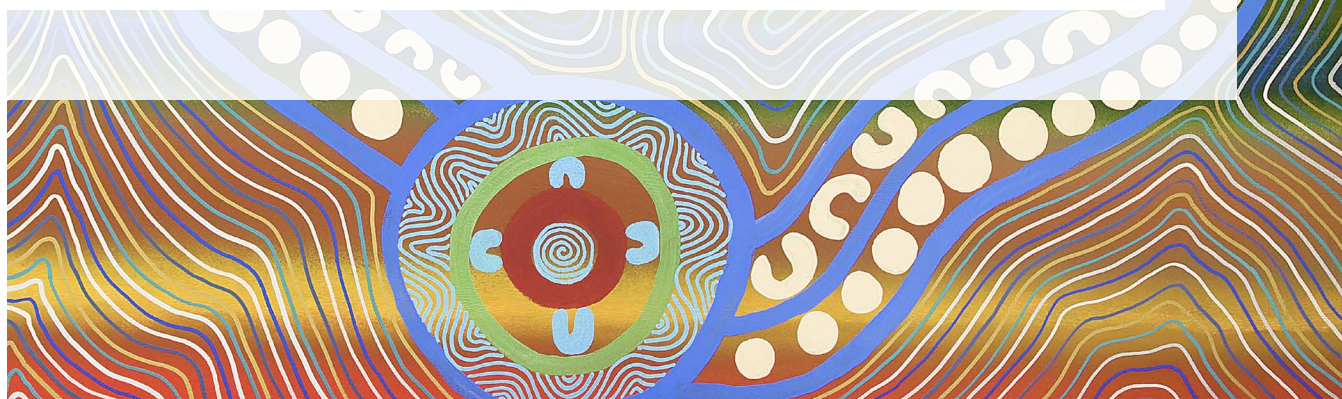


# Annual Report 2019-20

| Western Australian Planning Commission

Financials and performance indicators

Planning and managing land and heritage for all Western Australians







## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### WESTERN AUSTRALIAN PLANNING COMMISSION

#### Report on the financial statements

##### **Opinion**

I have audited the financial statements of the Western Australian Planning Commission which comprise the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Summary of Consolidated Account Appropriations for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Planning Commission for the year ended 30 June 2020 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

##### **Basis for opinion**

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

##### **Responsibility of the Commission for the financial statements**

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

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

**Auditor's responsibility for the audit of the financial statements**

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

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of my auditor's report.

**Report on controls****Opinion**

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

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

In my opinion, in all material respects, the controls exercised by the Western Australian 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 2020.

**The Commission's responsibilities**

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

**Auditor General's responsibilities**

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



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

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

**Limitations of controls**

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

**Report on the key performance indicators**

**Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Planning Commission for the year ended 30 June 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Western Australian Planning Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2020.

**The Commission's responsibility for the key performance indicators**

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

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

**Auditor General's responsibility**

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

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

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

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

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

**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 2020 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 contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.



SANDRA LABUSCHAGNE  
DEPUTY AUDITOR GENERAL  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
22 September 2020

# CERTIFICATION OF FINANCIAL STATEMENTS

For the reporting period ended 30 June 2020

The accompanying financial statements of the Western Australian Planning Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2020 and the financial position as at 30 June 2020.

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



**David Caddy**  
**Chairman**  
Western Australian Planning Commission  
16 September 2020



**Maurice Hanrahan**  
**Chief Finance Officer**  
Western Australian Planning Commission  
16 September 2020



# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Notes	2020 \$000	2019 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Supplies and services	2.1	34,041	32,366
Depreciation expense	4.1	3,500	2,888
Committee / board fees	2.2	395	285
Grants and subsidies	2.3	2,204	2,541
Revaluation decrement	2.5	47,331	-
Impairment losses for land	2.6	27,315	1,786
Other expenses	2.4	11,340	8,366
<b>Total cost of services</b>		<b>126,126</b>	<b>48,232</b>
<b>Revenue and Income</b>			
Rental revenue	3.2	6,633	7,308
User charges and fees	3.3	11,509	11,786
Interest revenue	3.4	4,431	9,429
Other revenue	3.5	1,346	719
<b>Total revenue</b>		<b>23,919</b>	<b>29,242</b>
<b>Gains</b>			
Gain on disposal of non-current assets	3.6	4,443	14,210
Revaluation increment	3.7	-	11,842
<b>Total gains</b>		<b>4,443</b>	<b>26,052</b>
<b>Total income other than income from State Government</b>		<b>28,362</b>	<b>55,294</b>
<b>NET COST OF SERVICES/(INCOME FROM SERVICES)</b>		<b>97,764</b>	<b>(7,062)</b>
<b>Income from State Government</b>	3.1		
Service appropriation		93,610	95,632
Services received free of charge		186	231
<b>Total income from State Government</b>		<b>93,796</b>	<b>95,863</b>
<b>(DEFICIT)/SURPLUS FOR THE PERIOD</b>		<b>(3,968)</b>	<b>102,925</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSSES)</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus	8.9	4,037	(301)
<b>Total other comprehensive income/(loss)</b>		<b>4,037</b>	<b>(301)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>69</b>	<b>102,625</b>

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

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

		2020	2019	1-Jul-18
	Notes	\$000	Restated *	Restated *
			\$000	\$000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	6.1	9,640	8,350	9,342
Restricted cash and cash equivalents	6.1	439,570	444,648	402,808
Receivables	5.1	4,341	8,197	4,380
Other current assets	5.2	32,357	332	19,633
Non-current assets classified as held for sale	8.8	6,886	255	1,526
<b>Total Current Assets</b>		<b>492,794</b>	<b>461,782</b>	<b>437,689</b>
<b>Non-Current Assets</b>				
Amounts receivable for services	5.3	6,259	5,879	5,499
Infrastructure, property, plant and equipment	4.1	537,843	581,148	522,552
Intangible assets	4.2	28,917	24,593	24,611
<b>Total Non-Current Assets</b>		<b>573,019</b>	<b>611,620</b>	<b>552,662</b>
<b>TOTAL ASSETS</b>		<b>1,065,813</b>	<b>1,073,402</b>	<b>990,351</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	5.4	5,701	4,646	5,869
Other current liabilities	5.5	698	6,723	12,700
Contract liabilities	5.6	11,647	-	-
<b>Total Current Liabilities</b>		<b>18,046</b>	<b>11,369</b>	<b>18,569</b>
<b>TOTAL LIABILITIES</b>		<b>18,046</b>	<b>11,369</b>	<b>18,569</b>
<b>NET ASSETS</b>		<b>1,047,767</b>	<b>1,062,033</b>	<b>971,782</b>
<b>EQUITY</b>				
Contributed equity	8.9	-	4,108	16,481
Reserves	8.9	43,651	39,614	39,915
Accumulated surplus	8.9	1,004,116	1,018,311	915,386
<b>TOTAL EQUITY</b>		<b>1,047,767</b>	<b>1,062,033</b>	<b>971,782</b>

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

\* 2019 Actual and 1 July 2018 Actual have been restated for prior period corrections - refer to Note 8.12



# SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS

For the year ended 30 June 2020

	2020 Estimate \$000	2020 Actual \$000	Variance \$000	2020 Actual \$000	2019 Actual \$000	Variance \$000
<b>Delivery of Services</b>						
Item 85 Net amount appropriated to deliver services	5,904	5,904	-	5,904	5,848	56
Amount Authorised by Other Statutes						
- Metropolitan Region Improvement Tax Act 1959	88,971	87,706	(1,265)	87,706	89,784	(2,078)
<b>Total appropriations provided to deliver services</b>	<b>94,875</b>	<b>93,610</b>	<b>(1,265)</b>	<b>93,610</b>	<b>95,632</b>	<b>(2,022)</b>
<b>Capital</b>						
Item 146 Capital appropriations	5,400	5,400	-	5,400	5,400	-
<b>GRAND TOTAL</b>	<b>100,275</b>	<b>99,010</b>	<b>(1,265)</b>	<b>99,010</b>	<b>101,032</b>	<b>(2,022)</b>
<b>Details of Expenses by Service</b>						
Statutory Planning	16,938	15,764	(1,174)	15,764	14,916	848
Strategic Planning	9,190	5,328	(3,862)	5,328	6,649	(1,321)
Asset Management	23,924	105,034	81,110	105,034	26,667	78,367
<b>Total Cost of Services</b>	<b>50,052</b>	<b>126,126</b>	<b>76,074</b>	<b>126,126</b>	<b>48,232</b>	<b>77,894</b>
Less Total Income	(33,002)	(28,362)	4,640	(28,362)	(55,294)	26,932
<b>Net Cost of Services</b>	<b>17,050</b>	<b>97,764</b>	<b>80,714</b>	<b>97,764</b>	<b>(7,062)</b>	<b>104,826</b>
Purchase of non-current assets	81,447	91,018	9,571	91,018	45,872	45,146
Revaluation decrement and impairment loss	-	(74,646)	(74,646)	(74,646)	(1,786)	(72,860)
Revaluation increment	-	-	-	-	11,842	(11,842)
Adjustments	(3,622)	(20,526)	(16,904)	(20,526)	46,766	(67,292)
<b>Total appropriations provided to deliver services</b>	<b>94,875</b>	<b>93,610</b>	<b>(1,265)</b>	<b>93,610</b>	<b>95,632</b>	<b>(2,022)</b>
<b>Capital Expenditure</b>						
Purchase of non-current assets	5,400	6,040	640	6,040	5,240	800
Adjustment for other funding sources	-	(640)	(640)	(640)	160	(800)
<b>Capital appropriations</b>	<b>5,400</b>	<b>5,400</b>	<b>-</b>	<b>5,400</b>	<b>5,400</b>	<b>-</b>

