



Western Australian Coastal Shipping Commission

Annual Report

For the year ended 30 June 2011

**WESTERN AUSTRALIAN
COASTAL SHIPPING COMMISSION**

ANNUAL REPORT 2011

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STATEMENT OF COMPLIANCE

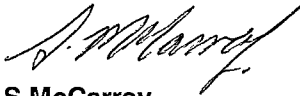
For the year ended 30 June 2011

Hon Troy Raymond Buswell MLA

Minister for Transport

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Western Australian Coastal Shipping Commission for the financial year ended 30 June 2011.

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



**S McCarrey
Chairman**

2 August 2011

Contact Details

Postal

PO Box 7035

CLOISTERS SQ WA 6850

Street

Level 9, 140 William Street

Perth WA 6000

Telephone: (08) 65516534

Facsimile: (08) 65516943

ADMINISTRATION OF THE WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION ACT 1965

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

RESPONSIBLE MINISTER

The Hon Troy Raymond Buswell MLA, Minister for Transport

MEMBERS OF THE COMMISSION

Chairman	Sue McCarrey Deputy Director General Policy, Planning & Investment- Department of Transport
Vice Chairman	Anne Nolan, B.Econ (Hons.) M.Econ Director General - Department of Finance
Commissioner	Peter King Executive Director - Investment and Finance Coordination-Department of Transport

FUNCTIONS OF THE COMMISSION

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

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

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

CHAIRMAN'S FOREWORD

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

The administrative function performed by the Commission in the year to 30 June 2011 included the following activities

Processing of claims by ex employees and others against the Commission

Continuing administrative function required by legislative and reporting requirements

Accounting and reporting of the financial transactions of the Commission

Processing and settlement of the Commission's liabilities

Management of the Commission's records

In the year to 30 June 2011, the former seagoing employee who received fortnightly workers compensation payments for the past years retired in August 2010. The administration of the Commission formerly handled by the Department of Planning is now handled by officers of the Department of Transport

COMMISSION PERFORMANCE - REPORT ON OPERATIONS FOR THE YEAR ENDED 30 JUNE 2011

The administration function performed during the year ended 30 June 2011 included the necessary accounting and reporting, record keeping and management necessary to meet legislation and reporting requirements. Claims against the Commission continued to be processed during the year. The administration function is now situated within the Perth office of the Department of Transport at 140 William Street Perth.

The twelve months to 30 June 2011 saw five new claims by ex employees and others as a consequence of claimed exposure to asbestos. At year-end there remained nine open claims against the Commission citing asbestos exposure as a basis. Of these, eight claims were lodged against the Commonwealth in its capacity as the Stevedoring Industry Finance Committee. The Commonwealth has joined the Commission and others as joint defendants to the claims.

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

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

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

The Commission estimates that a Government contribution of \$328,000 will be required to cover the Commission's obligations for the 2011/12 financial year.

Staffing levels

In the last three reporting periods, the Commission has no permanent employee receiving salary payments and one ex seagoing employee receiving seamen's workers compensation benefits. The said employee has retired in August 2010. The compensation payments were recouped from insurers.

Workers compensation

The former seagoing employee who received fortnightly payments under the provisions of the Seafarers Rehabilitation and Compensation Act 1992 has retired in August 2010 but continues to receive other benefits for his medical and other expenses which are recouped from insurers.

Other Key Legislation Impacting on the Commission's Activities

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

Auditor General Act 2006,

Contaminated Sites Act 2003,

Disability Services Act 1993,

Equal Opportunity Act 1984,

Financial Management Act 2006,

Freedom of Information Act 1992,

Industrial Relations Act 1979,

Minimum Conditions of Employment Act 1993,

Occupational Safety and Health Act 1984,

Public Sector Management Act 1994,

Salaries and Allowances Act 1975,

State Records Act 2000, and

State Supply Commission Act 1991

Shared Responsibilities with Other Agencies

The Commission did not share any responsibilities with other agencies in 2010-11.

