b>
	<b>68</b>	<b>68</b>

### 41. Commitments

The commitments below are inclusive of GST where relevant

#### Non-cancellable operating lease commitments

Commitments in relation to non-cancellable operating lease rentals contracted for at the end of reporting period but not recognised as liabilities in the financial statements are payable as follows:

Within 1 year	63	71
Later than 1 year and not later than 5 years	147	104
Later than 5 years	0	1
	<b>210</b>	<b>176</b>

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	<b>2015</b>	<b>2014</b>
	<b>\$000</b>	<b>\$000</b>

### Lease commitments

Some of the buildings are leased to tenants under long-term operating leases with rentals payable monthly.

Future minimum rental receivables for operating leases at the end of the reporting period but not recognised as assets in the financial statements, are receivable as follows:

Within 1 year	347	385
Later than 1 year and not later than 5 years	843	1,001
Later than 5 years	821	992
	<b>2,011</b>	<b>2,378</b>
	<b>2,011</b>	<b>2,378</b>

## 42. Contingent Liabilities and Contingent Assets

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

### *Contingent Liabilities and Contingent Assets*

Under the operation of the Metropolitan, Peel and Greater Bunbury Region Schemes, reservations exist on properties that may result in compensation being paid to the landholder or the property being acquired for the WAPC's estate. The WAPC, on an annual basis, sets such compensation and acquisition priorities.

In some cases the landholder disputes the compensation/consideration offered by the WAPC, either through arbitration or through Court action. Resolving such disputes form part of the ordinary business of the WAPC and any additional payments that arise are managed within the resources of the Metropolitan Region Improvement Fund and the regional land Acquisition Appropriation.

The WAPC's contingent liabilities as at 30 June 2015 (with respect to the Metropolitan, Peel and Greater Bunbury Region Schemes) is approximately \$34.3 million. The WAPC is unable to provide individual estimates of each liability as negotiations are in progress. The provision of estimates may compromise the WAPC's legal position.

The WAPC's contingent assets as at 30 June 2015 (with respect to the Metropolitan, Peel and Greater Bunbury Region Schemes) is approximately \$1.1 million, being a claim seeking the repayment of compensation following the return of land to the landholder.

### *Contaminated sites*

Under the *Contaminated Sites Act 2003*, the WAPC is required to report known and suspected contaminated sites to the Department of Environment Regulation (DER). In accordance with the Act, DER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated - remediation required* or *possibly contaminated - investigation required*, the WAPC may have a liability in respect of investigation or remediation expenses.

During the year, the WAPC reported no new suspected contaminated sites to EPA. Previously reported sites have yet to be classified by DER. The WAPC is unable to assess the likely outcome of the classification process, and accordingly, it is not practical to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows. Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the WAPC may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

## 43. Supplementary Financial Information

### (a) Write-Offs

Debts written-off by the WAPC during the financial year	0	19
	<b>0</b>	<b>19</b>
	<b>0</b>	<b>19</b>

There was no loss through thefts, defaults and other causes and no gift of public property provided by the Commission.

## FINANCIAL STATEMENTS

### **44. Services Provided Free of Charge**

During the period no services were provided to other agencies free of charge for functions outside the normal operations of the WAPC.

### **45. Events Occurring after the Reporting Period**

On 15 September 2015, the Minister for Planning approved the variation to the Service Delivery Agreement (SDA) with Department of Planning to reflect the actual expenditure incurred for services provided by the Department. The total cost of services provided by the Department of Planning is reported at \$44.5 million, consistent with the SDA and includes \$6.5 million of unallocated expenses.

The Commission's key performance indicators are calculated based on the reported total cost of services, less the \$6.5 million unallocated expenses as stated in Note 50.

### **46. Related Bodies**

The WAPC does not have any related bodies.

### **47. Affiliated Bodies**

The WAPC does not have any affiliated bodies.

## FINANCIAL STATEMENTS

### 48. Explanatory Statement

Significant variations between estimates and actual results for 2015 and between the actual results for 2014 and 2015 are shown below. Significant variations are considered to be those greater than 10% or \$10,000,000.

Statement of Comprehensive Income	Variance Note	Original Budget 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
<b>Expenses</b>						
Supplies and services	A	40,823	43,231	34,303	2,408	8,928
Depreciation expense		3,600	3,247	3,270	(353)	(23)
Bad and doubtful debts	1, B	10	51	14	41	37
Committee/board fees	2, C	980	382	275	(598)	107
Grants and subsidies	3, D	1,994	11,657	4,026	9,663	7,631
Revaluation decrement	4, E	0	101,324	0	101,324	101,324
Compensation payment	F	0	1,456	5,715	1,456	(4,259)
Other expenses	5, G	1,809	6,120	1,512	4,311	4,608
<b>Total cost of services</b>		<b>49,216</b>	<b>167,468</b>	<b>49,115</b>	<b>118,252</b>	<b>118,353</b>
<b>Income</b>						
<b>Revenue</b>						
Grants from other bodies	H	0	0	30	0	(30)
Revaluation increment	I	0	0	48,637	0	(48,637)
Rental revenue		6,680	6,404	6,617	(276)	(213)
User charges and fees		15,506	14,511	14,866	(995)	(355)
Interest revenue	6, J	4,200	5,735	4,447	1,535	1,288
Other revenue	7, K	1,690	2,641	1,218	951	1,423
<b>Total Revenue</b>		<b>28,076</b>	<b>29,291</b>	<b>75,815</b>	<b>1,215</b>	<b>(46,524)</b>
<b>Gains</b>						
Gain on disposal of non-current assets	8, L	5,000	16,549	6,844	11,549	9,705
<b>Total Gains</b>		<b>5,000</b>	<b>16,549</b>	<b>6,844</b>	<b>11,549</b>	<b>9,705</b>
<b>Total income other than income from State Government</b>		<b>33,076</b>	<b>45,840</b>	<b>82,659</b>	<b>12,764</b>	<b>(36,819)</b>
<b>NET COST OF SERVICES</b>		<b>16,140</b>	<b>121,628</b>	<b>(33,544)</b>	<b>105,488</b>	<b>155,172</b>
<b>Income from State Government</b>						
State grants and contributions	M	0	100	268	100	(168)
Service appropriation		98,381	98,550	93,292	169	5,258
Services received free of charge	N	0	436	3	436	433
<b>Total income from State Government</b>		<b>98,381</b>	<b>99,086</b>	<b>93,563</b>	<b>705</b>	<b>5,523</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>82,241</b>	<b>(22,542)</b>	<b>127,107</b>	<b>(104,783)</b>	<b>(149,649)</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus		0	1,961	2,155	1,961	(194)
<b>Total other comprehensive income</b>		<b>0</b>	<b>1,961</b>	<b>2,155</b>	<b>1,961</b>	<b>(194)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>82,241</b>	<b>(20,581)</b>	<b>129,262</b>	<b>(102,822)</b>	<b>(149,843)</b>