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

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated surplus \$000	Total Equity \$000
<b>Balance at 1 July 2018</b>		<b>16,481</b>	<b>39,915</b>	<b>913,808</b>	<b>970,204</b>
Correction of prior period error	8.12	-	-	1,308	1,308
Changes in accounting policy		-	-	270	270
<b>Restated balance at 1 July 2018</b>		<b>16,481</b>	<b>39,915</b>	<b>915,386</b>	<b>971,782</b>
Surplus		-	-	102,925	102,925
Other comprehensive losses	8.9	-	(301)	-	(301)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(301)</b>	<b>102,925</b>	<b>102,625</b>
<b>Transactions with owners in their capacity as owners:</b>	8.9				
Capital appropriations		5,400	-	-	5,400
Distributions to owners		(17,773)	-	-	(17,773)
<b>Total</b>		<b>(12,373)</b>	<b>-</b>	<b>-</b>	<b>(12,373)</b>
<b>Balance at 30 June 2019</b>		<b>4,108</b>	<b>39,614</b>	<b>1,018,311</b>	<b>1,062,033</b>
<b>Balance at 1 July 2019</b>		<b>4,108</b>	<b>39,614</b>	<b>1,018,311</b>	<b>1,062,033</b>
Deficit		-	-	(3,968)	(3,968)
Other comprehensive income	8.9	-	4,037	-	4,037
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>4,037</b>	<b>(3,968)</b>	<b>69</b>
<b>Transactions with owners in their capacity as owners:</b>	8.9				
Capital appropriations		5,400	-	-	5,400
Distributions to owners		(9,508)	-	(10,228)	(19,736)
<b>Total</b>		<b>(4,108)</b>	<b>-</b>	<b>(10,228)</b>	<b>(14,336)</b>
<b>Balance at 30 June 2020</b>		<b>-</b>	<b>43,651</b>	<b>1,004,116</b>	<b>1,047,767</b>

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

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Notes	2020 \$000	2019 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		93,230	95,252
Capital appropriations		5,400	5,400
<b>Net cash provided by State Government</b>		<b>98,630</b>	<b>100,652</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Supplies and services		(40,883)	(43,120)
Grants and subsidies		(1,904)	(2,541)
GST payments on purchases		(5,370)	(5,861)
GST payment to taxation authority		(451)	(1,800)
Other payments		(3,545)	(285)
<b>Receipts</b>			
Rental received		6,393	6,138
User charges and fees		11,428	11,747
Interest received		5,962	9,467
GST receipts on sales		1,420	2,199
GST receipts from taxation authority		5,207	2,691
Other receipts		675	1,661
<b>Net cash (used in) operating activities</b>		<b>(21,067)</b>	<b>(19,704)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current assets		15,708	11,011
Purchase of non-current assets		(97,058)	(51,112)
<b>Net cash (used in) investing activities</b>		<b>(81,350)</b>	<b>(40,101)</b>
Net (decrease)/increase in cash and cash equivalents		(3,787)	40,847
Cash and cash equivalents at the beginning of the period		452,997	412,150
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	6.1	<b>449,210</b>	<b>452,997</b>

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



# Notes to the financial statements

## 1 Basis of preparation

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

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

These annual financial statements were authorised for issue by the Chairperson of the Commission on 16 September 2020.

### Statement of compliance

These general purpose financial statements are prepared in accordance with:

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

The *Financial Management Act 2006* and the Treasurer's Instructions take precedence over AASs. Several AASs are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### Basis of preparation

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

### Judgements and estimates

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

### Contributed equity

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

## 2 Use of our funding

### Expenses incurred in the delivery of services

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

	Notes	2020 \$000	2019 \$000
Supplies and services	2.1	34,041	32,366
Committee / board fees	2.2	395	285
Grants and subsidies	2.3	2,204	2,541
Other expenses	2.4	11,340	8,366
Revaluation decrement	2.5	47,331	-
Impairment losses for land	2.6	27,315	1,786

#### 2.1 Supplies and services

Consultants and contractors	6,383	4,323
Services provided by Department of Planning, Lands and Heritage - labour	10,840	10,720
Services provided by Department of Planning, Lands and Heritage - other	14,892	15,949
Cleaning / gardening	136	73
Lease / rental / hire charges	137	218
Advertising and promotion	186	227
Printing	31	56
Utilities	1,001	446
Communications	8	13
Consumables	265	247
Supplies and services - other	162	94
<b>Total supplies and services</b>	<b>34,041</b>	<b>32,366</b>

#### Supplies and services:

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

#### 2.2 Committee / board fees

Travel	39	64
Sitting fees	326	201
Superannuation	30	19
Other provisions	-	1
	<b>395</b>	<b>285</b>

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

#### 2.3 Grants and subsidies

##### Recurrent

General government agencies	300	300
Non government agencies	1,526	1,688
Local government	368	553
Other	10	-
	<b>2,204</b>	<b>2,541</b>

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

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

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

## 2.4 Other expenses

	2020	2019
	\$000	\$000
Licence fees	89	82
Minor equipment purchases	15	37
Other staff costs	61	56
Rates and taxes	852	668
Insurance	301	325
Compensation costs	3,017	-
Expected credit losses expense	235	236
Write-off other assets	139	-
Repairs and maintenance	6,318	6,404
Other	313	558
	<b>11,340</b>	<b>8,366</b>

### Other expenses:

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

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

## 2.5 Revaluation decrement

Revaluation decrement	47,331	-
	<b>47,331</b>	-

## 2.6 Impairment losses for land

Impairment losses for land	27,315	1,786
	<b>27,315</b>	<b>1,786</b>

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



### 3 Our funding sources

#### How we obtain our funding

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

	Notes	2020 \$000	2019 \$000
Income from State Government	3.1	93,796	95,863
Rental revenue	3.2	6,633	7,308
User charges and fees	3.3	11,509	11,786
Interest revenue	3.4	4,431	9,429
Other revenue	3.5	1,346	719
Gains	3.6	4,443	14,210

#### 3.1 Income from State Government

Appropriation received during the period:

- Metropolitan Region Improvement Tax	87,706	89,784
- Service appropriation <sup>(a)</sup>	5,904	5,848
	<b>93,610</b>	<b>95,632</b>

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

State Solicitor's Office - Legal services	181	226
Department of Water and Environmental Regulation - Meeting representation	5	5
<b>Total services received</b>	<b>186</b>	<b>231</b>

#### Total income from State Government

<b>93,796</b>	<b>95,863</b>
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(a) **Service Appropriations** are recognised as income at the fair value of consideration received.

Service appropriations fund the net cost of services delivered. Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset)

The receivable (holding account – Note 5.3) comprises the following:

- The budgeted depreciation expense for the year; and
- Any agreed increase in leave liabilities during the year.

<sup>(a)</sup> Appropriations are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

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

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

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of Income from State Government.

#### 3.2 Rental revenue

Rental revenue	6,633	7,308
	<b>6,633</b>	<b>7,308</b>

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

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

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of rental revenue.



### 3.3 User charges and fees

	2020 \$000	2019 \$000
Subdivision and strata title application fees	9,142	9,368
Endorsement fees	25	41
Plan and diagram fees	1,494	1,613
Land reservation certificates	770	723
Other	78	41
	<b>11,509</b>	<b>11,786</b>

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

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of user charges and fees.

