

Kimberley
Development Commission

Annual Report 2015/2016





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Statement of Compliance

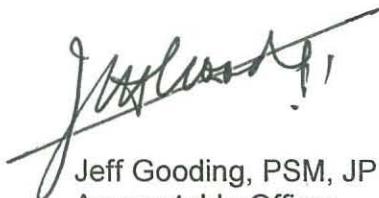
The Hon Terry Redman MLA
Minister for Regional Development; Lands
Minister Assisting the Minister for State Development
Level 9, 2 Havelock Street
WEST PERTH WA 6005

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Kimberley Development Commission for the financial year ending 30 June 2016.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006 Section 61* and the *Regional Development Commissions Act 1993 Section 32*.



Mr Michael McConachy
Chairperson
Date: 6 September 2016



Jeff Gooding, PSM, JP
Accountable Officer
Date: 6 September 2016

Table of Contents

1. Overview	1
Executive Summary	1
Chairman's Report	2
The Kimberley Region	3
Operational Structure	4
Performance Management Framework	15
Outcome Based Management Framework	15
Changes to Outcome Based Management Framework	18
Shared Responsibilities with Other Agencies	18
2. Agency Performance	19
Report on Operations	19
Actual Results Against Budget Targets	31
3. Significant Issues Impacting the Commission	33
4. Disclosures and Legal Compliance	36
Opinion of the Auditor General	36
Financial Statements	39
Certification of Financial Statements	39
Statement of Comprehensive Income	40
Statement of Financial Position	41
Statement of Changes in Equity	42
Statement of Cash Flows	43
Notes to the Financial Statements	44
Key Performance Indicators	79
Summary of Key Performance Indicators	84
Ministerial Directions	85
Other Financial Disclosures	85
Governance Disclosures	86
Other Legal Requirements	87
Government Policy Requirements	91

The 2015/2016 Annual Report of the Kimberley Development Commission has been compiled in accordance with the requirements set out in the *Public Sector Commissioner's Circular 2016-02 Annual Reporting*, the Public Sector Commission's Annual Reporting Framework for the 2015/2016 Reporting Year, Treasurer's Instructions, relevant Legislation and Government policy.

1 Overview

Executive Summary

For the Commission, a State Statutory Authority, 2015/2016 was characterised by the finalisation of “2036 and Beyond, A Regional Investment Blueprint for the Kimberley” and its role in the State Regional Development Portfolio Initiatives and the development of the State Regional Development Strategy; three high level initiatives that will underpin and guide its outcome based work in the Kimberley in 2016/2017 and into the future.

Simultaneously, the Commission provided a regional perspective and significant support to the State’s Regional Services Reforms which are being progressed, starting initially in the Kimberley and Pilbara.

The overarching focus of these integrated initiatives is on achieving higher level State and Regional outcomes with Royalties for Regions funding, facilitated by strong agency and stakeholder collaboration.

In this enhanced, State Government regional development policy environment, the Commission has conceptualised and progressed the design of two major strategic projects in Housing and Education in collaboration with the Regional Services Reform Unit for which funding has recently been announced by the Minister for Regional Development. Both projects are evidence based and respectively focus on providing the impetus to enhance education, employment and housing outcomes for Aboriginal people in the Kimberley with a view to benefitting the entire regional community. Additional Strategic projects in Agriculture and Tourism aimed at developing the region’s main industries are in the conceptualisation stage.

The Commission’s partnership work has also substantially progressed State Regional Centre Development Planning (RCDP) in Broome, implementation of two Royalties for Regions grants schemes and facilitation of a diverse range of other regional development initiatives.

During 2015/2016 whilst this work has progressed, to increase its project capabilities, the Commission has transitioned its financial services to the Department of Regional Development and benefitted from access to the expertise of two senior staff via resource sharing arrangements with the Housing Authority and LandCorp.

The Commission’s governance, risk management and policy frameworks remain robust and with its diverse project work, have contributed to its continued high level of customer satisfaction and compliance. Notably, Key Performance Indicators in Effectiveness and Efficiency have once again been exceeded.

Chairperson's Report

As anticipated in my report last year, 2015/2016 has seen the beginning of a "catalytic time of advancement" for the Kimberley that has the potential to shape the region's future for many years to come.

"2036 and Beyond, A Regional Investment Blueprint for the Kimberley" which the Commission has developed in consultation with regional stakeholders and which was launched by the Minister for Regional Development at the end of the year, is already guiding major focussed project development. It is with a sense of collective achievement that I report that the overarching State Regional Development Strategy has now also been completed with input from all Regional Development Portfolio agencies, including ours. Importantly, these documents refocus regional development effort across the Kimberley and State respectively and require initiatives that achieve higher level socio-economic outcomes and extend, where appropriate, across more than one region. In readiness, the Commission has emphasised building capacity in its staff, drawing other expertise in and importantly, collaborating with industry, community and government to design a pipeline of Strategic projects that move beyond short lived solutions, to evidenced based, long lasting solutions that will transform our region into one where everyone, regardless of culture and background, prospers and has the same opportunities to improve their lives.

This Annual Report describes a selection of our partnership achievements and provides a taste of what is to come: high level Strategic Projects such as the \$200 million North West Housing Fund (Kimberley and Pilbara) and \$25 million Kimberley Schools projects, recently announced by our Minister, which aim to address root causes and influence systemic regionally appropriate, improvements in service delivery. These projects are designed to influence change and ultimately ensure that both non Aboriginal people and Aboriginal people across the Kimberley have the same prospects of a good education, employment and housing.

Going forward, the emphasis is on a "Joined Up" approach to doing business – to implementing the Regional Development Strategy and the Blueprint. The magnitude of the projects that are required to realise the potential of the Kimberley and other regions across the State can only be achieved through collaboration. The Commission's Board and Staff are fully committed to this approach, and will continue working with Community, Industry and Government Leaders to bring about transformational change!



Mr Michael McConachy
Chairperson
Date: 6 September 2016

The Kimberley Region

As described in the 2036 and Beyond, A Regional Investment Blueprint for the Kimberley”, the Kimberley is “geographically larger than many countries, culturally and environmentally unique, naturally and economically gifted but underdeveloped, sparsely populated but close to the rapidly developing and growing population centres of Asia, and is “a region of enormous potential, importance and promise, even on a global scale.”

Comprising 2% of the Western Australian population spread across 15% of the State’s landmass, the Kimberley’s population of 39,900 is projected to grow to 93,173 by 2036.

This young population with a median age of 30 (WA’s is 34) has a cross-cultural composition that includes 46% Aboriginal people and 8% people who were born overseas. The Kimberley’s pattern of settlements is equally distinctive with six towns, more than 160 Aboriginal Communities and over 100 Pastoral Leases.

The mix of a sparsely distributed population across an expansive, strikingly beautiful, resource rich landscape, a sub-tropical climate with contrasting wet and dry seasons and remoteness from metropolitan Perth of more than 3,000 kilometres, underpins the Kimberley’s Community, its values, economy and aspirations.

Regional water resources, climate and soils support irrigated agriculture in the expanding Ord River Irrigation Area and at the new development of Knowsley Plain in the West Kimberley, with future developments proposed including; Ord West Bank, Ord East Bank and Mantinea on the lower Ord.

The recent establishment of the Kimberley Aquaculture Zone of 2,000 hectares or upto 20,000 tonnes per annum productive capacity, is positioned to take advantage of the Kimberley’s tropical coastal waters and has the potential to support growth and employment in this industry.

Tourism, is largely based on the natural and increasingly cultural aspects of the region. Efforts are currently focussed on overcoming the tyranny of distance and increasing regional visitors by attracting direct flights from the Eastern States as well as exploring collaborative ways of promoting the region as a destiny.

As a resource rich region, the Kimberley harbours oil and gas reserves larger than anywhere else in Australia and a wealth of minerals including diamonds, gold, silver, nickel and iron ore.

Ensuring the regional Community is appropriately educated and skilled to realise the potential of the regions attributes, is at once both the greatest opportunity and challenge for the Kimberley.

Operational Structure

This section includes the Commission's legislative base, responsible Minister, organisational structure and Board Member profiles.

Enabling Legislation

The Commission is a Western Australian Statutory Authority that was established under the *Regional Development Commissions Act 1993* (as amended) and is subject to the provisions of the *Public Sector Management Act 1994*.