## FINANCIAL STATEMENTS

Statement of Financial Position	Variance Note	Original Budget 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	9, O	242,221	271,989	205,506	29,768	66,483
Restricted cash and cash equivalents	10, P	5,137	4,419	6,817	(718)	(2,398)
Receivables	11, Q	2,700	5,498	2,808	2,798	2,690
Inventories		9	7	9	(2)	(2)
Other current assets	12, R	1,082	24,961	15,081	23,879	9,880
Non-current assets classified as held for sale	13, S	0	2,766	0	2,766	2,766
<b>Total Current Assets</b>		<b>251,149</b>	<b>309,640</b>	<b>230,221</b>	<b>58,491</b>	<b>79,419</b>
<b>Non-Current Assets</b>						
Amounts receivable for services		4,359	4,359	3,979	0	380
Land	14, T	614,077	501,789	604,414	(112,288)	(102,625)
Buildings		32,736	29,503	32,076	(3,233)	(2,573)
Infrastructure	U	9,271	8,653	7,298	(618)	1,355
Equipment	15, V	679	879	996	200	(117)
Intangible assets	16	0	17,940	16,563	17,940	1,377
<b>Total Non-Current Assets</b>		<b>661,122</b>	<b>563,123</b>	<b>665,326</b>	<b>(97,999)</b>	<b>(102,203)</b>
<b>TOTAL ASSETS</b>		<b>912,271</b>	<b>872,763</b>	<b>895,547</b>	<b>(39,508)</b>	<b>(22,784)</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	17, W	8,106	16,050	8,928	7,944	7,122
Other current liabilities	18	11,593	15,945	14,899	4,352	1,046
<b>Total Current Liabilities</b>		<b>19,699</b>	<b>31,995</b>	<b>23,827</b>	<b>12,296</b>	<b>8,168</b>
<b>TOTAL LIABILITIES</b>		<b>19,699</b>	<b>31,995</b>	<b>23,827</b>	<b>12,296</b>	<b>8,168</b>
<b>NET ASSETS</b>		<b>892,572</b>	<b>840,768</b>	<b>871,720</b>	<b>(51,804)</b>	<b>(30,952)</b>
<b>EQUITY</b>						
Contributed equity	19, X	2,800	0	3,997	(2,800)	(3,997)
Reserves	20	31,770	35,886	33,925	4,116	1,961
Accumulated surplus/(deficit)	21, Y	858,002	804,882	833,798	(53,120)	(28,916)
<b>TOTAL EQUITY</b>		<b>892,572</b>	<b>840,768</b>	<b>871,720</b>	<b>(51,804)</b>	<b>(30,952)</b>



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Statement of Cash Flows	Variance Note	Original Budget 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation		98,001	98,170	92,912	169	5,258
Capital contributions		5,400	5,400	5,400	0	0
Equity repayments	Z	0	(540)	(284)	(540)	(256)
<b>Net cash provided by State Government</b>		<b>103,401</b>	<b>103,030</b>	<b>98,028</b>	<b>(371)</b>	<b>5,002</b>
<b>Utilised as follows:</b>						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Supplies and services	22, AA	(44,682)	(38,790)	(24,778)	5,892	(14,012)
Committee/board fees	AB	0	(226)	(53)	(226)	(173)
Grants and subsidies	23, AC	(900)	(994)	(5,806)	(94)	4,812
GST payments on purchases	24, AD	(3,020)	(3,689)	(2,323)	(669)	(1,366)
GST payment to taxation authority		(310)	(294)	0	16	(294)
Other payments	AE	0	(1,569)	(14,583)	(1,569)	13,014
<b>Receipts</b>						
State and other bodies grants and contributions	AF	0	100	926	100	(826)
Rental received		6,680	6,290	6,583	(390)	(293)
User charges and fees		15,506	14,484	14,902	(1,022)	(418)
Interest received	25, AG	4,200	5,573	4,236	1,373	1,337
GST receipts on sales	26, AH	310	545	466	235	79
GST receipts from taxation authority	27, AI	3,020	2,158	1,155	(862)	1,003
Other receipts	28, AJ	1,690	1,328	2,298	(362)	(970)
<b>Net cash provided by/(used in) operating activities</b>		<b>(17,506)</b>	<b>(15,084)</b>	<b>(16,977)</b>	<b>2,422</b>	<b>1,893</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of non-current assets	29	10,000	16,255	16,802	6,255	(547)
Purchase of non-current assets	AK	(44,057)	(40,116)	(47,522)	3,941	7,406
<b>Net cash provided by/(used in) investing activities</b>		<b>(34,057)</b>	<b>(23,861)</b>	<b>(30,720)</b>	<b>10,196</b>	<b>6,859</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>51,838</b>	<b>64,085</b>	<b>50,331</b>	<b>12,247</b>	<b>13,754</b>
Cash and cash equivalents at the beginning of period		195,520	212,323	161,992	16,803	50,331
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>247,358</b>	<b>276,408</b>	<b>212,323</b>	<b>29,050</b>	<b>64,085</b>