### 3.4 Interest revenue

Interest earned on bank deposits	4,431	9,429
	<b>4,431</b>	<b>9,429</b>

Revenue is recognised as the interest accrues.

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of interest revenue.

### 3.5 Other revenue

Whiteman Park revenue <sup>(a)</sup>	209	247
Recoup of expenditure	398	472
Other	739	-
	<b>1,346</b>	<b>719</b>

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

Revenue is recognised when it can be reliably measured.

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of other revenue.

### 3.6 Gains

#### Net proceeds from disposal of non-current assets

Land	6,904	24,467
Rental Buildings	232	60

#### Selling costs of disposal of non-current assets

Land	(75)	(26)
Rental Buildings	-	-

#### Carrying amount of non-current assets disposed

Land	(1,943)	(10,186)
Rental Buildings	(675)	(105)

<b>Net gain</b>	<b>4,443</b>	<b>14,210</b>
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#### Total gains

	<b>4,443</b>	<b>14,210</b>
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**Realised and unrealised gains** are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

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

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of gains.

### 3.7 Revaluation increment

Revaluation increment	-	(11,842)
	<b>-</b>	<b>(11,842)</b>

## 4 Key assets

### Assets the Commission utilises for economic benefit or service potential

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

	Notes	2020	2019
		\$000	\$000
Infrastructure, property, plant and equipment	4.1	537,843	581,148
Intangibles	4.2	28,917	24,593
<b>Total key assets</b>		<b>566,760</b>	<b>605,741</b>

#### 4.1 Infrastructure, property, plant and equipment

	Land	Rental Buildings	Regional Open Space	Infrastructure	Infrastructure under construction	Equipment	Motor vehicles	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>1 July 2019</b>								
Gross carrying amount	534,804	21,587	13,348	8,609	1,876	5,479	581	586,284
Change assets category	-	-	-	-	-	(178)	150	(28)
Accumulated depreciation	-	(187)	-	(1,034)	-	(3,503)	(411)	(5,135)
Change accumulated depreciation category	-	-	-	-	-	87	(59)	28
<b>Carrying amount at start of period</b>	<b>534,804</b>	<b>21,399</b>	<b>13,348</b>	<b>7,575</b>	<b>1,876</b>	<b>1,885</b>	<b>261</b>	<b>581,148</b>
Additions	58,974	1,477	-	-	1,225	48	-	61,724
Revaluation increments / (decrements)	(47,331)	747	1,411	1,879	-	-	-	(43,294)
Impairment losses <sup>(a)</sup>	(27,315)	-	-	-	-	-	-	(27,315)
Classified as held for sale	(6,886)	-	-	-	-	-	-	(6,886)
Disposals	(3,522)	(711)	-	(65)	-	-	-	(4,298)
Transfers from/(to) State of WA	(19,736)	-	-	-	-	-	-	(19,736)
Transfers to / (from) works in progress	-	-	176	1,588	(1,764)	-	-	-
Depreciation	-	(2,215)	(444)	(434)	-	(349)	(58)	(3,500)
<b>Carrying amount at 30 June 2020</b>	<b>488,988</b>	<b>20,697</b>	<b>14,491</b>	<b>10,543</b>	<b>1,337</b>	<b>1,584</b>	<b>203</b>	<b>537,843</b>

#### 30 June 2020

Gross carrying amount	488,988	20,697	14,491	10,543	1,337	5,286	722	542,064
Accumulated depreciation	-	-	-	-	-	(3,702)	(519)	(4,221)

<sup>(a)</sup> Impairment losses are 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.

#### Initial recognition

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

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.



### Subsequent measurement

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

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

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

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

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

Land and buildings were revalued as at 1 July 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020.

In undertaking the revaluation, fair value of land was determined by reference to market values: \$136,391,541 (2019: \$125,871,288) and buildings: \$1,259,400 (2019: \$6,219,125). For the remaining balance of land, fair value was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

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

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

### Significant assumptions and judgements:

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

### Finite useful lives

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

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

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

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

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

## 4.1 (a) Depreciation and impairment

### Charge for the period

#### Depreciation

Regional open space buildings	444	451
Rental buildings	2,216	1,618
Infrastructure	434	390
Equipment	349	368
Vehicles	58	61
<b>Total depreciation for the period</b>	<b>3,500</b>	<b>2,888</b>

As at 30 June 2020, there were no indications of impairment to buildings, infrastructure and equipment assets.

All surplus assets at 30 June 2020 have either been classified as assets held for sale or have been written-off.

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

## Impairment

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

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

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

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

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

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

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

## 4.2 Intangible assets

### Caveat interest

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

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

	2020	2019
	\$000	\$000
Caveat interest - at cost	28,917	24,593
	<b>28,917</b>	<b>24,593</b>
<b>Reconciliation</b>		
<b>1 July 2019</b>		
<b>Carrying amount at start of period</b>	<b>24,593</b>	<b>24,611</b>
Additions	4,350	-
Disposals	(17)	(18)
Transfers	(9)	-
<b>Carrying amount at 30 June 2020</b>	<b>28,917</b>	<b>24,593</b>

### Initial recognition

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

### Subsequent measurement

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

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

## 5 Other assets and liabilities

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

	Notes	2020 \$000	2019 \$000
Receivables	5.1	4,341	8,197
Other current assets	5.2	32,357	332
Amounts receivable for services (Holding Account)	5.3	6,259	5,879
Payables	5.4	5,701	4,646
Other current liabilities	5.5	698	(6,723)
Contract liabilities	5.7	11,647	-

### 5.1 Receivables

Receivables	1,813	3,213
Allowance for impairment of receivables	(505)	(270)
GST receivable	2,345	3,037
Accrued interest	628	2,160
Other accrued income	60	57
<b>Balance at end of period</b>	<b>4,341</b>	<b>8,197</b>

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

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

#### Prior period correction

A prior period correction has been made for \$547,000 reducing receivables. This has been adjusted in the opening accumulated surplus.

### 5.2 Other current assets

#### Current

Prepayments	30,000	-
Unsettled land and building purchases	2,046	-
Tenant security bonds	311	332
<b>Balance at end of period</b>	<b>32,357</b>	<b>332</b>

### 5.3 Amounts receivable for services (Holding Account)

Non-current	6,259	5,879
<b>Balance at end of period</b>	<b>6,259</b>	<b>5,879</b>

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

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

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

### 5.4 Payables

#### Current

Accrued expenses	5,701	4,646
<b>Total current</b>	<b>5,701</b>	<b>4,646</b>

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

### 5.5 Other current liabilities

#### Current

Tenants' bonds <sup>(a)</sup>	311	311
Income in advance <sup>(b)</sup>	379	5,725
Provision for compensation claim in relation to Taking Order of land	2	617
Other liabilities	6	70
<b>Total current</b>	<b>698</b>	<b>6,723</b>

<sup>(a)</sup> Refundable tenant deposits

<sup>(b)</sup> Includes monies received from other agencies for rent received in advance.

### 5.6 Contract liabilities

#### Current

Unsettled land and building sales	11,647	-
<b>Total current</b>	<b>11,647</b>	<b>-</b>

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

## 6 Financing

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

	Notes	2020 \$000	2019 \$000
Cash and cash equivalents	6.1	449,210	452,998
Commitments	6.2	70,000	-

### 6.1 Cash and cash equivalents

#### Cash and cash equivalents

- Western Australian Planning Commission Account (WAPC Account)	9,638	8,348
- Cash advance	2	2
	<b>9,640</b>	<b>8,350</b>

#### Restricted cash and cash equivalents:

- Metropolitan Region Improvement Fund <sup>(a)</sup>	434,712	440,108
- Western Australian Planning Commission Account <sup>(b)</sup>	4,858	4,540
	<b>439,570</b>	<b>444,648</b>
<b>Balance as at end of period</b>	<b>449,210</b>	<b>452,998</b>

<sup>(a)</sup> Cash held in the MRIF is to be used for various projects and studies

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

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

### 6.2 Commitments

#### **Capital commitments**

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

Later than 1 year and not later than 5 years	70,000	-
	<b>70,000</b>	<b>-</b>

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



## 7 Financial instruments and contingencies

	Notes	2020	2019
		\$000	\$000
Financial instruments	7.1		
Contingent assets and liabilities	7.2		

### 7.1 Financial instruments

#### Financial assets

Cash and cash equivalents		449,210	452,998
Financial assets at amortised cost <sup>(a)</sup>		8,255	11,039
<b>Balance at end of period</b>		<b>457,465</b>	<b>464,037</b>

<sup>(a)</sup> The amount of Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable)

#### Financial liabilities

Financial liabilities at amortised cost		5,701	4,646
<b>Total financial liabilities</b>		<b>5,701</b>	<b>4,646</b>

### 7.2 Contingent assets and liabilities

#### Contingent assets

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

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

	\$000	\$000
The following contingent assets are excluded from the assets included in the financial statements:		
Litigations in progress:	-	240

#### Contingent liabilities

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

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

	\$000	\$000
The following contingent liabilities are excluded from the liabilities included in the financial statements:		
Litigations in progress:	9,780	73,710

#### Contaminated sites

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

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

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

During the 2019-20 financial year, 2 sites require remediation or other management and have been classified by DWER as 'contaminated - remediation required'. In addition, 11 sites require formal investigation and have been classified by DWER as 'possibly contaminated - investigation required'.