Statutory Objectives and Functions

The objectives of the Kimberley Development Commission, as defined in Section 23 (1) of the *Regional Development Commissions Act 1993*, are to:

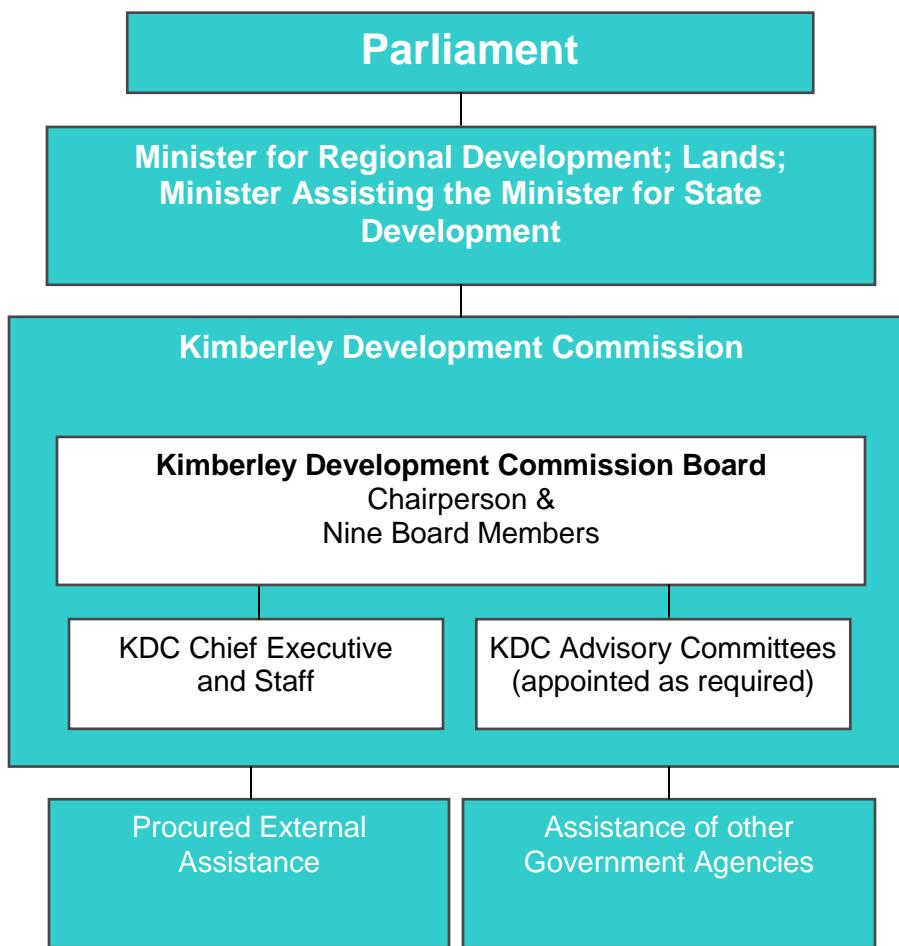
- maximise job creation and improve career opportunities in the region;
- develop and broaden the economic base of the region;
- identify infrastructure services to promote economic and social development within the region;
- provide information and advice to promote business development within the region;
- seek to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area; and
- generally take steps to encourage, promote, facilitate and monitor the economic development in the region.

Responsible Minister

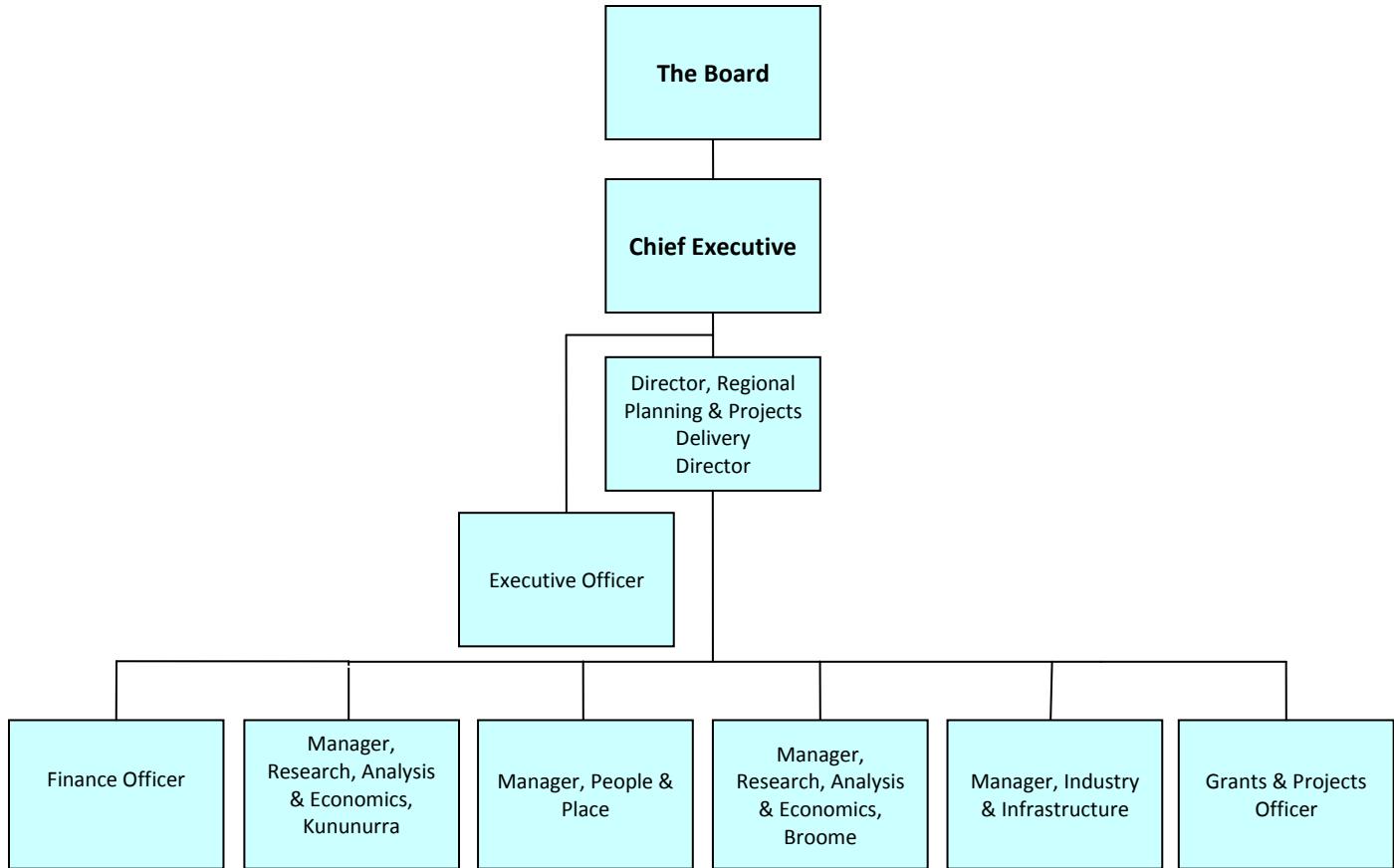
The Commission is responsible to the Hon Terry Redman, MLA, Minister for Regional Development; Lands; Minister Assisting the Minister for State Development.

Reporting Structure

As an accountable authority, the Commission advises the Minister on matters affecting the development of the region and its Board sets the strategic directions for the Commission.



Organisational Chart – Staff



Board Profiles

Consistent with the *Regional Development Commission's Act 1993*, the Kimberley Development Commission's Board, which is appointed by the Minister, comprises:

- three members representing the regional community;
- three members representing Local Government;
- three members appointed at the Minister's discretion; and
- the Kimberley Development Commission's Chief Executive.

The Members of the Board at 30 June 2016 were:

Mr Michael McConachy, Chairperson

Ministerial representative – appointed 2015 – term expires 2018

Profile

Mr McConachy moved to the Kimberley in 2009 with his family, bringing a wealth of business and leadership experience with him in the areas of; tourism, agriculture, construction and aviation.

As a Managing Director of several local Companies, including: Helicopter Film Services Pty Ltd trading as HeliSpirit, Kimberley Cultural Tours Pty Ltd, Freshwater Quality Management Pty Ltd, of which he is also Owner, Kimberley Land Holdings Pty Ltd, H.M. Developments Pty Ltd and Top End Building Company, he has a strong understanding of governance and accountability. He has used this in a voluntary capacity as a founding Committee Member and Chairperson of the East Kimberley Marketing Group. Mr McConachy is also a past President, St Joseph's School Council, Kununurra.



Since 1999, Mr McConachy has been Owner/Managing Director, Agrivision International Pty Ltd and Managing Director, Integrated Dairies of Australia Pty Ltd. Prior to this he worked as; an Agricultural Consultant, Riverina F.A.R.M (Financial and Rural Management), Farm Manager, Strathfieldsaye Estate (University of Melbourne) and General Manager, International Agribusiness Australia.