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### Major Estimate and Actual (2015) Variance Narratives

- 1 Bad and doubtful debts exceeded estimates by \$0.04m (410%) due to higher doubtful debts being recorded than anticipated as a result of defaults on rental properties.
- 2 Committee/board fees was lower than estimates by \$0.6m (61%) due to budget allocation of Chairman's salary and over-estimation of fees.
- 3 Grant and subsidies exceeded estimates by \$9.7m (485%) due to one off grant payment for Lowlands project not budgeted, which was eventually approved at Mid Year Review.
- 4 Recent revaluation of land resulted in a decrement. These movements reflect the decrease in property values due to changes in the classification of land use.
- 5 Other expenses exceeded estimates by \$4.3m (238%) due to impairment losses not budgeted for.
- 6 Interest revenue exceeded estimates by \$1.5m (37%) due to higher cash balance in the bank during the year.
- 7 Other revenue exceeded estimates by \$0.9m (56%) as the budget did not include the land acquired for nil cost and capitalised at fair value.
- 8 Gain on disposal of non-current assets exceeded estimates by \$11.5m (231%) due to sale of land for Mitchell Freeway extension not budgeted.
- 9 Cash and cash equivalents exceeded estimates by \$29.8m (12%) due lower budgeted opening cash balance and underspent in the capital expenditures.
- 10 Restricted cash and cash equivalents trailed estimates by \$0.7m (14%) due to higher expenditures on the regional schemes.
- 11 Receivables exceeded estimates by \$2.8m (104%) due to accrued net sale proceeds from exchange of land not budgeted and higher GST receivables from land acquisition.
- 12 Other current assets exceeded estimates by \$23.9m (2207%) mainly due to land acquisition which was paid but not settled at the end of FY2015.
- 13 Non-current assets classified as held for sale exceeded estimates by \$2.8m (Budget: nil) as the Commission did not budget for it.
- 14 Land was lower than estimates by \$112.3m (18%) due to revaluation decrement not budgeted for and caveat interest transferred to intangible assets.
- 15 Equipment exceeded estimates by \$0.2m (29%) due to higher depreciation expense in the budget.
- 16 Intangible assets exceeded estimates by \$17.9m (Budget: nil) due to transfer of caveat interest from land (item 14).
- 17 Payables exceeded estimates by \$7.9m (98%) mainly due to higher amount payables to Department of Planning for the service delivery agreement expenses.
- 18 Other current liabilities exceeded estimates by \$4.3m (38%) mainly due to income received in advance for sale of land.
- 19 Contributed equity was lower than estimates by \$2.8m (100%) due to higher distribution of equity to owners resulted in negative equity which was transferred to the accumulated surplus.
- 20 Reserves exceeded estimates by \$4.1m (13%) due to the revaluation of assets was not budgeted for.
- 21 Accumulated surplus was lower than estimates by \$53.1m (6%) due to actual deficit for the year as compared to surplus for the period budgeted for.

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- 22 Supplies and services was lower than estimates by \$5.9m (13%) due to underspent of the Service Delivery Agreement expenditure.
- 23 Grants and subsidies exceeded estimates by \$0.09m (10%) due to payments for previous year.
- 24 GST payments on purchases was higher than estimates by \$0.7m (22%) due to increase in the land acquisition with GST in the price.
- 25 Interest received was lower than estimates by \$1.4m (33%) due to higher cash balance in the bank during the year.
- 26 GST receipts on sales exceeded estimates by \$0.2m (76%) due to increase in taxable sales.
- 27 GST receipts from taxation authority was lower than estimates by \$0.9m (29%) due to lower GST from expenditures.
- 28 Other receipts was lower than estimates by \$0.4m (21%) due to lower receipts from Whiteman Park and recoup of expenditure.
- 29 Proceeds from sale of non-current assets exceeded estimates by \$6.2m (63%) due to additional sales not anticipated.

### Major Actual (2015) and Actual (2014) Variance Narratives

- A Supplies and services increased by \$8.9m (26%) due to higher amount accrued for the service delivery agreement expenses.
- B Bad and doubtful debts increased by \$0.04m (264%) due to increase in the number of defaults on rental properties.
- C Committee/board fees increased by \$0.1m (39%) due to WAPC Chairman employed for the full year.
- D Grants and subsidies increased by \$7.6m (190%) due to one off grant payment for Lowlands Project and the end of grant payment to Metropolitan Redevelopment Authority for the Elizabeth Quay project.
- E Revaluation decrement increased by \$101.3m (2014: nil) due to changes in the classification of land use which resulted in change of valuation methodology.
- F Compensation payment decreased by \$4.3m (75%) due to 3 arbitration decisions that resulted in the Commission paying amounts of compensation for land purchases as compared to 9 decisions in the previous financial year. The Commission has a number of compensation cases that are awaiting arbitration settlements and these outcomes can vary considerably between reporting periods.
- G Other expenses increased by \$4.6m (305%) mainly due to impairment losses on land.
- H Grants from other bodies decreased by \$0.03m (100%) as there was no further grant from the City of Wanneroo for the Tamala Park project.
- I Revaluation increment decreased by \$48.6m (100%) due to revaluation of land to fair value in June 2015 resulted in a revaluation decrement for the year.
- J Interest revenue increased by \$1.3m (29%) due to higher cash balance in the bank during the year.
- K Other revenue increased by \$1.4m (117%) due to increase in number of lands acquired for nil cost and capitalised at higher fair value.
- L Gain on disposal of non-current assets increased by \$9.7m (142%) due to sale of land for Mitchell Freeway extension and increase in the number of land disposals.