## 8 Other disclosures

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

	<b>Notes</b>
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7
Non-current assets classified as assets held for sale	8.8
Equity	8.9
Supplementary financial information	8.10
Explanatory statement	8.11

### 8.1 Events occurring after the end of the reporting period

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

### 8.2 Initial application of Australian Accounting Standards

#### (a) AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue and AASB 111 Construction Contracts for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, the Commission derives income from appropriations which are recognised under AASB 1058. AASB 1058 is applied to Not-for-Profit Entities for recognising income that is not revenue from contracts with customers. Timing of income recognition under AASB 1058 depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) recognised by an Commission.

The Commission has adopted the modified retrospective approach on transition to AASB 15 and AASB 1058. Comparative information is not required to be restated under this approach. The cumulative effect of applying the standard at the date of initial application (1 July 2019) was immaterial and no adjustment has been made to the opening balance of accumulated surplus/(deficit).

Under this transition method, the Commission may elect to apply the Standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Refer to Notes 3.1 to 3.6 for the revenue and income accounting policies adopted from 1 July 2019.

After a review it was considered that there is no effect on adopting AASB 15 and AASB 1058 as at 1 July 2019.

### 8.3 Key management personnel

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

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

Compensation Band (\$)	2020	2019
0 - 10,000 <sup>(a)</sup>	12	13
10,001 - 20,000	7	6
20,001 - 30,000	1	1
280,001 - 290,000	1	-
290,001 - 300,000	-	1
	<b>21</b>	<b>21</b>

<sup>(a)</sup> Includes eight (8) members (2019: ten (10) members) from other government agencies who did not receive any compensation from the Commission.

	\$000	\$000
<b>Total compensation of key management personnel</b>	<b>433</b>	<b>413</b>

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

### 8.4 Related party transactions

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

Related parties of the Commission include:

- the responsible minister and their close family members, and their controlled or jointly controlled entities;
- the members of the accountable authority and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

### Material transactions with other related parties

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

### 8.5 Related bodies

The Commission had no related bodies during the financial year 2019-20 and 2018-19.

### 8.6 Affiliated bodies

The Commission had no affiliated bodies during the financial year 2019-20 and 2018-19.

### 8.7 Remuneration of auditors

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

Auditing the accounts, financial statements, controls and key performance indicators	<b>72</b>	<b>72</b>
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### 8.8 Non-current assets classified as assets held for sale

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

	Land \$000	Total \$000
<b>2019</b>		
<b>Opening balance</b>	1,526	1,526
Assets reclassified as held for sale	26	26
<b>Total assets classified as held for sale</b>	<b>1,552</b>	<b>1,552</b>
Less assets sold	(1,297)	(1,297)
<b>Closing balance</b>	<b>255</b>	<b>255</b>
<b>2020</b>		
<b>Opening balance</b>	255	255
Assets reclassified as held for sale	6,688	6,688
<b>Total assets classified as held for sale</b>	<b>6,943</b>	<b>6,943</b>
Less assets sold	(57)	(57)
<b>Closing balance</b>	<b>6,886</b>	<b>6,886</b>

## 8.9 Equity

	2020	2019
	\$000	\$000
<b>Contributed equity</b>		
<b>Balance at start of period</b>	<b>4,108</b>	<b>16,481</b>
<i>Contributions by owners</i>		
Capital appropriation	5,400	5,400
<b>Total contributions by owners</b>	<b>5,400</b>	<b>5,400</b>
<i>Distribution to owners</i>		
Transfer land to State of WA	(9,508)	(17,773)
<b>Total distribution to owners</b>	<b>(9,508)</b>	<b>(17,773)</b>
<b>Balance at end of period</b>	<b>-</b>	<b>4,108</b>
<b>Asset revaluation surplus</b>		
<b>Balance at start of period</b>	<b>39,614</b>	<b>39,915</b>
<i>Net revaluation increments/(decrements)</i>		
Rental buildings	747	169
Regional Open Space Buildings	1,411	(470)
Infrastructure	1,879	-
<b>Total asset revaluation surplus</b>	<b>43,651</b>	<b>39,614</b>
<b>Accumulated surplus</b>		
<b>Balance at start of period</b>	<b>1,018,311</b>	<b>913,808</b>
AASB 9 adjustment to 1 July 2018 balance	-	270
Correction of prior period error *	-	1,308
Result for the period	(3,968)	102,925
Distribution to owners - Transfer land to State of WA	(10,228)	-
<b>Total accumulated surplus</b>	<b>1,004,116</b>	<b>1,018,311</b>
<b>Balance at end of period</b>	<b>1,047,767</b>	<b>1,062,033</b>

\* Refer to Note 8.12 Restatement of prior period comparatives due to error

## 8.10 Supplementary financial information

There were no debts written-off by the Commission, no loss through thefts, defaults and other causes and no gift of public property provided by the Commission.



## 8.11 Explanatory statement (Controlled Operations)

All variances between annual estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are greater than 10% and \$1 million for the Statements of Comprehensive Income, Cash Flows, and the Statement of Financial Position.

### 8.11.1 Statement of Comprehensive Income Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2020 and 2019
Note	2020	2020	2019			
	\$000	\$000	\$000	\$000	\$000	
<b>Expenses</b>						
Supplies and services		35,112	34,041	32,366	(1,071)	1,675
Depreciation expense		3,600	3,500	2,888	(100)	612
Committee / board fees		424	395	285	(29)	110
Grants and subsidies expense		2,564	2,204	2,541	(360)	(337)
Revaluation decrement	1, A	-	47,331	-	47,331	47,331
Impairment losses for land	2, B	-	27,315	1,786	27,315	25,529
Other expenses	3, C	8,352	11,340	8,366	2,988	2,974
<b>Total cost of services</b>		<b>50,052</b>	<b>126,126</b>	<b>48,232</b>	<b>76,074</b>	<b>77,894</b>
<b>Income</b>						
<b>Revenue</b>						
Rental revenue		6,324	6,633	7,308	309	(675)
User charges and fees	4	13,343	11,509	11,786	(1,834)	(277)
Interest revenue	5, D	9,200	4,431	9,429	(4,769)	(4,998)
Other revenues		1,655	1,346	719	(309)	627
<b>Total Revenue</b>		<b>30,522</b>	<b>23,919</b>	<b>29,242</b>	<b>(6,603)</b>	<b>(5,323)</b>
<b>Gains</b>						
Gain on disposal of non-current assets	6, E	2,500	4,443	14,210	1,943	(9,767)
Revaluation increment	A	-	-	11,842	-	(11,842)
<b>Total Gains</b>		<b>2,500</b>	<b>4,443</b>	<b>26,052</b>	<b>1,943</b>	<b>(21,609)</b>
<b>Total income other than income from State Government</b>		<b>33,022</b>	<b>28,362</b>	<b>55,294</b>	<b>(4,660)</b>	<b>(26,932)</b>
<b>NET COST OF SERVICES</b>		<b>17,030</b>	<b>97,764</b>	<b>(7,062)</b>	<b>80,734</b>	<b>104,826</b>
<b>Income from State Government</b>						
Service appropriation		94,875	93,610	95,632	(1,265)	(2,022)
Services received free of charge		450	186	231	(264)	(45)
<b>Total income from State Government</b>		<b>95,325</b>	<b>93,796</b>	<b>95,863</b>	<b>(1,529)</b>	<b>(2,067)</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>78,295</b>	<b>(3,968)</b>	<b>102,925</b>	<b>(82,263)</b>	<b>(106,893)</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus		-	4,037	(301)	4,037	4,338
<b>Total other comprehensive income</b>		<b>-</b>	<b>4,037</b>	<b>(301)</b>	<b>4,037</b>	<b>4,338</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>78,295</b>	<b>69</b>	<b>102,624</b>	<b>(78,226)</b>	<b>(102,555)</b>