SENIOR MANAGEMENT STRUCTURE

COMMISSION

MS SUE MCCARREY - CHAIRMAN

MS ANNE NOLAN - VICE CHAIR

MR PETER KING - COMMISSIONER

ACTING GENERAL MANAGER

MR RUSSELL THORLEY

**Audited
Financial Statements
and
Performance Indicators**

For the year ended 30 June 2011



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Commission's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Coastal Shipping Commission at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Western Australian Coastal Shipping Commission

Report on Controls

I have audited the controls exercised by the Western Australian Coastal Shipping Commission. The Commission is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

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

Opinion

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

Report on the Key Performance Indicators

I have audited the key performance indicators of the Western Australian Coastal Shipping Commission. 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.

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

Opinion

In my opinion, the key performance indicators of the Western Australian Coastal Shipping Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2011.

Independence

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



COLIN MURPHY
AUDITOR GENERAL
2 September 2011

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

The accompanying financial statements of the Western Australian Coastal Shipping Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2011 and the financial position as at 30 June 2011.

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



R. THORLEY
Acting Chief Finance Officer
1 August 2011



A. NOLAN
Vice Chair
1 August 2011



S. MCCARREY
Chairman
2 August 2011

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	4	963	8 879
Supplies and services	5	56 321	54 975
Other expenses	6	9 300	9 600
Total costs of services		<u>66 584</u>	<u>73 454</u>
INCOME			
Revenue		<u>-</u>	<u>-</u>
Total income other than income from State Government		<u>-</u>	<u>-</u>
NET COST OF SERVICES		<u>(66 584)</u>	<u>(73 454)</u>
INCOME FROM STATE GOVERNMENT			
Service appropriations	7	<u>329 000</u>	<u>329 000</u>
Total income from State Government		<u>329 000</u>	<u>329 000</u>
SURPLUS FOR THE PERIOD		<u>266 416</u>	<u>255 546</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>262 416</u>	<u>255 546</u>

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	12(a)	1 199 317	1 074 632
Receivables	8	774 095	653 227
Other current assets	9	91	88
Total current assets		<u>1 973 503</u>	<u>1 727 947</u>
LIABILITIES			
Current liabilities			
Payables	10	<u>15 725</u>	<u>32 585</u>
Total current liabilities		<u>15 725</u>	<u>32 585</u>
NET ASSETS		<u>1 957 778</u>	<u>1 695 362</u>
EQUITY			
Contributed equity	11	18 029 968	18 029 968
Accumulated surplus(deficit)		<u>(16 072 190)</u>	<u>(16 334 606)</u>
TOTAL EQUITY		<u>1 957 778</u>	<u>1 695 362</u>

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	Contributed equity \$	Reserves \$	Accumulated surplus \$	Total equity \$
Balance as 1 July 2009	11	18 029 968	-	(16 590 152)	1 439 816
Total comprehensive income for the year		-	-	255 546	255 546
Balance at 30 June 2010		<u>18 029 968</u>	<u>-</u>	<u>(16 334 606)</u>	<u>1 695 362</u>
Balance as 1 July 2010		18 029 968	-	(16 334 606)	1 695 362
Total comprehensive income for the year		-	-	262 416	262 416
Balance at 30 June 2011		<u>18 029 968</u>	<u>-</u>	<u>(16 072 190)</u>	<u>1 957 778</u>

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation	7	<u>200 000</u>	<u>329 000</u>
Net cash provided by State Government		<u>200 000</u>	<u>329 000</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(963)	(9 212)
Supplies and services		(56 188)	(54 963)
GST payments on purchases		(6 995)	(8 940)
Insurance claim payments		(3 785)	(354 054)
Other payments		(9 600)	(9 200)
Receipts			
GST receipts from taxation authority		<u>2 216</u>	<u>10 478</u>
Net cash provided by/(used in) operating activities	12(b)	<u>(75 315)</u>	<u>425 891</u>
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		<u>1 074 632</u>	<u>1 171 523</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	12(a)	<u><u>1 199 317</u></u>	<u><u>1 074 632</u></u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Closure of Stateships

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

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

The settlement of liabilities continued through 2010-2011

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

1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

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

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. No Australian Accounting Standards that have been issued or amended (but not operative) have been early adopted by the Commission for the annual reporting period ended 30 June 2011.