Mr McConachy is committed to regional development of the Kimberley in partnership with regional stakeholders in recognition of its potential.

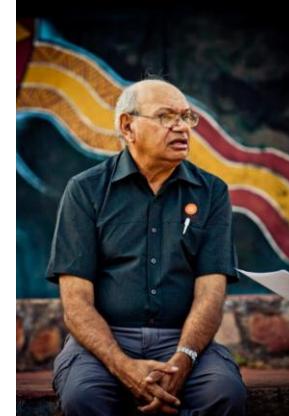
Mr Ian Trust, Deputy Chairperson

Community representative – reappointed 2015 - term expires 2018

Profile

Mr Trust has an extensive background in Aboriginal affairs and management in the East Kimberley. His former positions include Administrator, East Kimberley Aboriginal Medical Services (now Ord Valley Aboriginal Health Services), Chairperson Aboriginal and Torres Strait Islander Commission, Wunan Regional Council and later WA - Commissioner Kimberley Region.

He is currently Deputy Chairperson of the Kimberley Development Commission, Executive Chairman of Wunan Foundation, Chairman of the Western Australian Aboriginal Advisory Council and Chairman of Aarnja Ltd.



Mr Trust believes the basis of any region is a strong economy and access to regional opportunities. To enable people to access opportunity, affordable housing and a good quality education are critical. He believes a measure of the success of government policy and funding in the Kimberley is the social and economic advancement of Aboriginal people in the region.

Mr Robert Boshammer, Member

Ministerial representative - reappointed 2016 - term expires 2018

Profile

Mr Boshammer has been a prominent and leading Ord River Irrigation Area grower for over 30 years. He has a development and equity position in a number of associated businesses including nurseries, forestry management services, tourism, produce marketing and irrigation and pastoral business development and describes his passion as the empowerment of people in regional areas to facilitate world-class business development.



Mr Boshammer's preferences for development in the Kimberley focus on increasing local decision making and decision making by Indigenous people with 'less control and rubber stamping' from above and streamlined bureaucratic processes that allow small business and communities to develop and 'have a go'. He would also like to see increased availability of affordable living blocks in support of people that wish to live permanently in the region.

He considers his potential contribution to the Board includes expertise in small business, management and development and an ability to identify and articulate major

hurdles holding back business development. Rob believes that small business is most attuned to people and worker's needs, in particular Indigenous people.

Ms Eunice Yu

Ministerial representative – reappointed 2016 - term expires 2018

Profile

Ms Yu is a Yawuru person currently employed by the Kimberley Institute in Broome.

Ms Yu's preferences for development in the Kimberley are for all residents to benefit economically, socially and culturally with development decisions being made at a local / regional level and based on inclusive engagement of relevant stakeholders and at a cross-sectoral level. Places that are valued by the Community should be protected and the region promoted and celebrated.



Contribution to the Board includes personal attributes of level headedness, integrity, loyalty, honesty and accountability, an Indigenous woman's perspective and views, networks and linkages with engagement opportunities and stakeholders. Ms Yu's community profile is gained through employment, volunteering and representation. Most recently she has been developing her research and analytic thinking and strategic policy development skills which enhances her contribution.

Ms Yu considers the State's changing demography, Native Title determinations, displacement of community members and associated impact on communities, subsequent service delivery pressures and the need for balanced economic social and cultural imperatives with appropriate access to resources, as key issues.

Mr James Brown, Member

Community representative – appointed 2016 - term expires 2019

Profile

Mr Brown is a long term resident of the Kimberley, based at Cygnet Bay. He holds a Bachelor of Science, Marine Biology and has retail, business and tourism experience gained from working in the pearl industry since 2000. He is the Managing Director of Cygnet Bay Pearls and the founder/lead field scientist of the Kimberley Marine Research Station (KMRS) that encourages and facilitate broad scale independent marine research on the Kimberley Coast and has contributed to the Kimberley Conservation and Science Strategy and the establishment of the Kimberley Aquaculture Zone. He is a Board Member of the Broome Visitors Centre, Chairman of the Broome Tourism Leadership Group, Board Member, Broome Shire Economic Development



Advisory Committee and an active member of several Pearling and Fisheries Associations. He is also an Ambassador for WA Save the Children.

Mr Brown offers strong leadership and experience gained from his involvement in his family's pearling business and from his active involvement in the broader pearling and tourism industries and community. He is committed to economic development in the Kimberley, driven through strategies created and embraced by the people of the Kimberley.

Cr June Oscar AO

Community representative – appointed 2015 - term expires 2018

Profile

Cr Oscar is a Bunuba Traditional Owner who was born in Fitzroy Crossing and in 2012 she was appointed as an Ambassador for Children and Young People in Western Australia and was awarded the Order of the Australian (AO) in 2013. June was the winner of the Westpac and Financial Review 100 Women of Influence 2013 for Social Enterprise and Not for Profit Category. In 2014 June was awarded the Menzies School of Health Research Medallion for her work with Foetal Alcohol Spectrum Disorder.



Cr Oscar is an established leader and strong advocate for the quality of life of Aboriginal people with a strong background working for Aboriginal Organisations, human rights and Aboriginal justice and especially the prevention of Foetal Alcohol Spectrum Disorder. In this capacity she has held numerous offices and, is past Chairperson, Kimberley Language and Resource Centre, Chief Investigator, Lililwan Prevalence Study – on Foetal Alcohol Spectrum Disorder and Early Life Trauma, and Committee Member, Fitzroy Valley Futures' Governing Committee.

She has a Bachelor of Business Degree and qualifications in Management of Indigenous Organisations, Community and Public Administration and Governance. Currently Chief Executive Officer, Marninwarntikura Women's Resource Centre, Fitzroy Crossing. She has also held the position of Deputy Director, Kimberley Land Council 1997-2000.

Cr Malcolm Edwards, Member

Local Government representative - appointed 2015 - term expires 2017

Profile

Cr Edwards has lived and worked in the Kimberley for forty seven years gaining wide ranging experience including owning and operating a local supermarket and transport service in Halls Creek and holding the appointment of Chief Executive Officer, Menkawum Ngurra-Halls Creek People Church Aged Care Facility. He has served as a Councilor, Shire of Halls Creek for over eighteen years and currently is the Shire President, a position which he has previously held for nine years.



Having gained a sound understanding of socio-economic issues and non Aboriginal and Aboriginal disparity in the Kimberley through his professional and family life, Cr Edwards has an interest in enhancing the quality of life in rural communities, especially in education, business and infrastructure development and effective service delivery. He is especially interested in empowering Traditional Owners through enhanced leadership in all sectors.

Cr Elsia Archer JP OAM, Member

Local Government representative - appointed 2016 - term expires 2019

Profile

Cr Archer has lived and worked in Derby since 1957 and managed a Derby based store for twenty four years prior to her recent retirement from business.



Cr Archer is a Justice of the Peace and has served on the Shire of Derby West Kimberley Council for twenty six years, including two years as Deputy President and is in her sixteenth year in her current office as President. Cr Archer has been a local government representative on the Regional Development Council of WA and has previously served three years as President of the WA Local Government Association's Kimberley Zone and is a current member. Cr Archer is a member of other regional groups including Home and Community Care, Health Consumers, Roadwise (formerly Safer WA) and the Small Business Centre Derby. She is also Council's representative on the Native Title Working Group, Australia's North West Tourism, Kimberley Zone Representative for State Council - WALGA and a Board Member, Regional Development Australia (Kimberley).

Cr Archer is tireless in her pursuit of improvement within the community and particularly all aspects of the health service and youth services. She also champions the promotion of cultural events in this remote area.

Cr Ron (Sos) Johnston, Member

Local Government representative – appointed 2016 - term expires 2019

Profile

In November 2015, Cr Johnston was re elected to the Broome Shire Council and appointed as President. He is also a Member of the Board of Horizon Power.

Cr Johnston has lived and worked in many North West and Kimberley towns since 1971 through his former employment with Ansett Australia. At the time of the demise of Ansett, he was the Kimberley Manager. Since then he has become involved in property development in Broome, Derby, Karratha and Kununurra.



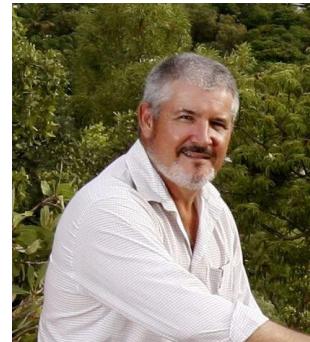
Cr Johnston has served his community in many roles that include President of the Kimberley Tourism Association, Broome Turf Club, Broome Shire President and has also received the Sir David Brand medal for Tourism in 1995; a Centenary Medal; and has received recognition as a Paul Harris Fellow for his contribution to the Rotary Foundation.