**Major Estimate and Actual (2020) Variance Narratives**

- 1 Revaluation are lower than budget estimate by \$47.3 million (100%) mainly due to movements land values following the Valuer General's valuation assessment of land held by the Commission. Given the nature of these transactions, estimates cannot be determined.
- 2 Impairment losses for land are higher than budget estimate by \$27.3 million (100%) mainly due to a change of land purpose.
- 3 Other expenses are higher than budget estimate by \$3 million (36%) mainly due to the settlement of litigation on compensation costs.
- 4 User charges and fees are lower than budget estimate by \$1.8 million (14%) mainly due to lower statutory planning fees collected during the year as a result of softening market economy condition.
- 5 Interest revenue are lower than budget estimate by \$4.8 million (52%) mainly due to a lower interest rate (average of 0.9%) during the current year than estimated (1.8%).
- 6 Gain on disposal of non-current assets are higher than budget estimate by \$1.9 million (78%) mainly due to the level of land sales activities, as well as land was sold with a lower fair value (carrying amount). Given the nature of these transactions, estimates cannot be determined.

**Major Actual (2020) and Comparative (2019) Variance Narratives**

- A Revaluation decreased by \$47.3 million (100%) mainly due to movements land values following the Valuer General's valuation assessment of land held by the Commission.
- B Impairment losses for land increased by \$25.5 million (100%) mainly due to a change of land purpose.
- C Other expenses has increased by \$3 million (36%) mainly due to the settlement of litigation on compensation costs.
- D Interest revenue decreased by \$5.0 million (53%) mainly due to a lower interest rate (average of 0.9%) during the current financial year than the average rate of 2.0% in 2019.
- E Gain on disposal of non-current assets decreased by \$9.8 million (69%) mainly due to the lower level of land sales activities, as well as land was sold with a lower proceeds and fair value (carrying amount) than 2019.

## 8.11.2 Statement of Financial Position Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2020 and 2019
Note	2020	2020	2019			
	\$000	\$000	\$000		\$000	\$000
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and cash equivalents		432,428	9,640	8,350	(422,788)	1,290
Restricted cash and cash equivalents		3,763	439,570	444,648	435,807	(5,078)
Receivables		1,959	4,341	8,197	2,382	(3,856)
Other current assets	7, F	21,892	32,357	332	10,465	32,025
Non-current assets classified as held for sale	8	1,526	6,886	255	5,360	6,631
<b>Total Current Assets</b>		<b>461,568</b>	<b>492,794</b>	<b>461,782</b>	<b>31,226</b>	<b>31,012</b>
<i>Non-Current Assets</i>						
Amounts receivable for services		6,259	6,259	5,879	-	380
Infrastructure, property, plant and equipment	9	644,520	537,843	581,148	(106,677)	(43,305)
Intangible assets	10, G	24,611	28,917	24,593	4,306	4,324
<b>Total Non-Current Assets</b>		<b>675,390</b>	<b>573,019</b>	<b>611,620</b>	<b>(102,371)</b>	<b>(38,601)</b>
<b>TOTAL ASSETS</b>		<b>1,136,958</b>	<b>1,065,813</b>	<b>1,073,402</b>	<b>(71,145)</b>	<b>(7,589)</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Payables		5,977	5,701	4,646	(276)	1,055
Other current liabilities	11, H	14,009	698	6,723	(13,311)	(6,025)
Contract liabilities	11, H	-	11,647	-	11,647	11,647
<b>Total Current Liabilities</b>		<b>19,986</b>	<b>18,046</b>	<b>11,369</b>	<b>(1,940)</b>	<b>6,677</b>
<b>TOTAL LIABILITIES</b>		<b>19,986</b>	<b>18,046</b>	<b>11,369</b>	<b>(1,940)</b>	<b>6,677</b>
<b>NET ASSETS</b>		<b>1,116,972</b>	<b>1,047,767</b>	<b>1,062,033</b>	<b>(69,205)</b>	<b>(14,266)</b>
<b>EQUITY</b>						
Contributed equity		6,281	-	4,108	(6,281)	(4,108)
Reserves		39,915	43,651	39,614	3,736	4,037
Accumulated surplus		1,070,776	1,004,116	1,018,311	(66,660)	(14,195)
<b>TOTAL EQUITY</b>		<b>1,116,972</b>	<b>1,047,767</b>	<b>1,062,034</b>	<b>(69,205)</b>	<b>(14,267)</b>

**Major Estimate and Actual (2020) Variance Narratives**

- 7** Other current assets are higher than budget estimates by net variance of \$10.5 million (48%) mainly due to the recognition of conditional land acquired as Infrastructure, property, plant and equipment which were not previously held in other current assets.
- 8** Non-current assets classified as held are higher than budget estimates by \$5.4 million (351%) mainly due to more land being identified for anticipated sale during the year.
- 9** Infrastructure, property, plant and equipment are lower than budget estimates by \$106.7 million (17%) mainly due to the unbudgeted land revaluation decrement and land impairment loss.
- 10** Intangible assets are higher than budget estimates by \$4.3 million (17%) mainly due to the acquisition of equity in land which provides the Commission with additional non-controlling interest (caveat interest) in land assets.
- 11** Other current liabilities and contract liabilities are now reported as separate line items and the budget estimates for current liabilities has been impacted by a reduction of \$11.6 million reflecting the contract liabilities disclosed separately from other current liabilities to recognise deposits received on unsettled land purchases within the scope of AASB 15: Revenue from Contract with Customers.

**Major Actual (2020) and Comparative (2019) Variance Narratives**

- F** Other current assets increased by \$32 million (9,646%) mainly due to the prepayment to PTA for the development of Metronet project.
- G** Intangible assets increased by \$4.3 million (18%) mainly due to the acquisition of equity in land which provides the Commission with additional non-controlling interest (caveat interest) in land assets.
- H** Other current liabilities and contract liabilities are now reported separately under the new AASB 15: Revenue from Contract with Customers with \$11.6 million at 30 June 2020, (increase of \$5.6 million due to large volume of activity at year end 30 June 2020) being for land and building sales that are pending settlement and the issue of a new certificate of title. Other current liabilities has decreased by \$6 million reflecting the movement attributable to contract liabilities for 30 June 2020.





## 8.11.3 Statement of Cash Flow Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2020 and 2019
Note	2020	2020	2019			
	\$000	\$000	\$000	\$000	\$000	\$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation		94,495	93,230	95,252	(1,265)	(2,023)
Capital appropriations		5,400	5,400	5,400	-	(0)
<b>Net cash provided by State Government</b>		<b>99,895</b>	<b>98,630</b>	<b>100,652</b>	<b>(1,265)</b>	<b>(2,023)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<u>Payments</u>						
Supplies and services		(42,534)	(40,883)	(43,120)	1,651	2,237
Grants and subsidies		(2,564)	(1,904)	(2,541)	660	637
GST payments on purchases	12	(3,020)	(5,370)	(5,861)	(2,350)	491
GST payment to taxation authority	I	(310)	(451)	(1,800)	(141)	1,349
Other payments	13, J	(874)	(3,545)	(285)	(2,671)	(3,260)
<u>Receipts</u>						
Rental received		6,324	6,393	6,138	69	255
User charges and fees	14	13,348	11,428	11,747	(1,920)	(319)
Interest received	15, K	9,200	5,962	9,467	(3,238)	(3,505)
GST receipts on sales	16	310	1,420	2,199	1,110	(779)
GST receipts from taxation authority	17, L	3,020	5,207	2,691	2,187	2,516
Other receipts		1,650	675	1,661	(975)	(986)
<b>Net cash (used in) operating activities</b>		<b>(15,450)</b>	<b>(21,067)</b>	<b>(19,704)</b>	<b>(5,617)</b>	<b>(1,363)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<u>Payments</u>						
Proceeds from sale of non-current assets	18, M	5,000	15,708	11,011	10,708	4,697
Purchase of non-current assets	19, N	(107,847)	(97,058)	(51,112)	10,789	(45,946)
<b>Net cash (used in) investing activities</b>		<b>(102,847)</b>	<b>(81,350)</b>	<b>(40,101)</b>	<b>21,497</b>	<b>(41,249)</b>
Net increase/(decrease) in cash and cash equivalents		(18,402)	(3,787)	40,847	14,615	(44,635)
Cash and cash equivalents at the beginning of the period		454,593	452,997	412,150	(1,596)	40,847
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>436,191</b>	<b>449,210</b>	<b>452,997</b>	<b>13,019</b>	<b>(3,788)</b>