2. Summary of significant accounting policies

(a) General Statement

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

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

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

(b) Basis of Preparation

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

2. Summary of significant accounting policies (continued)

(b) Basis of Preparation (continued)

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

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

(c) Reporting Entity

The reporting entity comprises the Commission

(d) Contributed Equity

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

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

(e) Income

Revenue recognition

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

Service Appropriations

Service Appropriations are recognised as revenues at 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. See note 7 *Income from State Government*

(f) Financial Instruments

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

- Receivables, and
- Financial liabilities measured at amortised cost

Financial instruments have been disaggregated into the following classes

- Financial Assets
 - Cash and cash equivalents
 - Receivables
- Financial Liabilities
 - Payables

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

2. Summary of significant accounting policies (continued)

(g) Cash and Cash Equivalents

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

(h) Accrued Wages

Accrued wages (refer note 10 *Payables*) represent the amount due to one former seagoing employee but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued wages are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued wages to be equivalent to its net fair value. There was no accrued wages at the end of 2011 due to the resignation of the former seagoing employee in August 2010.

(i) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. See note 2(f) *Financial Instruments* and note 8 *Receivables*.

(j) Payables

Payables are recognised when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(f) *Financial Instruments* and note 10 *Payables*.

(k) Superannuation Expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions to Maritime Super fund (formerly Seafarers Retirement Fund). The Commission has no liabilities to this scheme. The ex-seagoing employee being paid workers compensation is a member of the Maritime Super which is an accumulation superannuation fund and an employer's contribution is paid on a fortnightly basis. No contribution was made upon retirement of the ex-seagoing employee in August 2010.

(l) Comparative Figures

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

3. Disclosure of changes in accounting policy and estimates

Future impact of Australian Accounting Standards not yet operative

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

		Operative for reporting periods beginning on/after
AASB 2009-11	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]</i></p> <p>The amendment to AASB 7 <i>Financial Instruments Disclosures</i> requires modification to the disclosure of categories of financial assets. The Commission does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.</p>	1 Jan 2013
AASB 2009-12	<p><i>Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]</i></p> <p>This Standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised Standard.</p>	1 Jan 2011
AASB 1053	<p><i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.</p> <p>The Standard does not have any financial impact on the Commission. However, it may affect disclosures in the financial statements of the Commission if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.</p>	1 July 2013
AASB 2010-2	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i></p> <p>This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.</p> <p>The Standard is not expected to have any financial impact on the Commission. However, this Standard may reduce some note disclosures in the financial statements of the Commission. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p>	1 July 2013
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>This Amending Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p>	1 July 2011

3. Disclosure of changes in accounting policy and estimates (continued)

Future impact of Australian Accounting Standards not yet operative (continued)

		Operative for reporting periods beginning on/after
AASB 2010-5	<p><i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010)</i></p> <p>This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Statements. There is no financial impact resulting from the application of this revised Standard.</p>	1 Jan 2011
AASB 2010-6	<p><i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]</i></p> <p>This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.</p> <p>The Standard is not expected to have any financial impact on the Commission. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p>	1 July 2011
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued on 6 Dec 2010 and the Commission is currently determining the impact of the Standard. DTF has not yet determined the application or the potential impact of the Standard for agencies.</p>	1 Jan 2013
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]</i></p> <p>This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 <i>Financial Instruments</i> in December 2010. DTF has not yet determined the application or the potential impact of the Standard for agencies.</p>	1 Jan 2013
AASB 1054	<p><i>Australian Additional Disclosures</i></p> <p>This Standard, in conjunction with AASB 2011-1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i>, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.</p>	1 July 2011
AASB 2011-1	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]</i></p> <p>This Amending Standard, in conjunction with AASB 1054 <i>Australian Additional Disclosures</i>, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.</p>	1 July 2011