Mr Jeff Gooding – Member, Ex Officio

Chief Executive

Profile

Mr Gooding has held the position of Chief Executive of the Kimberley Development Commission since the Commission's establishment and is a Member of the Board of the Commission. He is a long term resident of Kununurra and the Kimberley, has qualifications in town and regional planning, is a graduate and fellow of the Australian Rural Leadership Foundation, Member of the Australian Institute of Company Directors and is Justice of the Peace and former Shire Councillor.



Having participated in the negotiation process which culminated in several key Native Title Agreements, Mr Gooding continues to be substantially involved in related implementation including as a Director of the Miriuwung Gajerrong Community Foundation. He has been closely involved in the development, and initial implementation, of the Ord/East Kimberley Expansion Project and associated Land Releases.

Other regional roles include membership of a range of Regional Planning processes, Chairman Kimberley Workforce Development Alliance and Chairman or member of various regional steering and coordinating groups.

In the last year, as a Member of the Regional Development Portfolio Reform Governance Group, he has contributed to the development of the new, Statewide Regional Development Strategy and Policy framework which will underpin enhanced, portfolio collaboration and regional development outcomes across Western Australia.

Advisory Committees

The Board is empowered to appoint advisory committees to assist in providing specialist advice to the Board. These committees which are established on a needs basis, currently include the Risk Management and Audit Sub-Committee and the Kimberley Aviation Tourism Development Committee.

Senior Officers

Mr Jeff Gooding, PSM, Chief Executive

Mr Gooding has a background in planning and extensive regional development and leadership experience gained through the WA Public Sector, involvement with regional industry and community.

Mr Tim Bray, Director, Regional Planning & Projects Delivery

Mr Bray, BSc. B Comm (Hons) has extensive experience in business, finance, and project management in the private sector. He has worked in regional development in the Kimberley for eight years.

Legislation impacting on the Commission's Activities

In performing its regional development function, the Commission has complied with the following legislation:

- *Regional Development Commissions Act 1993*
- *Financial Management Act 2006*
- *Auditor General Act 2003*
- *Royalties for Regions Act 2009*
- *Contaminated Sites Act 2003*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Freedom of Information Act 1992*
- *Fringe Benefits Tax Act 1986*
- *Government Employees Housing Act 1964*
- *Government Employees Superannuation Act 1987*
- *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*
- *State Supply Commission Act 1991*
- *Workers Compensation and Injury Management Act 1981*
- *Legal Deposit Act 2012*

The Commission also exercises controls which provide reasonable assurance that the receipt, expenditure and investment of monies, the acquisition and disposal of public property and incurring of liabilities are in accordance with legislative provisions.

At the date of signing this Annual Report, the Commission is not aware of any circumstances that would render the particulars included in this statement misleading or inaccurate.

Performance Management Framework

Outcome Based Management Framework

The Commission's Performance Management Framework comprises its Statutory Objectives described in the *Regional Development Commissions Act 1993* and outlined earlier, the Government of Western Australia's Goals and the Resource Agreement signed by the Minister for Regional Development, the Treasurer and the Commission's Accountable Authority, described below:

Government's Goals

- **Results-based Service Delivery** - Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.
- **Financial and Economic Responsibility** - Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.
- **Social and Environmental Responsibility** - Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.
- **Stronger Focus on the Regions** - Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.
- **State Building – Major Projects** - Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development.

Resource Agreement

The Commission's Resource Agreement provides the basis for the Commission's, budget appropriation, operations and reporting to government. It establishes agreed targets for efficiency and effectiveness and two high level services/result areas:

Desired Outcome

An environment conducive to the balanced economic and social development of the Kimberley region.



Service 1

The Commission will provide effective regional development policies and strategies together with accurate and accessible information on the region to facilitate and support the economic and social development of the region.

Service 2

The Commission will identify, coordinate and promote through its major strategies the establishment, improvement and diversification of the region's infrastructure, industries and enterprises.

Strategic Planning

The State Government's recently released Regional Development Strategy and the Blueprint with its aspirational targets for the Kimberley, provide an advanced focus for the Commission's operations. Importantly, both documents will assist the Commission better meet its Statutory responsibilities and the Government Goals and realise enhanced outcomes for the Kimberley and the State.

Complementing these overarching documents, the Commission's Strategic Plan describes the Commission's:

- Corporate Intent;
- Vision for the region; and
- Major Strategies identified to address regional growth, diversity and regional investment and contribute to Service 1 and 2 implementation.

Corporate Intent

The Commission's Corporate Intent comprises its strong and unified Vision, Mission and Strategy:

Kimberley Development Commission Vision

The Kimberley aspires to a long-term future transformed into one of the world's most successful and sustainable regions. The hallmarks of the success will be:

People – a well-housed, highly educated and healthy people enjoying high amenity in sustainable communities.

Place – a place with outstanding infrastructure, services and governance set within a well-conserved and iconic natural environment.

Prosperity – shared prosperity arising from the success of the region's main drivers of economic opportunity; Agriculture, Rangeland Industries, Tourism, Minerals & energy.

Kimberley Development Commission Mission

Understanding the Region's development needs - connecting, influencing and coordinating to deliver strategic regional development outcomes.

Kimberley Development Commission Strategy

The Commission has identified six primary Strategic Directions targeting key regional development objectives in the Kimberley. A seventh Strategic Direction focuses on building the organisational capability of the Kimberley Development Commission. This enhanced organisational capability will be structured to support the disciplined operating model outlined in its Mission and Overarching strategies:

- Regional Planning and Development Priorities
- Enabling Industry and Infrastructure
- People Capacity & Capability Building
- Aboriginal Participation
- Housing for Regional Development
- Growth Centres
- Organisational Capability

Changes to Outcome Based Management Framework

The Commission's Outcome Based Management Framework has not changed in 2015/2016.

Shared Responsibilities with Other Agencies

In accordance with the *Regional Development Commissions Act 1993 Part 2 Division 2 section 23 clause (1) (e)* the Commission has responsibilities: "to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area".

This year, to contribute to the State's Regional Development Portfolio Reforms, the recently released Regional Development Strategy and the targets identified in the Blueprint, the Commission has worked collaboratively with regional stakeholders and shared responsibilities with a range of Government Agencies, for example:

- the Chairman and Senior Staff have participated extensively in the Regional Development Portfolio Reforms contributing to the development of the Regional Development Strategy and associated Policy Suite; the approach to establishing a pipeline of major regional projects for Royalties for Regions funding; a new Portfolio Operating Model and the internal review of the Regional Development Council;
- engaging through a formal partnership with LandCorp and the Shire of Broome to progress planning for Broome as a regional growth centre;
- partnering the Department of Housing in the implementation of the West Kimberley Transitional Housing project to incentivise Aboriginal employment and education and provide Aboriginal people with a pathway to home ownership and private rental;
- partnering the Department of Regional Development to undertake a regional audit of Agricultural Infrastructure;
- participating in the "Aging in the Bush" initiative lead by the Wheatbelt Development Commission in partnership with the Department of Health, Regional Development Council and other Regional Development Commissions;
- partnering the Department of Agriculture and Food WA to facilitate Kimberley participation in the WA Signature Dish competition.

2 Agency Performance

This section summarises the Commission's major achievements and highlights in 2015/2016 against its Resource Agreement, Budget Statements, the five Government Goals, the seven strategic areas identified in its Corporate Intent and the six Agendas prioritised in the Blueprint.

Report on Operations

A major highlight and achievement this year for the Commission, has been the completion and official release by the Minister for Regional Development of "2036 and Beyond: A Regional Blueprint for the Kimberley". The Blueprint is an overarching regional planning document that is now guiding regional development in the Kimberley using an evidence based approach to meeting aspirational regional targets. Key Performance Indicators are incorporated into the Blueprint and nineteen expert position papers describe the broader operating environment.

This section is a report against the Commission's progress against the five Government Goals and the six Agendas (target areas) in the Blueprint also summarised in Table A on the next page.

Achievement Area	Service Areas 1 & 2		Government Goals					
	Regional Development Policies, Strategies & Information	Diversification of Industries & Infrastructure	Results Based Service Delivery	Financial & Economic Responsibility	Social & Environmental Responsibility	Stronger Focus on the Regions	State Building – Major Projects	
Regional Leadership & Development Readiness	✓	✓	✓	✓	✓	✓	✓	
Enhancing the Capability of the Service Sector	✓	✓	✓	✓	✓	✓	✓	
Aboriginal Advancement	✓	✓	✓	✓	✓	✓	✓	
Industry & Resources Development	✓	✓	✓	✓	✓	✓	✓	
Developing our Regional Centres	✓	✓	✓	✓	✓	✓	✓	
Infrastructure for Driving Growth	✓	✓	✓	✓	✓	✓	✓	

Table A - The Commission's Achievements in 2015/2016 against the six Blueprint Agendas to transform the Kimberley matched against its Service Areas & Government Goals

Kimberley Regional Investment Blueprint

Sitting beneath and complementing the recently launched Regional Development Strategy, Regional Investment Blueprints are regionally developed economic plans prepared by each Regional Development Commission in partnership with its regional stakeholders to guide investment, particularly Royalties for Regions investment, in each of the State's nine regions.