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- M State grants and contributions decreased by \$0.2m (63%) due to the end of the Fremantle Outer Harbour Study, offset by the grants for the Future Perth Airports Technical Study.
- N Services received free of charge increased by \$0.4m (14433%) due to free legal services provided by State Solicitor's Office for land compensation.
- O Cash and cash equivalents increased by \$66.5m (32%) due to the net cash received of \$103.0m and only a net cash of \$38.9m was spent on the operating and investing activities.
- P Restricted cash and cash equivalents decreased by \$2.4m (35%) due to the overspent on the regional schemes.
- Q Receivables increased by \$2.7m (96%) due to accrued net sale proceeds from exchange of land and higher GST receivables from land acquisition.
- R Other current assets increased by \$9.9m (66%) due to land acquisition which was paid but not settled at the end of FY2015.
- S Non-current assets classified as held for sale increased by \$2.8m (2014: nil) due to re-classification of land which the Commission received the sale proceeds in advance.
- T Land decreased by \$102.6m (17%) mainly due to the changes in the classification of land use which resulted in change of valuation methodology.
- U Infrastructure increased by \$1.4m (19%) due to the construction and installation of fire suppression system in Whiteman Park.
- V Equipment decreased by \$0.1m (12%) mainly due to the depreciation for the year.
- W Payables increased by \$7.1m (80%) due to higher amount payables to Department of Planning for the service delivery agreement expenses.
- X Contributed equity decreased by \$4.0m (100%) due to higher distribution of equity to owners resulted in negative equity which was transferred to the accumulated surplus.
- Y Accumulated surplus decreased by \$22.4m (3%) due to deficit for the period in the Statement of Comprehensive Income and transfer of negative equity (item X).
- Z Equity repayments increased by \$0.3m (90%) due to higher sale proceed from the disposal of land in the Greater Bunbury Region Scheme, which was paid back to Department of Treasury.
- AA Supplies and services increased by \$14.0m (57%) due to FY2014 Service Delivery Agreement payment and FY2015 Service Delivery Agreement payment which included fees and charges (item AE).
- AB Committee/board fees increased by \$0.2m (326%) due to FY2014 committee/board fees paid in FY2015.
- AC Grants and subsidies decreased by \$4.8m (83%) due to FY2015 grants and subsidies paid by Department of Planning under the Service Delivery Agreement, except for the management of Araluen Botanic Park, and the final grant payment to Metropolitan Redevelopment Authority in FY2014 for the Elizabeth Quay project.
- AD GST payments on purchases increased by \$1.4m (59%) due to increase in the land acquisition with GST in the price.
- AE Other payments decreased by \$13.0m (89%) due to June 2014 fees & charges paid in FY2015. Fees and charges is now paid as part of the Service Delivery Agreement payment which is under the Supplies and Services (item AA).
- AF State and other bodies grants and contributions decreased by \$0.8m (89%) due to grant received for the Future Perth Airports Technical Study and the cessation of grants received for the Fremantle Outer Harbour Study.
- AG Interest received increased by \$1.3m (32%) due to higher cash balance in the bank during the year.

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- AH GST receipts on sales increased by \$0.08m (17%) due to increase in taxable sales.
- AI GST receipts from taxation authority increased by \$1m (87%) due to increase in the land acquisition with GST in the price.
- AJ Other receipts decreased by \$1m (42%) due to one-off refund of GST from the Australian Taxation Office for previous years and no easement fees.
- AK Purchase of non-current assets decreased by \$7.4m (16%) due to lower purchase prices for the land acquired during the year.

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### 49. Financial Instruments

#### (a) Financial Risk Management Objectives and Policies

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

##### *Credit risk*

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 49(c) 'Financial Instruments Disclosures' and Note 23 'Receivables'.

Credit risk associated with the WAPC's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the WAPC trades only with recognised, creditworthy third parties. The WAPC has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the WAPC's exposure to bad debts is minimal. At the end of the reporting period, there were no significant concentrations of credit risk.

##### *Liquidity risk*

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

##### *Market risk*

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the WAPC's income or the value of its holdings of financial instruments. The WAPC does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes). The WAPC's exposure to market risk for changes in interest rates relates primarily to cash and cash equivalents and restricted cash and cash equivalents which are held at variable interest rates. The WAPC have no borrowings. Other than as detailed in the Interest rate sensitivity analysis table at Note 49(c), the WAPC is not exposed to interest rate risk.

#### (b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$000</b>	<b>\$000</b>
<b>Financial Assets</b>		
Cash and cash equivalents	271,989	205,506
Restricted cash and cash equivalents	4,419	6,817
Receivables <sup>(a)</sup>	7,706	5,779
<b>Total Financial Assets</b>	<b><u>284,114</u></b>	<b><u>218,102</u></b>
<b>Financial liabilities</b>		
Payables	16,050	8,928
<b>Total Financial Liabilities</b>	<b><u>16,050</u></b>	<b><u>8,928</u></b>

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

**(c) Financial Instrument Disclosures**Credit risk

The following table disclose the WAPC's maximum exposure to credit risk and the ageing analysis of financial assets. The WAPC's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the WAPC.