**Major Estimate and Actual (2020) Variance Narratives**

- 12** GST payments on purchases are higher than budget estimates by \$2.35 million (78%) mainly due to timing difference in receipt from taxation authority. A \$2.35m receipt is expected in July 2020.
- 13** Other payments are higher than budget estimates by \$2.7 million (306%) mainly due to the settlement of litigation on compensation costs.
- 14** User charges and fees are lower than budget estimates by \$1.9 million (14%) mainly due to lower statutory planning fees collected during the year as a result of softening market economy condition.
- 15** Interest revenue are lower than budget estimates by \$3.2 million (35%) mainly due to a lower interest rate (average of 0.9%) during the current year than estimated (1.8%).
- 16** GST receipts on sales are higher than budget estimates by \$1.1 million (358%) mainly due to timing difference in payment to taxation authority.
- 17** GST receipts from taxation authority are higher than budget estimates by \$2.2 million (72%) mainly due to timing difference in receipt from taxation authority. A \$2.35m receipt is expected in July 2020.
- 18** Proceeds from sale of non-current assets are higher than budget estimates by \$10.7 million (214%) mainly due to the timing difference of cash received and sales settled.
- 19** Purchase of non-current assets are lower than budget estimates by \$10.7 million (10%) mainly due to the land acquisitions from DevelopmentWA have been made in FY 2018-19. The acquisitions were approved at the FY2019-20 budget process.

**Major Actual (2020) and Comparative (2019) Variance Narratives**

- I** GST payment to taxation authority decreased by \$1.35 million (75%) mainly due to lower taxable land sales than anticipated.
- J** Other payments increased by \$3.26 million (1,144%) mainly due to the settlement of litigation on compensation costs.
- K** Interest revenue decreased by \$3.5 million (35%) due to a lower interest rate (average of 0.9%) during the year than prior year (1.8%).
- L** GST receipts from taxation authority increased by \$2.5 million (93%) mainly due to higher taxable land acquisition costs than anticipated.
- M** Proceeds from sale of non-current assets increased by \$4.7 million (43%) mainly due to the level of land sales activities, as well as land was sold with a lower fair value (carrying amount). Given the nature of these transactions, estimates cannot be determined.
- N** Purchase of non-current assets increased by \$46 million (90%) mainly due to higher taxable land acquisitions from DevelopmentWA have been made in FY 2019-20.

**8.12 Restatement of prior period comparatives due to error**

1. During a review of land sales, a parcel of land that was in unsettled sales was identified as being sold and settled in 2017-18. The proceeds received from this land sale (\$1,308k) were being recognised as income in advance, resulting in an overstatement of liabilities for the preceding two financial years. This has resulted in a restatement of 2018 and 30 June 2019 Other current liabilities and Accumulated surplus.

2. During a review of land sales it was identified that a receivable and corresponding income in advance of \$547k had been recognised for two unsettled lots of land, resulting in overstatement of receivables and other current liabilities for 30 June 2019.

Statement of Financial Position (Extract)	30 June 2019 (as previously reported)	Increase/ (Decrease)	30 June 2019 (Restated)	1 July 2018 (as previously reported)	Increase/ (Decrease)	1 July 2018 (Restated)
	\$000	\$000	\$000	\$000	\$000	\$000
Receivables	8,744	(547)	8,197	-	-	-
<b>Total Assets</b>	<b>1,073,949</b>	<b>(547)</b>	<b>1,073,402</b>	<b>990,351</b>	<b>-</b>	<b>990,351</b>
Other current liabilities	8,578	(1,855)	6,723	14,008	(1,308)	12,700
<b>Total Liabilities</b>	<b>13,224</b>	<b>(1,855)</b>	<b>11,369</b>	<b>19,877</b>	<b>(1,308)</b>	<b>18,569</b>
<b>Net Assets</b>	<b>1,060,725</b>	<b>1,308</b>	<b>1,062,033</b>	<b>970,474</b>	<b>1,308</b>	<b>971,782</b>
Accumulated surplus	1,017,002	1,308	1,018,311	914,078	1,308	915,386
<b>Total Equity</b>	<b>1,060,725</b>	<b>1,308</b>	<b>1,062,033</b>	<b>970,474</b>	<b>1,308</b>	<b>971,782</b>

## KEY PERFORMANCE INDICATORS

### Certification of key performance indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Planning Commission's performance, and fairly represent the performance of the Western Australian Planning Commission for the financial year ended 30 June 2020.



**David Caddy**  
**Chairman**  
Western Australian Planning Commission  
16 September 2020

# THE WAPC'S DESIRED OUTCOME AND KEY PERFORMANCE INDICATORS

For the year ended 30 June 2020

## Relationship to Government Goals

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

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

Government Goal	Desired Outcomes	Services
<b>Better Places</b> A quality environment with liveable and affordable communities and vibrant regions	An efficient and effective planning system that promotes the use and development of land in Western Australia	1. Statutory Planning 2. Strategic Planning 3. Asset Management

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

## Outcome and Key Effectiveness Indicators

### WAPC Desired Outcome:

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

### Effectiveness Indicator:

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

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

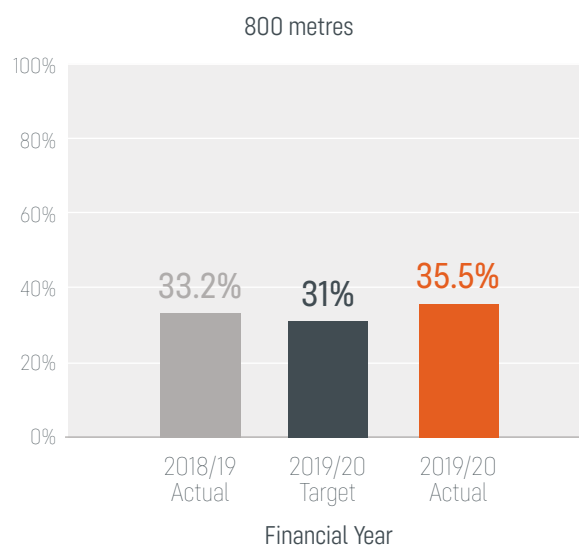
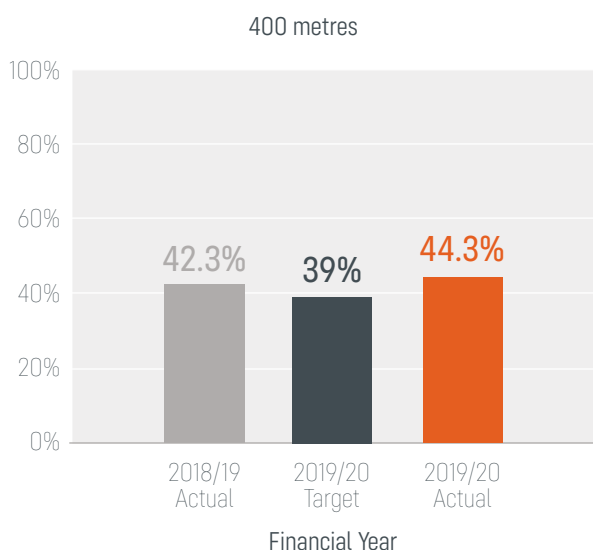
This KPI aligns with the Sub-regional planning frameworks which focus on achieving higher densities of employment and residential development in appropriate places within a predominantly built-up environment while making better use of established infrastructure over the long term. The frameworks build upon the principles of

Directions 2031 and Beyond and are key instruments in achieving a more consolidated urban form that will reduce dependence on new urban greenfield developments. They provide the strategic spatial framework which will guide local governments in achieving optimal urban consolidation over the long term.

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

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

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



## Explanation for significant variance

The 2019-20 result for the proportion of residential land in the metropolitan area that is capable of multiple dwellings within 400m of the Capital City, a Strategic Metropolitan Centre, or a Train Station has exceeded the target by 5.3 per cent due mainly to:

- a 12 per cent reduction in the total R coded land in Cannington resulting from changes to remove local roads from the total area
- a 25 per cent increase in the total area within 400 metres of the Cannington activity centre that is capable of multiple dwellings
- a 10 per cent increase in R coded land within 400 metres of current and under construction train stations where over 70 percent of this additional land is capable of multiple dwellings.