"2036 and Beyond: A Regional Investment Blueprint for the Kimberley" is the Commission's primary planning tool for the long term economic development of the Kimberley. The Blueprint is an 'aspirational' plan that sets out a vision and key goals for the development of the Kimberley. It establishes the strategic direction that sits behind the regional development agenda including a rigorous requirement for evidence based decision making, mandatory targets and measures for each investment and an over-arching focus on sustainable benefit for the region.

After a period of public comment, the final version of the "2036 and Beyond: A Regional Blueprint for the Kimberley" (Blueprint) was approved by the Minister for Regional Development on 2 August 2015, noted by the West Australian Planning Commission on 29 September 2015 and launched by the Minister on 20 May 2016.

The launch was attended by key stakeholders across the community, industry and government sectors. The launch reaffirmed the regional commitment to the shared ownership of the Blueprint, representing a key aspect of Blueprint implementation.

The Minister for Regional Development and the Department of Regional Development have continued to drive and emphasise the central role of the nine Blueprints in regional development. The requirement for future Royalties for Regions proposals to be able to prove strategic alignment with the Blueprint and for that alignment to be an important and advantageous component of all other investment 'business cases' has now been soundly embedded.

The Commission and its partners have already commenced implementation with significant engagements or projects underway, nearing completion or in the advanced stages of planning in the following areas:

- Housing, particularly innovative Aboriginal housing;
- Foundational improvements to education;
- Broome as a Regional Growth Centre;
- Tourism; and
- Agriculture.

Further projects will follow until there is the required activity in every key area identified in the Blueprint.

Strategic Projects

Throughout the year, the Commission has committed significant time and resources to progressing the conceptualisation and design of major strategic projects consistent with the Blueprint.

Two priority strategic projects in Housing and Education, have been developed through a comprehensive collaborative process with stakeholders. With early Ministerial support, both, have progressed successfully through the Royalties for Regions strategic project assessment process and approved by Cabinet for funding.

The establishment of the Regional Services Reform Unit (RSRU) in the Department of Regional Development in October 2015, provided the vehicle in which both major projects could be refined and will be implemented in partnership with the Commission.

The Strategic Housing Initiative – North West Aboriginal Housing Fund (\$200 million) is a significant expansion of the existing Transitional Housing model that operates in both the East and West Kimberley that incentivises employment and enables people to move through the housing continuum from social housing and eventually to private housing options including rental and home ownership. The project is highly scalable and will be implemented in the Kimberley and Pilbara.

A project of this scale facilitates the Commission's long held ambition to leverage home ownership initiatives into transformational apprenticeship and education outcomes and meaningful capacity building in the supporting industries, especially the pivotal local construction industry. This project represents a central implementation plank of the Blueprint that with early funding is expected to create development momentum.

The Kimberley Schools Initiative (\$25 million Royalties for Regions) developed in partnership with WA State Education, Catholic Education, the Association of Independent Schools WA and other key stakeholders, will support the first three years of a ten year program to lift attainment, attendance and achievement rates, in at least twenty schools in the Kimberley that will voluntarily participate in the project. The project involves enhanced evidence based teaching methods, support for greater engagement and participation from communities in their Schools and for teaching staff. The project aims to have transformational inter-generational social and economic benefits for the region leading to improved economic and social outcomes for Aboriginal people.

Additional Strategic Projects are currently being conceptualised and developed in the areas of agriculture and tourism in partnership with key stakeholders whilst the other areas will be developed in due course in consultation with relevant specialists and the Commission's Board.

Regional Modelling Project

The Kimberley Development Commission has partnered with Curtin University and the ALCES team in Canada to develop a dynamic cloud based simulation engine that combines over 1,500 public databases covering the natural and built environment as well as most socio-economic factors including population demographics.

Although developed specifically for the Kimberley region at 1 kilometre to 250 metre resolution, ALCES contains these data sets across the entire state at various levels of granularity. This enables complex and dynamic simulations of almost any development scenario in an effective real time environment with sensitivity modelling capabilities in Business Case scenario modelling, risk mitigation and outcome tracking for the State's investments in policy, services and infrastructure.

ALCES was chosen for its ability to view the cumulative effects of regional development in the context of the Blueprint's triple bottom line – people, place and prosperity. The Commission is currently using the model in three ways.

The model is being used in the development of the Broome Growth Centre Plan and has become the vehicle in which future development scenarios are being explored, analysed and compared. The Geographic Information System (GIS) component of the model is also being used in the infrastructure audit of Broome to inform the Plan by identifying the existing infrastructure, location and size of infrastructure in Broome.

Secondly, the model has been used in simulating potential projects and measuring the outcomes of these projects against the Blueprint's objectives and targets. This allows the Commission to innovatively assess future changes in social, economic, and ecological indicators from 2010 to 2060.

Thirdly, the Commission has also been focussing on using the model to track the region's employment levels, expenditures, royalties and indirect economic benefits over time and from particular events. This capability allows the Commission to track the progress of the region against the goals and targets of the Blueprint.

The Commission has invested resources in the model to assist it in making more informed decisions in the future and ensure the greatest benefits to stakeholders. The Commission is hoping to expand the use of the model in 2016-17 to assist regional stakeholders in reviewing and developing projects that align with the Blueprint.

Royalties for Regions Program

The Royalties for Regions program established in 2008, is a Western Australian Government legislated by the *Royalties for Regions Act 2009* that re-invests 25% (or up to a maximum of \$1 billion per annum) of the royalties collected from Western Australian mining and resource operations in the regional and remote areas of the State. Royalties for Regions focuses on delivering six regional objectives:

- Building capacity in regional communities;
- Retaining benefits in regional communities;
- Improving services to regional communities;
- Attaining sustainability;
- Expanding opportunity; and
- Growing prosperity.

In 2015/2016 the Commission facilitated and administered two Royalties for Regions regional grants schemes:

- the Kimberley Regional Grants Scheme (KRGS); and
- the Kimberley Community Chest Fund (KCCF).

The Commission works to leverage funds with project contributions from other public and private sector stakeholders to maximise the level of resources available to projects. Projects are aligned with one or more of the six Royalties for Regions objectives in addition to, in respect of the Kimberley, the strategic priorities of the Blueprint.

In addition to working with existing successful proponents of the 2014/2015 KRGS and KCCF rounds to deliver and implement funded projects, the Commission has successfully advertised the 2016/2017 rounds of KRGS and KCCF and forwarded the Board's recommendations to the Minister. At the time of this report, successful applicants were being announced.

Kimberley Regional Grants Scheme 2014/2015

Examples of the projects supported through the KRGS include:

Development of Fitzroy Valley Men's Shed

Gurama Yani U Inc. received funding of \$72,350 for the purchase of a Boom Lift elevated work platform for demolition and minor building works in the Fitzroy Valley to enhance skills development and replace the need to hire equipment.

Halls Creek Cultural Facility Infrastructure Project

The Yarliyil Art Centre was provided with \$200,000 towards the construction of a driveway and access path, parking bays, caravan and camper parking, loading bay, firepit and landscaping to complete the new Royalties for Regions funded Halls Creek Art, Craft and Cultural Centre; a major socio-economic initiative for Halls Creek.

Digital Training Program

Warmun Art Aboriginal Corporation has funding of \$123,300 to build digital media capacity in four of the main Kimberley Art Centres: Waringarri, Warmun, Mangkaja, and Mowanjum. The program is increasing capacity in art and cultural archives in addition to supporting other disciplines, such as health and education.

Derby Heritage Trail

The Shire of Derby received funding of \$149,642 for the development of a 15 kilometre interpretive heritage trail and 'pedestrian safe' area to link the Derby township to the wharf. The trail will increase tourism activity in Derby and improve access, amenity and safety around the wharf/industrial area.

Kununurra Early Childhood Education and Care Strategy

The Ewin Early Learning Centre received funding of \$20,000 to enhance child care in Kununurra to prepare a "Kununurra Early Childhood Education and Care Development Strategy" to inform and prioritise future projects to meet growing demand.