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

**Aged analysis of financial assets**

	Carrying amount \$000	Not past due and not impaired \$000	<u>Past due but not impaired</u>					Impaired financial assets \$000
			Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000	
<b>2015</b>								
Cash and cash equivalents	271,989	271,989						
Restricted cash and cash equivalents	4,419	4,419						
Receivables <sup>(a)</sup>	3,347	3,018	123	78	101	27		
Amount receivable for services	4,359	4,359						
	<b>284,114</b>	<b>283,785</b>	<b>123</b>	<b>78</b>	<b>101</b>	<b>27</b>	<b>0</b>	<b>0</b>
<b>2014</b>								
Cash and cash equivalents	205,506	205,506						
Restricted cash and cash equivalents	6,817	6,817						
Receivables <sup>(a)</sup>	1,800	1,572	1	151	67	10		
Amount receivable for services	3,979	3,979						
	<b>218,102</b>	<b>217,874</b>	<b>1</b>	<b>151</b>	<b>67</b>	<b>10</b>	<b>0</b>	<b>0</b>

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

Liquidity risk and interest rate exposure

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

**Interest rate exposures and maturity analysis of financial assets and financial liabilities**

	<u>Interest rate exposure</u>					<u>Maturity dates</u>					
	Weighted average effective interest rate %	Carrying amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000	Nominal amount \$000	Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>2015</b>											
<u>Financial Assets</u>											
Cash and cash equivalents	2.70	271,989		271,987	2	271,989	271,989				
Restricted cash and cash equivalents	2.70	4,419		4,419		4,419	4,419				
Receivables <sup>(a)</sup>		3,347				3,347	3,347				
Amount receivable for services		4,359				4,359	4,359				
		<b>284,114</b>	<b>0</b>	<b>276,406</b>	<b>7,708</b>	<b>284,114</b>	<b>284,114</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Financial Liabilities</u>											
Payables		16,050				16,050	16,050				
		<b>16,050</b>	<b>0</b>	<b>0</b>	<b>16,050</b>	<b>16,050</b>	<b>16,050</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).											
<b>2014</b>											
<u>Financial Assets</u>											
Cash and cash equivalents	2.82	205,506		205,504	2	205,506	205,506				
Restricted cash and cash equivalents	2.82	6,817		6,817		6,817	6,817				
Receivables <sup>(a)</sup>		1,800				1,800	1,800				
Amount receivable for services		3,979				3,979	3,979				
		<b>218,102</b>	<b>0</b>	<b>212,321</b>	<b>5,781</b>	<b>218,102</b>	<b>218,102</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Financial Liabilities</u>											
Payables		8,928				8,928	8,928				
		<b>8,928</b>	<b>0</b>	<b>0</b>	<b>8,928</b>	<b>8,928</b>	<b>8,928</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).											

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Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the WAPC's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<b>2015</b>					
<u>Financial Assets</u>					
Cash and cash equivalents	271,989	(2,720)	(2,720)	2,720	2,720
Restricted cash and cash equivalents	4,419	(44)	(44)	44	44
	<b>276,408</b>	<b>(2,764)</b>	<b>(2,764)</b>	<b>2,764</b>	<b>2,764</b>
	Carrying Amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<b>2014</b>					
<u>Financial Assets</u>					
Cash and cash equivalents	205,506	(2,055)	(2,055)	2,055	2,055
Restricted cash and cash equivalents	6,817	(68)	(68)	68	68
	<b>212,323</b>	<b>(2,123)</b>	<b>(2,123)</b>	<b>2,123</b>	<b>2,123</b>

Fair values

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

## 50. Schedule of Income and Expenses by Service

	Statutory Planning		Strategic Planning		Asset Management		Unallocated expenses		Total	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000
<b>COST OF SERVICES</b>										
<b>Expenses</b>										
Supplies and services	15,469	15,270	4,767	5,351	16,455	13,682	6,539	0	43,231	34,303
Depreciation expense	0	0	0	0	3,247	3,270	0	0	3,247	3,270
Bad and doubtful debts	0	0	0	0	51	14	0	0	51	14
Committee/board fees	154	110	116	86	111	79	0	0	381	275
Grants and subsidies	0	38	835	3,525	10,821	463	0	0	11,657	4,026
Revaluation decrement	0	0	0	0	101,324	0	0	0	101,324	0
Compensation payment	0	0	0	0	1,456	5,715	0	0	1,456	5,715
Other expenses	203	57	312	449	5,606	1,006	0	0	6,120	1,512
<b>Total cost of services</b>	<b>15,827</b>	<b>15,475</b>	<b>6,030</b>	<b>9,411</b>	<b>139,072</b>	<b>24,229</b>	<b>6,539</b>	<b>0</b>	<b>167,468</b>	<b>49,115</b>
<b>Income</b>										
<b>Revenue</b>										
Grants from other bodies	0	0	0	0	0	30	0	0	0	30
Revaluation increment	0	0	0	0	0	48,637	0	0	0	48,637
Rental revenue	0	0	0	0	6,404	6,617	0	0	6,404	6,617
User fees and charges	13,488	13,330	1,023	1,095	0	441	0	0	14,511	14,866
Interest revenue	1,912	1,482	1,912	1,482	1,912	1,483	0	0	5,735	4,447
Other revenue	12	8	22	19	2,607	1,191	0	0	2,641	1,218
<b>Total Revenue</b>	<b>15,412</b>	<b>14,820</b>	<b>2,957</b>	<b>2,596</b>	<b>10,922</b>	<b>58,399</b>	<b>0</b>	<b>0</b>	<b>29,291</b>	<b>75,815</b>
<b>Gains</b>										
Gain on disposal of non-current assets	0	0	0	0	16,549	6,844	0	0	16,549	6,844
<b>Total Gains</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,549</b>	<b>6,844</b>	<b>0</b>	<b>0</b>	<b>16,549</b>	<b>6,844</b>
<b>Total income other than income from State Government</b>	<b>15,412</b>	<b>14,820</b>	<b>2,957</b>	<b>2,596</b>	<b>27,471</b>	<b>65,243</b>	<b>0</b>	<b>0</b>	<b>45,840</b>	<b>82,659</b>
<b>NET COST OF SERVICES</b>	<b>416</b>	<b>655</b>	<b>3,073</b>	<b>6,814</b>	<b>111,601</b>	<b>(41,015)</b>	<b>6,539</b>	<b>0</b>	<b>121,628</b>	<b>(33,544)</b>