## Effectiveness Indicator:

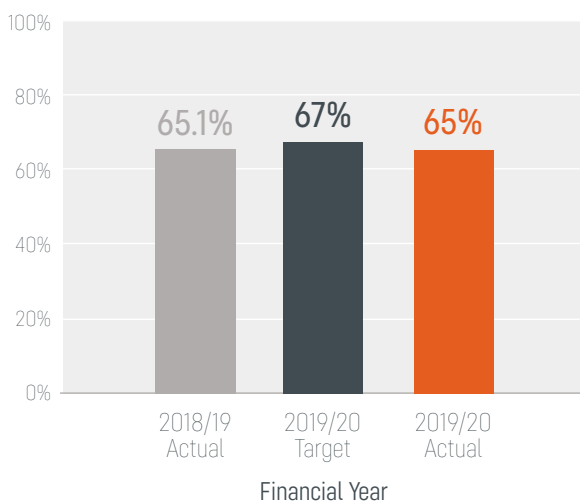
The proportion of residential land that is zoned R40 and above that is within 400m of a Major Regional Centre

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

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

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

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



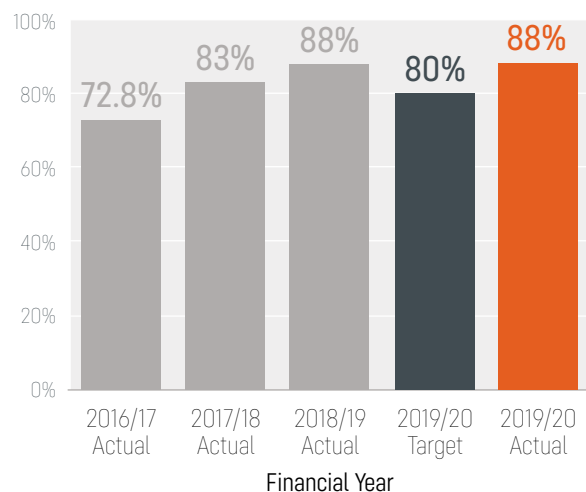
## Effectiveness Indicator:

The percentage of subdivision applications determined within the statutory timeframe

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

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

The percentage of subdivision applications determined within the statutory timeframe



## Explanation for significant variance

The 2019-20 result has exceeded the target by 8 per cent due mainly to improvements in the processes for managing applications.

## Effectiveness Indicator:

### The percentage of development applications determined within the statutory timeframe

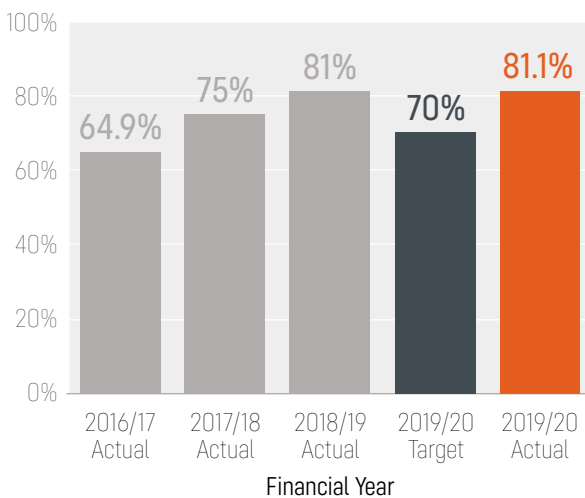
Development applications detail the proposed development of land, and these applications are determined within strategic, legislative and policy frameworks that promote the sustainable use and development of land in Western Australia.

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

## Explanation for significant variance

The 2019-20 result has exceeded the target by 11.1 per cent due mainly to improvements in the processes for managing applications.

The percentage of subdivision applications determined within the statutory timeframe

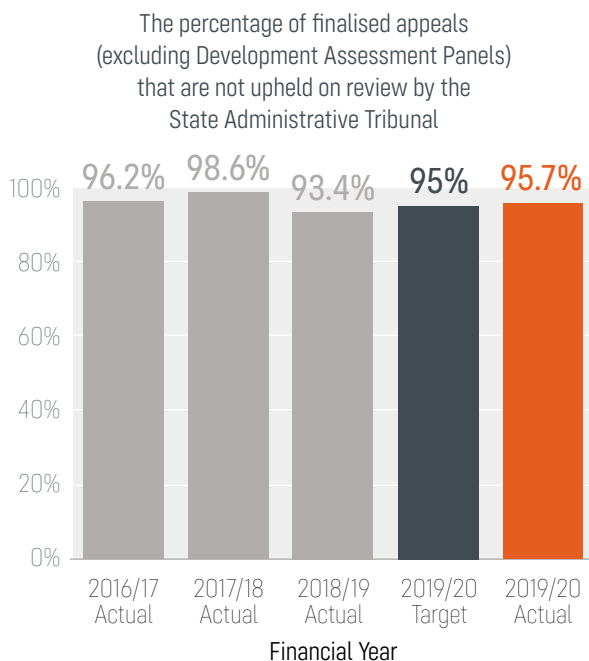


## Effectiveness Indicator:

The percentage of finalised appeals (excluding Development Assessment Panels) that are not upheld on review by the State Administrative Tribunal

Under legislation, applicants have the right to appeal decisions that are made by the WAPC. The percentage of appeals that are finalised in favour of the WAPC (i.e., not upheld) on review by the State Administrative Tribunal (SAT) provides an indication of how effective planning policies have been applied in making those decisions. Where a determination is successfully challenged by demonstrating flaws in the WAPC's decision making or application of policy, additional costs may be incurred both by the developer and subsequently by land purchasers.

Appeals relating to Development Application Panel (DAP) applications are excluded from this KPI as those determinations are made by the DAPs under delegated authority and are independent of the WAPC.

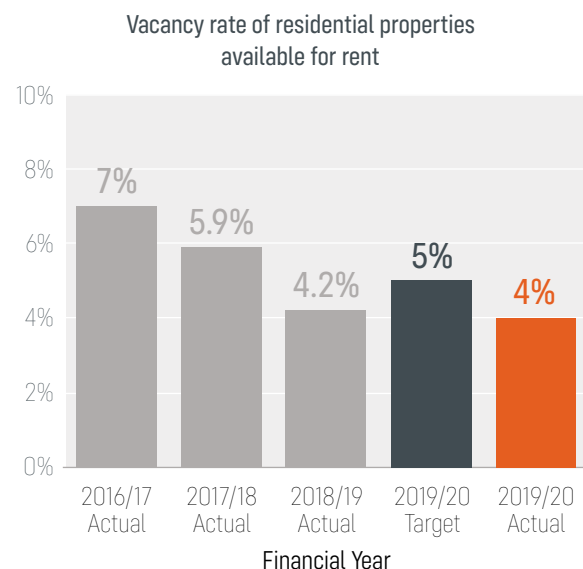


## Effectiveness Indicator:

Vacancy rate of residential properties available for rent

One of the key functions of the WAPC is to 'Develop, maintain and manage land that is reserved under a region planning scheme or improvement scheme'. In 2019-20 the WAPC owned 243 residential properties that were situated on reserved land. The Department of Planning, Lands and Heritage (the Department) managed 231 of these properties while real estate agents managed the remaining properties on behalf of the WAPC. This indicator relates to the 231 properties managed by the Department. The Department aims to maximise rental income on the basis of high occupancy rates and market rentals. Wherever possible, the Department leases these properties until the land is required for the purpose for which it was reserved.