Kimberley Regional Grants Scheme 2016/2017

The fifth round of the Kimberley Regional Grants Scheme closed on 17 March 2016. Funding amounts were from \$50,001 to \$300,000. Forty-two applications were received by the closing date with \$7,180,464 requested from the grants scheme and totalling \$14,152,445 in project costs. Successful proponents will be advised and funds made available in 2016/2017.

Kimberley Community Chest Fund 2014/2015

Examples of the projects supported through the KCCF include:

Miriwoong Knowledge Cycle

The Mirima Council was provided \$19,500 to undertake 30 audio recordings with a Miriwoong language speaker, 2 linguistic-cultural research field trips, 1-2 language development workshops as well as develop a language learning resource. The project preserves, develops and teaches the Miriwoong language to younger generations to ensure culture and stories can be passed on.

Facility Infrastructure Upgrades

The Shire of Halls Creek received \$16,532 to place nine sets of Zebra Rocks at a variety of popular locations around the Halls Creek, each set is designed to be used as three seats, or two seats and a picnic table. These sets will provide enhanced amenities and improved experience for locals and visitors.

'Designing Our Future' Designer in Residence Program

The Marninwarntikura Fitzroy Women's Resource Centre received funding of \$19,866 to conduct a professional Designer in Residence program to educate, train and develop local artists in saleable product design and production for Aboriginal women of the Fitzroy Valley. The project forms part of a broader social enterprise program that aims to strengthen the skill sets and employment opportunities of local artisans.

Kitchen and Canteen Upgrade

The Broome Youth & Families Hub received funding of \$20,000 to assist in the upgrade of its kitchen and canteen facility. The Hub provides a range of proactive services to local Aboriginal Youth and Families and uses the kitchen/canteen to provide skills development, engage and educate young people and families around food, health, and finances.

Kimberley Community Chest Fund 2016/2017

The Kimberley Community Chest Fund also closed on 17 March 2016 with funding amounts of up to \$50,000. Thirty-eight applications were received seeking a total of \$1,259,576 with total project costs of \$5,904,619. Successful proponents will be advised and funds made available in 2016/2017.

Kimberley Regional Development Scheme Funding

In addition to the contribution of Royalties for Regions towards important regional projects, the Commission also provides small amounts of funds through its residual Kimberley Regional Development Scheme. Funding is used, accordingly to policy, to fund projects that contribute towards achieving the objectives of the Scheme. In 2015/2016 the following funds were allocated.

Proponent	Project Title	Grant
Yarliyil Art Centre	Financial Sustainability and Business Planning	\$19,120
Department of Agriculture and Food WA	WA Signature Dish 2016	\$10,000
Wunan Foundation	East Kimberley Aboriginal Achievement Awards 2015	\$10,000
East Kimberley Marketing Group	Market Analysis 2016	\$7,100

Alternative Royalties for Regions funded Aboriginal Housing Projects

Since 2010, the Commission has developed a series of scalable, flexible, alternative Aboriginal housing programs designed to provide Aboriginal families in employment with aspirational housing and a pathway to home ownership.

West Kimberley Transitional Housing Project

The West Kimberley Transitional Housing Project (WKTHP) is an innovative joint undertaking between the Commission and the Department of Housing. It builds on the experiences gathered in the East Kimberley Transitional Housing project with Wunan (with both programs including wrap around support services), the Commission's Kimberley Aboriginal Community Housing Project and the Yawuru Home Ownership Program. The construction of 40 houses in Broome and 20 in Derby is almost complete with more than two thirds of the houses completed and occupied at the time of this report.

The WKTHP program has been an important progression in the Commission's development of holistic housing projects, is a major Blueprint implementation

strategy and is also providing considerable input into the Commission's next large scale alternative housing project.

Immediate benefits of the project, outside of the obvious employment and housing metrics have become apparent, including widespread support of the construction industry (all construction was awarded to local companies under competitive tender) and significant school attendance results.

Yawuru Home Ownership Scheme

The Yawuru Housing Pilot Project or Yawuru Home Ownership Project (YHOP) was conceptualised by the Commission and Nyambu Buru Yawuru Ltd (NBY) in 2014 and was completed in 2016. The Project delivered eight affordable houses for young Yawuru first home owners in Broome.

Each purchaser contributed 50 per cent of the house equity through access to Keystart mortgages with NBY contributing the other 50 per cent of the equity. The purchasers have the option to purchase the remaining 50 per cent from NBY over time. This was innovative for the Government as it was the first time Keystart had extended its operations to allow the equity to be retained by a non-government body. Any returns from the project are to be re-invested into additional affordable houses for Yawuru people.

Kimberley Aboriginal Community Housing Project

This initiative was the first alternative Aboriginal housing model developed and piloted by the Commission with a State Government allocation of \$15 million from the 2009/2010 Royalties for Regions budget.

Key attributes of this \$15 million project designed by the Commission and implemented in partnership with three host organisations are that:

- the housing would be made available for rental or home ownership to Aboriginal people in employment for 25 years, to incentivise Aboriginal employment;
- the host organisations provided the land;
- the funding was made available to the Commission through the Royalties for Regions program and subsequently to the host organisations through grant agreements;
- after 25 years, the housing would become unconditional property of the host organisations.

Thirty-five of the thirty-seven well appointed project houses are now complete and occupied. The last two are expected to be completed this year.

Other Achievements

Examples of the Commission's other achievements in 2015/2016 are provided for the first time under the headings of the six priority Blueprint Agendas which are designed to transform the Kimberley.

Regional Leadership & Development Readiness

To position the Kimberley and regional Western Australia to obtain maximum benefit from the Royalties for Regions fund, the Commission has played a key leadership role in the Regional Development Portfolio Reform process. The Chief Executive has provided significant input through Membership of the Regional Governance Group into the development of the Regional Development (RD) Strategy, associated Policy Suite and the mechanism for ensuring a Pipeline of major regional projects are progressively positioned for Royalties for Regions funding. Two Senior staff have also provided input into the latter and the new Portfolio Operating Model.

Concurrently, the Commission has built leadership and development capacity:

- across the Kimberley through the collaborative process to develop the Blueprint that sits with the other eight Regional Investment Blueprints beneath the RD Strategy; and
- within the Commission through broadening and sharpening the skills mix of its already experienced staff.

Enhancing the Capability Services Sector

Consistent with the Regional Development Strategy and the Blueprint, the Commission has this year, focussed on conceptualising and developing major projects that offer transformational outcomes for the Kimberley and will better enable the region to realise its potential.

The Regional Modelling project referred to in the Report on Operations will provide the evidence base to ensure regional decision making and project selection is based on sound reasoning. The modelling will also assist in the development of performance indicators and project evaluation.

Critical progress has been made this year in working with stakeholders to design and progress priority Strategic Projects in Housing and Education.

These priority projects will potentially underpin Government policy change and are designed to ensure that Kimberley people have the same opportunities to access housing and education that will in turn improve their employability and participation in the mainstream Kimberley economy.

Aboriginal Advancement

The Commission is committed to enhancing the prospects for the entire Kimberley community. To attain this, a range of initiatives have aimed to support Aboriginal people, who comprise 46% of the region's population, to achieve enhanced socio-economic outcomes have been progressed.

Ongoing and regular liaison with Traditional Owners has been important in this work and is exemplified by the Commission's work with the East Kimberley Empowered Communities group, that seeks to improve Aboriginal outcomes through Aboriginal leadership in service delivery.

The State Government Regional Services Reforms are initially being rolled out in the Kimberley and Pilbara; the regions that have the greatest Aboriginal populations. To support this work the Commission has entered into a collocation arrangement with the RSRU and is providing a regional perspective.

Through a range of direct and indirect initiatives, in addition to the high level Strategic Housing and Education projects which the Commission has conceptualised, it has also worked to support Aboriginal people and organisations build capacity in governance. This has included; providing support and advice to Aboriginal leaders and supporting projects that offer to enhance governance through the Kimberley Regional Grants Scheme and Kimberley Community Chest Fund.

Examples of more locally specific, much needed projects that will enhance Aboriginal people's lives where the Commission has facilitated progress and funding include: the development of the Broome Short Stay Accommodation Facility which will be constructed in 2016/2017 and the completion of the Yarliyil Art Centre, Halls Creek.

Industry and Resources Development

Establishing an operating environment that is conducive to private sector investment is an imperative for establishing economic opportunities for the Kimberley community. The Commission provides a broad role in establishing a platform for private sector investment to reduce investment risk, promote opportunities, match local businesses to major projects, provide liaison between the three levels of government, support and initiate regional planning, building regional relationships, promoting the benefits of supporting an increasingly skilled local labour force and promote enabling infrastructure to stimulate the regional economy.