FINANCIAL STATEMENTS

**INCOME FROM STATE GOVERNMENT**

State grants and contributions	0	0	100	268	0	0	0	0	100	268
Service appropriation	27,488	29,804	12,040	18,706	59,022	44,782	0	0	98,550	93,292
Resources received free of charge	145	1	145	1	145	1	0	0	436	3
<b>Total income from State Government</b>	<b>27,634</b>	<b>29,805</b>	<b>12,286</b>	<b>18,975</b>	<b>59,167</b>	<b>44,783</b>	<b>0</b>	<b>0</b>	<b>99,086</b>	<b>93,563</b>
<b>Surplus/(deficit) for the period</b>	<b>27,218</b>	<b>29,150</b>	<b>9,213</b>	<b>12,161</b>	<b>(52,434)</b>	<b>85,798</b>	<b>(6,539)</b>	<b>0</b>	<b>(22,542)</b>	<b>127,107</b>

*The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.*

## KEY PERFORMANCE INDICATORS

### **Certification of Key Performance Indicators**

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Planning Commission's performance, and fairly represent the performance of the Western Australian Planning Commission for the financial year ended 30 June 2015.



John Deery  
Chief Finance Officer  
Western Australian Planning Commission

22 September 2015



Eric Lumsden  
Chairman  
Western Australian Planning Commission

22 September 2015

## KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS  
For the year ended 30 June 2015

### WAPC and Government Desired Outcomes and Key Performance Indicators

The WAPC's Mission is to formulate and coordinate land use strategies for Western Australia to facilitate its growth while continuously enhancing its unique quality of life and environment. In this way the WAPC contributes to the Government's goals outlined in the table below.

Government Goal	Desired Outcome	Services
State Building - Major Projects Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development.	Land use planning and land use implementation strategies to guide the State's long-term urban settlement and economic development.	1. Statutory Planning 2. Strategic Planning 3. Asset Management

### Why are the indicators considered relevant to the outcomes and services?

The planning community comprises the WAPC's primary client group and consists of a wide range of individuals, companies, agencies and groups involved in the land use planning process. The level of usefulness of the WAPC's activities to this client group directly measures how effective the WAPC is in guiding the State's long term urban settlement and economic development.

The efficiency indicators incorporate the cost of each service and as such gauge the overall efficiency in achieving the desired outcome.

### Why they are key indicators of performance?

The indicators chosen directly measure the WAPC's effectiveness and efficiency in producing services and meeting the service objectives.

### How can the indicators assist the reader to assess performance?

The effectiveness indicators inform the reader 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 previous years performance (where available) and targets as published per the Budget Papers. Efficiency indicators gauge the cost of each service based on a measurable unit of quantity. For example, results are presented on a \$cost per decision or per hectare managed basis for easy comprehension.

### Outcomes and Key Effectiveness Indicators

**WAPC Level Government Desired Outcome: Land use planning and land use implementation strategies to guide the State's long-term urban settlement and economic development.**

#### Effectiveness Indicator: Number of planning applications determined within set statutory parameters

The WAPC seeks to provide sufficient land for housing to accommodate the anticipated future population growth of the State. To this end, the WAPC plays an important role by ensuring sufficient zoned urban land and facilitating orderly land release through structure planning and issuing subdivision approvals throughout the State. The WAPC is partnered with the Department of Planning in this process. The WAPC issued final approvals for 1,968 subdivisions during 2014/15 (Perth and Peel) to the land development industry.

The WAPC is not the sole determinant of land availability, as, for a number of reasons, not all preliminary approvals (which reflect a bank of developable land from which developers can draw) go through to the final approval stage. These include external factors such as availability of raw materials, interest rates, developer capacity and market conditions. Therefore, the WAPC is only able to respond to applications lodged for preliminary and final approval. These measures are extracted from the Department of Planning's electronic administrative subdivision tracking system and are published in the quarterly bulletin entitled State Lot Activity.

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual	Reasons for Significant Variance
- Metropolitan Perth	2,105	2,528	2,760	2,680	
- Country Western Australia	775	783	925	642	Decrease in activity due to softening of economic conditions

## KEY PERFORMANCE INDICATORS

### Effectiveness Indicator: Determinations which were processed without a successful appeal

The percentage of determinations made without successful applications for review provides an indicator of the WAPC's effectiveness in the application of the *State Planning Framework*. Effective application of this framework delivers efficient decisions and ensures that new land is adequately serviced. Where a determination is successfully challenged by demonstrating flaws in the application of policy, additional costs may be incurred both by the developer and subsequently by land purchasers. The indicator is the percentage of all subdivision, strata and development determinations made that are not successfully "reviewed" (i.e. upheld) before the State Administrative Tribunal (SAT). The data shows that 1 application for review before the SAT was upheld in 2014-15, and that 3,899 subdivisions, strata and development applications were determined.