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

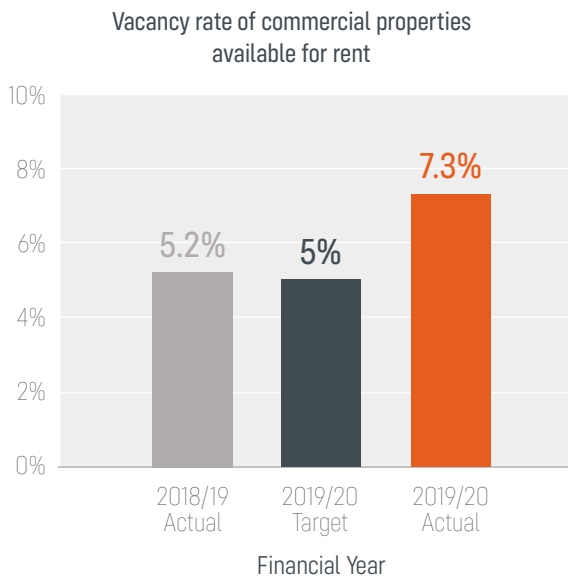


## Effectiveness Indicator:

### Vacancy rate of commercial properties available for rent

One of the key functions of the WAPC is to 'Develop, maintain and manage land that is reserved under a region planning scheme or improvement scheme'. In 2019-20 the WAPC owned and managed 73 commercial properties that were situated on reserved land. The Department of Planning, Lands and Heritage (the Department) managed 72 of these properties while real estate agents managed the remaining property on behalf of the WAPC. This indicator relates to the 72 properties managed by the Department. The Department aims to maximise rental income on the basis of high occupancy rates and market rentals. Wherever possible, the Department leases these properties until the land is required for the purpose for which it was reserved.

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



## WAPC Services:

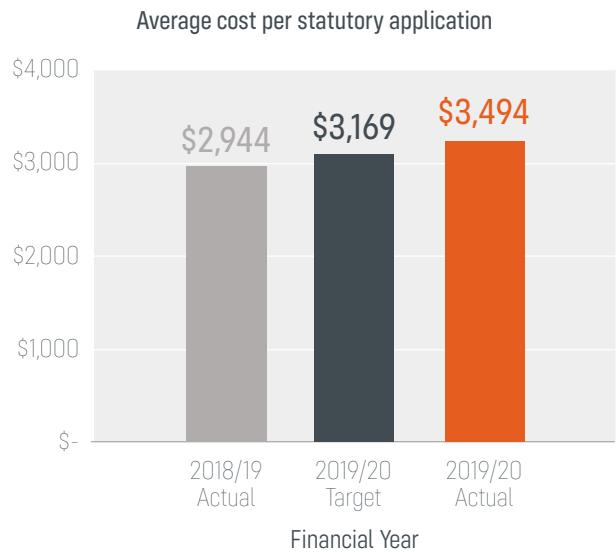
### Service 1: Statutory Planning

## Efficiency Indicator:

### Average cost per statutory application

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

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



## Explanation for significant variance

The 2019-20 result has exceeded the target by 10.3 per cent due mainly to the lower number of statutory applications received and processed during the financial year, which was 15.7 per cent less than anticipated. The variance between the 2019-20 actual result and the 2018-19 actual result is due mainly to an increase in costs attributed to the inclusion of the State Design Review Panel, and a 11.1 per cent decrease in the number of applications received and determined.

## Service 2: Strategic Planning

### Efficiency Indicator:

#### Average cost per hour for strategic planning

The WAPC's strategic planning service involves 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 ways that reflect the aspirations of the Western Australian community for a high quality of life.

This KPI measures the average cost per hour of time spent on strategic planning.



## Service 3: Asset Management

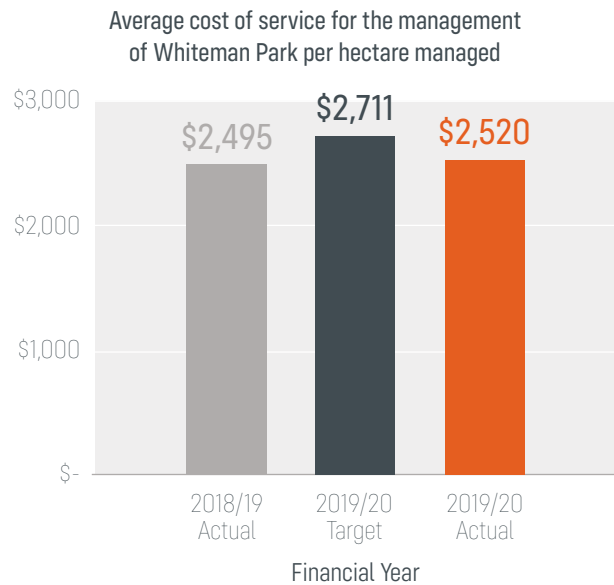
One of the key functions of the WAPC is to 'Develop, maintain and manage land that is reserved under a region planning scheme or improvement scheme'. This includes properties reserved under the Metropolitan, Peel, and Greater Bunbury Region Schemes for primary and other regional roads, parks and recreation,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

### Efficiency Indicator:

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

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

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

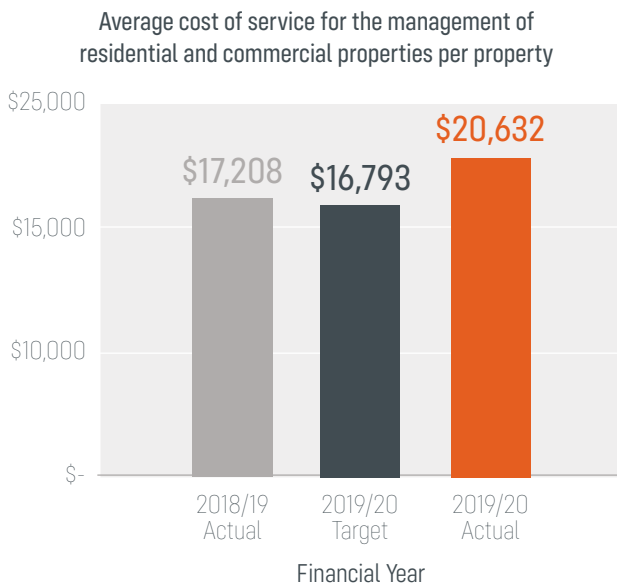




## Efficiency Indicator:

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

In 2019-20, the WAPC owned 243 residential and 73 commercial properties on reserved land. The Department of Planning, Lands and Heritage managed the majority of these properties on behalf of the WAPC, while real estate companies managed those properties located in regional Western Australia. This KPI represents the average cost of managing all residential and commercial properties.



## Explanation for significant variance

The 2019-20 result has exceeded the 2019-20 target and the 2018-19 actual due mainly to an increase in depreciation costs (about \$600,000 higher than 2018-19) relating to properties that were acquired in June 2019, and residential rental management costs (about \$500,000 higher than 2018-19) relating to utilities on the WAPC properties.

## Efficiency Indicator:

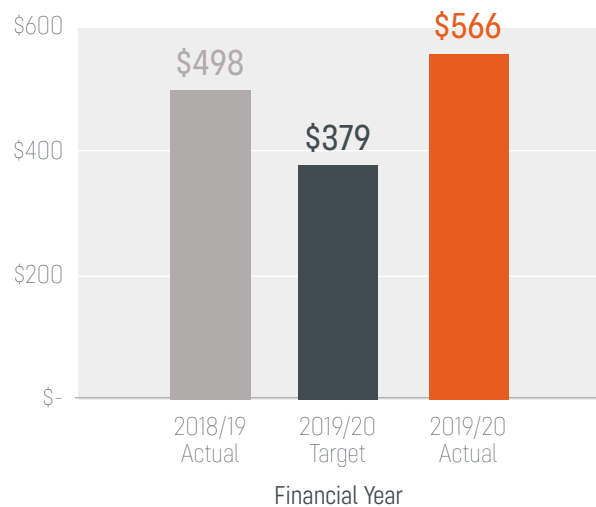
### Average cost of service for the management of reserved land (excluding Whiteman Park and Residential and Commercial properties) per hectare managed

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

The WAPC currently owns approximately 23,000 hectares of reserved land, and about 5,200 hectares of this land is managed by the Department of Biodiversity, Conservation and Attractions. The Department of Planning, Lands and Heritage manages the remaining reserved land on behalf of the WAPC.

A significant proportion of the WAPC's expenditure on asset management is attributed to the management Whiteman Park, and residential and commercial properties. This KPI represents the average cost of managing other reserved land (ie, excluding Whiteman Park and the residential and commercial properties), which covers an area of approximately 13,080 hectares.

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



## Explanation for significant variance

The 2019-20 result has exceeded the 2019-20 target and the 2018-19 actual due mainly to an extra \$2.5 million of costs in relation to remediation work on a WAPC property in Belmont. In 2001, the WAPC purchased a property in Belmont for parks and recreational purposes, however, a slope failure (landslide) of up to 11 metres above the river occurred in January 2012. Temporary remedial works were carried out, but in 2014 and 2015 further observations indicated that the slope continued to be affected by instability. Funding for a remediation project was approved as part of the Mid-Year Review, and a contract was awarded in July 2019.