The Commission has specifically been active in:

- supporting the development of new irrigated agricultural land across the region;
- land use planning and Native Title initiatives associated with Ord Stage 3 development into the Northern Territory, in accordance with a Memorandum of Understanding between the WA State, Northern Territory and Commonwealth Governments;
- providing a regional perspective and information to major industry proponents;
- promoting collaboration in the Kimberley tourism industry;

- actively participating in the regional Chambers of Commerce initiatives, for example the Kimberley Economic Forum, to promote local business opportunities; and
- maintaining close relationships with the resources sector during a period of commodity price uncertainty.

Developing our Regional Centres

The Commission has played a key role in establishing and implementing the State Royalties for Regions funded Regional Centres Development Plan (RCDP) initiative in the Kimberley.

Through a partnership between the Commission, LandCorp, the Department of Planning, the Department of Regional Development, Nyamba Buru Yawuru Inc. and the Shire of Broome the Broome Regional Growth Plan has been progressed with anticipated completion in early 2016/2017. This plan aims to bring sustainable, long-term growth to Broome and the broader Kimberley by stimulating investment and innovation. The Plan will align local land-use planning with broader State Government policy direction, build economic capacity and support employment growth and social amenity for a growing population. A complementary component of the Broome Growth Plan is the implementation of the Revitalization of Chinatown in Broome. This project will commence implementation in 2016/2017 and will benefit community and visitor amenity.

The Commission is also at the preliminary stage of working with partners to develop a Kununurra Regional Plan in 2016/2017. The development of this plan will draw upon the experience gained in Broome to draw together key stakeholders to further stimulate Kununurra as a hub for business, community and essential services in the East Kimberley.

Infrastructure for Driving Growth

Improvements to regional social and economic prosperity rely heavily on well considered investments in enabling infrastructure. The Commission has worked with a range of key stakeholders to develop evidence-based approach to developing common user and social infrastructure, examine options for public private partnerships and establish rigor to governance and regional decision making.

During 2015/2016, the Commission facilitated a broad range of regional infrastructure projects including:

- the West Kimberley Transitional Housing Project;
- the Relocation of Broome Airport;
- the Broome Boating Facilities;
- the Broome Short Stay Accommodation Facility;
- the Chinatown Revitalisation Program.

Actual Results versus Budget Targets

Financial Targets

	2015/16 Target (1) \$000	2015/16 Actual \$000	Variation (2)
Total Cost of Services (expense limit) (sourced from Statement of Comprehensive Income)	3,764	3,413	(351) (a)
Net Cost of Services (sourced from Statement of Comprehensive Income)	3,742	3,397	(345) (b)
Total Equity (sourced from Statement of Financial Position)	1,305	1,445	140 (c)
Net increase / (decrease) in cash held	(772)	(892)	(120) (d)
Approved salary expense level	1,078	930	(148) (e)

(1) As specified in the Budget Statements.

(2) Further explanations are contained in Note 27 'Explanatory statement' to the financial statements.

- (a) The decrease in the 2015-16 actual Total cost of services compared to the 2015-16 target (\$0.35 million) is predominantly due to a reduction in employee expenses (\$0.24 million) as a result of the Commission's lower number of full time equivalents employed during the financial year.
- (b) The decrease in the 2015-16 actual Net cost of services (\$0.35 million) is primarily attributed to a decrease in employee expense.
- (c) The variation of (\$0.14 million) between the target and actual in Total Equity is attributed to a carryover of Royalties for Regions funding and a decrease in employee provisions resulting from a lower number of full time equivalents being employed during the year.
- (d) The variation of (\$0.12 million) in Net increase/(decrease) in cash held is primarily due to use carryover Royalties for Regions funds from 2014-15 in the 2015-16 financial year.
- (e) The variation of (\$0.15 million) between the target and actual in the approved salary expense level is due to a reduction in the number of full time equivalents employed during the year.

Financial Targets

	2015/16 Agreed Limit \$000	2015/16 Target (1) / Actual (2) \$000	Variation (2). \$000
Agreed Working Cash Limit (at Budget)	190	197	(7)
Agreed Working Cash Limit (at Actuals)	185	1,263 (f)	1,078 (g)

- (f) The actual operating working cash held totals \$1.26 million. Specific purpose monies of \$0.49 million were also held by the Commission.
- (g) The variation of \$1.078 million is predominately due to consolidated funding of \$0.93 million held at the Commission.

3 Significant Issues Impacting the Commission

Current and Emerging Issues and Trends

Significant issues impacting on the Commission and highlighted in the State Budget for 2016/2017 include:

- **Regional Planning and Development Priorities** – the Commission has completed “2036 and Beyond: A Regional Investment Blueprint for the Kimberley” following Ministerial approval and noting by the Western Australian Planning Commission. The Blueprint is a pivotal guide for regional development in the Kimberley over the long term. It is currently being used to design, advance and implement, evidence based, transformational projects in pursuit of the Regional vision, goals and targets expressed in the Blueprint. It continues to play an important role in directing strategic planning, project development and regional investment.
- **Enabling Industry and Infrastructure** – timely and strategic investment in regional infrastructure consistent with the strategic direction of the Blueprint is required to realise the potential of the region’s main industries; agriculture, resources and tourism and facilitate business and industry diversification for the benefit of the region and the State.
- **People and Capacity Building** – the Kimberley cross-cultural population has a median age of 30 compared to that of the State of 34. However, it is under skilled and requires enhanced inputs and outcomes in education and employment with sharp concentrations in poor outcomes for Aboriginal people. Sustained incremental improvement is required to facilitate the subsequent economic development of the region.
- **Aboriginal Participation** – Aboriginal people comprise 44% of the Kimberley population. Their quality of life and participation in the mainstream economy is challenged by a wide range of socio-economic issues. Long term strategies that involve Aboriginal leadership and responsibility and replace welfare dependency with Aboriginal achievement are required.
- **Housing for Regional Development** – the region’s young cross-cultural population requires an adequate stock of affordable sustainable housing to attract and retain skilled people in the region and provide regional people with equitable opportunities to remain employed and in the mainstream economy.
- **Growth Centres** – long term and flexible investment is required to realise the potential of the Kimberley and its growth centres and position the entire region as a cornerstone of overseas trade. Growth Centre planning is underway for Broome and will commence for Kununurra in the near term to facilitate broader Kimberley regional growth from investment.

Economic and Social Trends

- The Kimberley region is well placed to undertake long-term planning for a larger population that is underpinned by economic opportunities and attractive lifestyles.
- The region's population of 38,800 people is spread across 420,000 square kilometres. The region's remoteness and dispersed population is a distinguishing feature that is prominent in attracting tourism, maintaining a strong Aboriginal identity, generating innovation and supporting a unique lifestyle experience.
- Aboriginal people in the Kimberley comprise 46% of the total population.
- The region has a low median age and a high available labour force that provide opportunities for economic and social development. However, the region's high unemployment rate provides an imperative for developing transformational change in the region to contribute towards enhancing lifestyles and stimulating the regional economy.
- The Kimberley's Gross Regional Product has grown by an average 9 per cent per annum over the previous ten years and in 2014/2015 was \$3.3 billion.
- Low commodity prices challenge the region, as they do the State, to adapt to developing a diversified economy that capitalises on the region's comparative advantages.
- Tourism continues to be an important component of the Kimberley economy. Low fuel prices have enhanced visitor numbers through the drive market and the region is becoming increasingly attractive for the cruise ship industry.
- Expansion of agricultural activity in both the East and West Kimberley to capitalise on the region's unique environmental characteristics, including water availability, is a driver of regional growth.
- Higher cattle prices through 2015/2016 have increased opportunities in the pastoral industry to support economic opportunities across the region.
- The Blueprint identifies four challenges to economic and social advancements in the Kimberley: low levels of affordable and accessible housing and land; educational attainment; health and wellbeing governance infrastructure and services.
- Capitalising on regional comparative advantages and addressing the challenges for advancement provide the focus for the Commission's strategic activities.

Changes in Written Law

There have been no changes to written law in 2015/2016 that impact significantly on the Commission.

Likely Developments and Forecast Results of Operations

For the Commission, 2015/2016 was characterised by its role in the State Regional Development Portfolio Reforms; the development of the State Regional Development Strategy and the release of “2036 and Beyond, A Regional Investment Blueprint for the Kimberley”; three high level initiatives that will underpin and guide its outcome based work in the Kimberley in 2015/2016 and into the future.

Concurrently to these initiatives, the Commission:

- provided a regional perspective to the State’s Regional Services Reforms which are being progressed initially in the Kimberley and Pilbara; and
- conceptualised and progressed the design of two major strategic projects in Housing and Education in collaboration with the Regional Services Reform Unit. Both projects are evidence based and respectively focus on transforming education, employment and housing outcomes for Aboriginal people in the Kimberley with a view to benefitting the entire regional community.