	2011	2010
	\$	\$
4. Employee benefits expense		
Superannuation	963	8 879
	<u>963</u>	<u>8 879</u>
5 Supplies and services		
Communication	258	7
Consumables	5 166	4 686
Insurance	500	865
Service level agreement with Department of Transport	47 604	45 930
Professional fees	2 793	3 487
	<u>56 321</u>	<u>54 975</u>
6. Other expenses		
External audit ⁽ⁱ⁾	<u>9 300</u>	<u>9 600</u>
(i) See note 17 <i>Remuneration of Auditor</i>		
7. Income from State Government		
Appropriation received during the year		
Service appropriation	<u>329 000</u>	<u>329 000</u>
8. Receivables		
Current		
General receivables	634 240	630 456
Debtors accrued ⁽ⁱⁱ⁾	134 927	22 636
GST	4 928	135
	<u>774 095</u>	<u>653 227</u>
(ii) Includes the April 2011 drawdown appropriation from Treasury of \$129,000 which was only received from Office of Shared Services in July 2011		
9. Other current assets		
Prepayments	<u>91</u>	<u>88</u>
10. Payables		
Current		
Accrued payables	15 725	31 756
Accrued wages	-	829
	<u>15 725</u>	<u>32 585</u>

	2011	2010
	\$	\$
11. Equity		
The Government holds the equity interest in the Commission on behalf of the community Equity represents the residual interest in the net assets of the Commission		
Contributed equity		
Balance at start and end of period	<u>18 029 968</u>	<u>18 029 968</u>
Accumulated surplus/(deficit)		
Balance at start of period	(16 334 606)	(16 590 152)
Result for the period	<u>262 416</u>	<u>255 546</u>
Balance at end of period	<u>(16 072 190)</u>	<u>(16 334 606)</u>
Total Equity at end of period	<u>1 957 778</u>	<u>1 695 362</u>

12. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

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

Cash and cash equivalents	<u>1 199 317</u>	<u>1 074 632</u>
(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(66 584)	(73 454)
<u>(Increase)/decrease in assets</u>		
Current receivables ⁽ⁱ⁾	12 924	(355 393)
Other current assets	(2)	(2)
<u>Increase/(decrease) in liabilities</u>		
Current payables ⁽ⁱ⁾	(16 860)	1 422
Net GST receipts/(payments) ⁽ⁱⁱ⁾	(4 779)	1 537
Change in GST in receivables/payables ⁽ⁱⁱⁱ⁾	<u>(14)</u>	<u>(1)</u>
Net cash provided by/(used in) operating activities	<u>(75 315)</u>	<u>(425 891)</u>

(i) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST are not included in these items as they do not form part of the reconciling items

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

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

13. Contingent liabilities

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

(a) Workers compensation claims

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

14. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2011 and between the actual results for 2010 and 2011. Significant variations are considered to be those greater than 10% or \$50,000.

Significant variances between estimated and actual result for 2011

	2011 Estimate \$	2011 Actual \$	Variation \$
Supplies and services	203 000	56 321	(146 679)
Employee benefits expense	119 000	963	(118 037)
Other expenses	6 000	9 300	3 300
	<u>328 000</u>	<u>66 584</u>	<u>(261 416)</u>

Supplies and services expense

The variance was mainly due to reduction in expenditures and that no worker's compensation insurance franchise was incurred during 2010-2011 financial year.

Employee benefits expense

The variance was due to the cessation of services of permanent employee.

Other expenses

The variance was mainly due to an increase in audit fees.

Significant variations between actual results for 2010 and 2011

	2011 \$	2010 \$	Variance \$
Expenses			
Employee benefits expense	963	8 879	(7 916)
	<u>963</u>	<u>8 879</u>	<u>(7 916)</u>

Employee benefits expense

The decrease was due to employer's superannuation contribution to Maritime Super no longer required due to retirement of the former seagoing employee in August 2010.