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual
Determinations which were processed without a successful appeal	99%	99%	99%	99%

### Effectiveness Indicator: Applications processed within the statutory timeframes

The WAPC determines land use planning applications put to it. This indicator measures the timeframe efficiency of the statutory approval processes employed by the WAPC.

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual
Applications processed within the statutory timeframes	84%	79%	80%	85%

### Effectiveness Indicator: Planning decisions - strategic, environment, industry, infrastructure, transport

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual	Reasons for Significant Variance
Planning decisions - strategic, environment, industry, infrastructure, transport	177	185	180	220	Increase in the number of strategic reports referred to the WAPC for decisions

Also to determine the effectiveness of statutory and strategic planning activities, an external survey is undertaken with the clients of the land use planning system (developers, infrastructure departments, local authorities and other stakeholders). Specific strategies, programs, plans, policies and statutory activities which guide the State's long term urban settlement and economic growth are nominated within the survey and clients are requested to rate the WAPC's effectiveness with regard to those activities. The results of the survey (shown below) measure directly the effectiveness of the WAPC.

The WAPC conducts an annual survey of its clients seeking their views on the activities of the WAPC in a wide range of planning areas. Research Solutions, an independent research consultancy, conducted the 2015 survey using an online questionnaire. A response rate of 17% (25% in 2014) equal to 208 responses out of a population of 1215 was achieved, with a confidence level of 95% and a sampling error at 95% confidence level of +/-6.2% was noted for the entire survey. However as each KPI reflects the response of a single question and not all questions were answered by participants, each KPI has a separate response rate and confidence interval and are noted below. The Commission notes that the response rate was low in the current reporting period. While it is expected that the survey results are reflective of the population due to the nature and type of respondents that were assessed as the Commission's key stakeholders, statistical significance cannot be inferred from the results.

The survey undertakes satisfaction levels of various planning activities. Whilst a target rate of 100% useful would be an ideal outcome there is no set target figure set each year due to the scope of the survey.

### Effectiveness Indicator: Usefulness of Statutory Planning activities

Client Survey	2010-11	2011-12	2012-13	2013-14	2014-15
Usefulness of Statutory Planning Activities					
(Rated useful or better)					
-Not Useful	17%	7%	7%	7%	7%
-Neutral	24%	13%	15%	20%	12%
-Useful	59%	80%	78%	73%	81%

A response rate of 8.64% equal to 105 responses out of a population of 1215 was achieved, with a confidence level of 95% and a sampling error at 95% confidence level of +/-9.14%. The low response rate in the current reporting period means that statistical significance cannot be inferred from the results.

## KEY PERFORMANCE INDICATORS

### Effectiveness Indicator: Usefulness of Strategic Planning activities

Client Survey					
Usefulness of Strategic Planning Activities	2010-11	2011-12	2012-13	2013-14	2014-15
(Rated useful or better)					
-Not Useful	22%	8%	14%	12%	6%
-Neutral	22%	24%	22%	24%	19%
-Useful	56%	68%	64%	64%	75%

A response rate of 5.68% equal to 69 responses out of a population of 1215 was achieved, with a confidence level of 95% and a sampling error at 95% confidence level of +/-11.46%. The low response rate in the current reporting period means that statistical significance cannot be inferred from the results.

### Effectiveness Indicator: Client satisfaction with strategic planning activities (via survey)

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual
Client satisfaction with strategic planning activities (via survey)	73%	65%	75%	75%

A response rate of 5.59% equal to 68 responses out of a population of 1215 was achieved, with a confidence level of 95% and a sampling error at 95% confidence level of +/-11.5%. The low response rate in the current reporting period means that statistical significance cannot be inferred from the results.

### Effectiveness Indicator: Client satisfaction with the timeliness of strategic planning activities (via survey)

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual
Client satisfaction with the timeliness of strategic planning activities (via survey)	53%	48%	60%	59%

A response rate of 5.43% equal to 66 responses out of a population of 1215 was achieved, with a confidence level of 95% and a sampling error at 95% confidence level of +/-11.74%. The low response rate in the current reporting period means that statistical significance cannot be inferred from the results.

### Effectiveness Indicator: Success in Conversion of Structure Plans

The WAPC sets in place structure plans that form the long term framework for the development of urban areas. A measure of the effectiveness of the WAPC is the success in converting structure plans into statutory zones.

A structure plan is a non-statutory land use program produced after a broad scale plan has been formulated. The structure plan provides detail regarding the different types of land uses in a given area, how they relate to each other, what movement systems are provided and includes, the amount of housing and industrial land, and open space provision. Structure plans form the basis of local planning schemes or amendments to schemes. A local planning scheme is a statutory land use plan usually produced by a local government and consists of land reserved for certain public purposes, and that land is zoned for a variety of different land uses (eg. Residential, commercial, industrial, open space).

Structure plans developed by the WAPC directly contribute to the State's long term urban settlement and economic development by ensuring that appropriate land is available through the implementation of statutory zones to meet population growth, that supporting infrastructure is put in place whilst addressing other social outcomes such as environmental sustainability.

The WAPC maintains sophisticated Geographic Information Systems (GIS) and the figures used in this measure are derived from those systems.