15. Financial instruments

(a) Financial Risk Management Objectives and Policies

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

15. Financial instruments (continued)

Credit risk

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

The maximum exposure to credit risk at end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at note 15(c) *Financial Instrument Disclosures* and note 8 *Receivables*

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

Liquidity risk

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

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

Market risk

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

(b) Categories of Financial Instruments

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

	2011 \$000	2010 \$000
Financial Assets		
Cash	1 199	1 075
Loans and receivables ⁽ⁱ⁾	769	653
Financial Liabilities		
Measured at amortised cost	16	33

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

(c) Financial Instrument Disclosures

Credit Risk and Interest Rate Exposures

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

15. Financial instruments (continued)

(c) Financial Instrument Disclosures (continued)

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

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

Interest rate exposures and ageing analysis of financial assets(a)

	Interest rate exposure				Past due but not impaired					Impaired financial assets \$000
	Weighted Average Effective Interest Rate %	Carrying Amount \$000	Fixed Interest Rate \$000	Variable Interest Rate \$000	Non-Interest Bearing \$000	Up to 3 months \$000	3 - 12 months \$000	1 - 2 years \$000	2 - 5 years \$000	
Financial Assets 2011										
Cash and cash equivalents	-	1 199	-	-	1 199					
Receivables (a)	-	769			769	28	105	351	148	
		1 728			1 728	33	306	182	91	
2010										
Cash and cash equivalents	-	1 075	-	-	1 075					
Receivables (a)	-	653			653	33	306	182	91	
		-1 728			1 728	33	306	182	91	

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

Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial liabilities

	Interest rate exposure						Maturity dates					
	Weighted Average Effective Interest Rate %	Carrying Amount \$000	Fixed Interest Rate \$000	Variable Interest Rate \$000	Non-Interest Bearing \$000	Adjustment for discounting \$000	Total Nominal Amount \$000	Up to 3 months \$000	3 - 12 months \$000	1 - 2 years \$000	2 - 5 years \$000	More than 5 years \$000
Financial Liabilities 2011												
Payables	-	16				16		16				
2010												
Payables	-	33				33		33				

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

Fair values

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

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

Remuneration of members of the accountable authority

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

Remuneration of senior officers

The Commission has no senior officer permanently employed since the end of 2006-2007 financial year

17. Remuneration of auditor

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

	2011	2010
	_____ \$	_____ \$
Auditing the accounts, financial statements and key performance indicators	_____ 9 300	_____ 9 600

The expense is included at note 6 *Other Expenses*

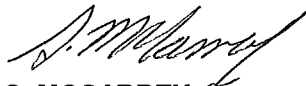
18. Events occurring after the end of the reporting period


There was no significant event that occurred after the reporting period

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2011**

CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Commission's performance, and fairly represent the performance of the Western Australian Coastal Shipping Commission for the financial year ended 30 June 2011.


S. MCCARREY
Chairman
2 August 2011


A. NOLAN
Vice Chair
1 August 2011

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2011**

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

Key Efficiency Indicator

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

	<u>2011</u> \$'000	<u>2010</u> \$'000	<u>2009</u> \$'000
Staff salaries and associated costs	1	9	9
Insurance	1	1	1
General	15	14	14
	<u>17</u>	<u>24</u>	<u>24</u>

Key Effectiveness indicator

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

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

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
GOVERNANCE DISCLOSURES
FOR THE YEAR ENDED 30 JUNE 2011**

Governance Disclosures

Contracts with Senior Officers

At the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Western Australian Coastal Shipping Commission and senior officers

**WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION
OTHER LEGAL REQUIREMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Other Legal Requirements

Compliance with Public Sector Management Act Section 31(1)

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

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



S. McCarrey
Chairman
2 August 2011

Electoral Act 1907 section 175ZE

In compliance with section 175ZE of the *Electoral Act 1907*, the Commission is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations. In the year to 30 June 2011, the Commission incurred no expenditures that would fall into this category.



Minister for Transport; Housing

Attestation: Stateships 2010-2011 Annual Report

During the 2010/11 financial year, the shipping activity formerly provided by Stateships to the north of the state and to the Northern Territory was provided more economically by an appropriate operator with an annual subsidy from Government.

In 2010/11 the operation of the Western Australian Coastal Shipping Commission was concerned with the handling of claims and settlement of liabilities.

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

A handwritten signature in black ink, appearing to read 'Troy Buswell'.

**TROY RAYMOND BUSWELL MLA
MINISTER FOR TRANSPORT**

11 AUG 2011