Success in Conversion of Structure Plans	2010-11	2010-12	2012-13	2013-14	2014-15
-Area actioned in Hectares (running total)	46,165	46,506	46,760	47,477	47,935
-Target Area in Hectares	55,558	55,558	55,558	55,558	55,558
-% of Target Area Actioned	83.1%	83.70%	84.16%	85.50%	86.30%

### Effectiveness Indicator: Price and timing for acquisition and disposal of land for region schemes

The prices for the acquisition and disposal of land are negotiated with reference to both internal and independent valuation information. This ensures that a fair price is determined for both parties to the transactions. Timing of acquisitions and disposals is important to ensure that land is acquired when needed and that land is disposed of in accordance with a planned program.

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual
Acquisitions - acceptances within approved range	91%	100%	95%	100%
Disposals - realised in excess of reserved price	100%	100%	100%	100%

## KEY PERFORMANCE INDICATORS

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual	Reasons for Significant Variance
Acquisitions - approved schedule acquired within period	105%	90%	100%	91%	
Disposals - approved schedule disposed within period	205%	132%	100%	260%	Reflects sale of land required for road and infrastructure projects not in original budget

### Effectiveness Indicator: Occupancy rate and management of rental properties

Wherever possible, the WAPC leases residential and commercial buildings on acquired land until it is utilised for the purpose of its reservation. The WAPC aims to maximise rental income on the basis of high occupancy rates and market rentals.

The Commission is charged with the responsible ownership of the Parks and Reservations under its control. The approved management program achieved and approved management plan activities achieved reflects the total amount spent on management of these properties in comparison to budgeted amounts per the government budgeting process. This KPI reflects the effectiveness of the Commission to manage the properties in line with expected expenditures.

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual
Available days tenanted	95%	97%	96%	95%
Approved management program achieved	95%	53%	93%	95%
Approved management plan activities achieved	95%	53%	93%	95%

### Key Efficiency Indicators

The WAPC's measures of efficiency are formulated to measure the cost per planning activity. The overall cost to the State of providing a land use planning service on a per capita basis and as a proportion of the State's economic activity is a macro level indicator that gauges the efficiency of the WAPC.

The WAPC sets in place land use plans and strategies to guide the State's long term urban settlement and economic development. These indicators of performance measure how efficiently the WAPC is conducting land use planning activities on a completion, time and cost basis.

### Service 1: Statutory Planning

**Service Description: Utilisation of statutory, consultative, legislative, regulatory reform and coordination processes that facilitate the implementation of creative and innovative strategic regional and local plans and policies.**

### Efficiency Indicator: Average cost per application determined

The WAPC determines land use planning applications put to it. This indicator measures the cost efficiency of the statutory approval processes employed by the WAPC.

The indicator is derived by dividing the full cost of Statutory Planning services by the number of statutory planning decisions made in the financial year. The figures are sourced from the WAPC's financial system and from an internal database which tracks the number of applications received/determined.

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual (a)	Reasons for Significant Variance
Average cost per application determined	\$3,273	\$3,686	\$4,724	\$4,059	Increased efficiencies in processing applications with a softening of economic conditions

Note (a) : The Commission's key performance indicators are calculated based on the reported total cost of services, less the \$6.5 million unallocated expenses as stated in Note 50.



## KEY PERFORMANCE INDICATORS

### Service 2: Strategic Planning

**Service Description:** The development and advancement of planning strategies, policies and information systems that guide the State's long-term urban settlement, industrial and economic development and the management of the environment in such a way that reflects the aspirations of the Western Australian community for a high quality of life.

**Efficiency Indicator:** Average cost per planning decision - strategic, environment, industry, infrastructure and transport

The WAPC makes decisions on a wide range of strategic land use planning matters. This indicator measures the cost efficiency of the WAPC in coming to its strategic decisions.

The indicator is derived by dividing the full cost of Strategic Planning services by the number of strategic planning decisions made in the financial year. The figures are sourced from the WAPC's financial system and from an internal database which tracks the number of Strategic Planning decisions made.

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual (a)	Reasons for Significant Variance
Average cost per planning decision - strategic, environment, industry, infrastructure and transport	\$82,045	\$50,870	\$49,006	\$27,409	Increase in the number of reports submitted to the WAPC and reduced costs associated with strategic planning

Note (a) : The Commission's key performance indicators are calculated based on the reported total cost of services, less the \$6.5 million unallocated expenses as stated in Note 50.

### Service 3: Asset Management

**Service Description:** The acquisition, management and disposal of properties reserved under the Metropolitan, Peel and Greater Bunbury Region Schemes for primary and other regional roads, parks and recreation and regional open space areas, special uses including planning control area and improvement plans and major land development projects.

**Efficiency Indicator:** Cost of management of land acquired for region schemes

The WAPC holds land with a value in excess of \$502 million (fair value). These land are held for a variety of purposes, but in the main are for park and recreational use, as well as for road and highway reserves. The cost per hectare of managing these land is a measure of cost efficiency for this service.

The indicator is derived by dividing the full management costs (excluding revaluation decrements) associated with property activities by the number of hectares under management as shown. The figures are sourced from the WAPC's financial system and from an in-house property database system that tracks property holdings and transactions.

	2012-13 Actual	2013-14 Actual	2014-15 Target	2014-15 Actual (a)	Reasons for Significant Variance
Hectares managed:					
- Improvement plans, regional roads and other uses (includes rental properties)	3,387	3,389	3,450	3,279	
- Parks and recreation reserves	10,425	10,684	10,550	10,662	
Average cost per hectare managed	\$1,719	\$1,722	\$1,642	\$2,407	One off payments for Lowlands Project and Rockingham Housing Project approved at Mid Year Review

Note (a) : The Commission's key performance indicators are calculated based on the reported total cost of services, less the \$6.5 million unallocated expenses as stated in Note 50.