At the time of this report, on 14 July 2016, the Minister for Regional Development announced the Regional Services Reform Road Map which included substantial funding commitments for the implementation of the Strategic Housing project of \$200 million for transitional housing construction in the Kimberley and Pilbara and the Strategic Education project of \$25 million, focussing on the Kimberley.

This focussed regional development framework and two initial major achievements will influence the Commission’s work in 2016/2017 that is expected to include:

- a continued leadership contribution to the Regional Development Portfolio and the implementation of the Regional Development Strategy;
- significant work in partnership with the Regional Services Reform Unit and Housing and Education stakeholders to implement the Strategic Housing and Education projects in the Kimberley;
- progressive conceptualisation and development of a pipeline of Strategic Projects with regional partners and potentially other regions, in agriculture, tourism and health;
- further intensive partnership work on regional centre development planning (RCDP) in Broome and potentially Kununurra; and
- further development of the scalable regional modelling project in partnership with Curtin University and a Canadian company that is being piloted in the Kimberley and provides the evidence base for Blueprint implementation and which has the potential to be of value to the whole of Western Australia.

4 Disclosures and Legal Compliance

Opinion of the Auditor General

(Financial Statements and Key Performance Indicators)



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

KIMBERLEY DEVELOPMENT COMMISSION

Report on the Financial Statements

I have audited the accounts and financial statements of the Kimberley Development Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2016, 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.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Kimberley Development Commission at 30 June 2016 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.

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 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 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.

Report on Controls

I have audited the controls exercised by the Kimberley Development Commission during the year ended 30 June 2016.

Controls exercised by the Kimberley Development 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.

Opinion

In my opinion, in all material respects, the controls exercised by the Kimberley Development 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 2016.

Commission's Responsibility for Controls

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

Auditor's Responsibility for the Audit of Controls

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

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

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

Report on the Key Performance Indicators

I have audited the key performance indicators of the Kimberley Development Commission for the year ended 30 June 2016.

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

Opinion

In my opinion, in all material respects, the key performance indicators of the Kimberley Development 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 2016.

Commission's Responsibility for the Key Performance Indicators

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

Auditor's Responsibility for the Audit of Key Performance Indicators

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

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

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

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Kimberley Development Commission for the year ended 30 June 2016 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
12 September 2016

Financial Statements

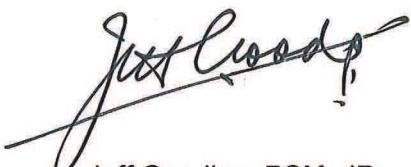
KIMBERLEY DEVELOPMENT COMMISSION CERTIFICATION OF FINANCIAL STATEMENTS For the year ended 30 June 2016

The accompanying financial statements of the Kimberley Development 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 2016 and the financial position as at 30 June 2016.

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



Mr Michael McConachy
Chairperson
Kimberley Development Commission
Date: 6 September 2016



Jeff Gooding, PSM, JP
Chief Executive
Kimberley Development Commission
Date: 6 September 2016



Cameron Patterson
A/Chief Finance Officer
Kimberley Development Commission
Date: 6 September 2016

Statement of Comprehensive Income
For the year ended 30 June 2016

	Note	2016	2015
		\$	\$
COST OF SERVICES			
Expenses			
Employee benefits expense	6.	1,286,219	1,242,247
Supplies and services	7.	494,458	480,622
Depreciation and amortisation expense	8.	14,493	32,283
Accommodation expenses	9.	259,532	271,832
Grants and subsidies	10.	1,136,969	1,425,845
Administration expenses	11.	221,205	287,193
Total cost of services		3,412,876	3,740,022
Income			
<i>Revenue</i>			
Other revenue	12.	16,143	67,648
Total Revenue		16,143	67,648
Total income other than income from State Government		16,143	67,648
NET COST OF SERVICES		3,396,733	3,672,374
Income from State Government			
Service appropriation	13.	263,000	258,000
Services received free of charge		18,484	17,015
Royalties for Regions - operational funding		1,841,000	1,966,000
Royalties for Regions - grants & other funding		571,204	1,491,157
Total income from State Government		2,693,688	3,732,172
SURPLUS/(DEFICIT) FOR THE PERIOD		(703,045)	59,798
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(703,045)	59,798

See also note 33 'Schedule of Income and Expenses by Service'.

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

Statement of Financial Position
As at 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	23	938,181	938,182
Restricted cash and cash equivalents	14, 23	814,977	1,706,487
Receivables	15.	15,026	143,292
Other current assets	17.	16,533	7,882
Total Current Assets		1,784,717	2,795,843
Non-Current assets			
Amounts receivable for services	16.	39,000	39,000
Property, Plant and equipment	18.	51,562	60,243
Total Non-Current Assets		90,562	99,243
TOTAL ASSETS		1,875,279	2,895,086
LIABILITIES			
Current Liabilities			
Payables	20.	39,662	286,936
Provisions	21.	360,212	398,903
Total Current Liabilities		399,874	685,839
Non-Current Liabilities			
Provisions	21.	30,178	60,975
Total Non-Current Liabilities		30,178	60,975
TOTAL LIABILITIES		430,052	746,814
NET ASSETS		1,445,227	2,148,272
EQUITY			
Contributed equity	22.	145,000	145,000
Accumulated surplus		1,300,227	2,003,272
TOTAL EQUITY		1,445,227	2,148,272

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

Statement of Changes in Equity
For the year ended 30 June 2016

	Note	Contributed equity	Reserves	Accumulated surplus/(deficit)	Total equity
		\$	\$	\$	\$
Balance at 1 July 2014					
Surplus/(deficit)	22.	145,000	-	1,943,474	2,088,474
Total comprehensive income for the period		-	-	59,798	59,798
Balance at 30 June 2015				59,798	59,798
				145,000	2,003,272
					2,148,272
Balance at 1 July 2015					
Surplus/(deficit)		145,000	-	2,003,272	2,148,272
Total Comprehensive Income/(Loss) for the period		-	-	(703,045)	(703,045)
Balance at 30 June 2016				(703,045)	(703,045)
				145,000	1,300,227
					1,445,227

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 2016

	Note	2016	2015
		\$	\$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		263,000	258,000
Royalties for Regions Fund - operational funding		1,841,000	1,966,000
Royalties for Regions Fund - grants and other fundings		571,204	1,491,157
Net cash provided by State Government		2,675,204	3,715,157
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,383,654)	(1,165,159)
Supplies and services		(563,220)	(427,537)
Accommodation		(259,532)	(287,946)
Grants and subsidies		(1,274,637)	(1,293,177)
GST payments on purchases		(228,185)	(176,354)
Administration expenses		(221,205)	(283,986)
Receipts			
GST receipts on sales		1,696	24,662
GST receipts from taxation authority		308,460	44,589
Other receipts		59,374	71,496
Net cash provided by/(used in) operating activities	23	(3,560,903)	(3,493,412)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current asset		(5,812)	-
Net cash provided by/(used in) investing activities		(5,812)	-
Net increase/(decrease) in cash and cash equivalents		(891,511)	221,745
Cash and cash equivalents at the beginning of the period		2,644,669	2,422,924
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23	1,753,158	2,644,669

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

**Notes to the Financial Statements
For the year ended 30 June 2016**

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards 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*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2016.

Note 2. Summary of significant accounting policies

(a) General statement

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

The *Financial Management Act 2006* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

(b) Basis of preparation

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

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.

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

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

(c) Reporting entity

The reporting entity is the Kimberley Development 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:

Provision of services

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

Interest

Revenue is recognised as the interest accrues.

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the 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.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Commission. In accordance with the most recent determination, as quantified in the 2015-2016 Budget Statements, the Commission retained \$16,143 in 2016 (\$67,648 in 2015) from the following:

- proceeds from fees and charges;
- sale of goods;
- other Commission revenue.

Grants, donations, gifts and other non-reciprocal contributions

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

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

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Commission obtains control over the funds. The Commission obtains control of the funds at the time the funds are deposited into the Commission's bank account.

(f) Property, plant and equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

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

Subsequent measurement

Subsequent to initial recognition as an asset, property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Derecognition

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

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Office equipment	5 years
Computer hardware ^(a)	3 to 5 years
Office fit-out	10 to 25 years

(a) Software that is integral to the operation of related hardware

(g) Impairment of assets

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

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

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

(h) Leases

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

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(i) 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
 - Restricted cash and cash equivalents
 - Receivables
 - Amounts receivable for services
- Financial Liabilities
 - Payables

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

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

(j) Cash and cash equivalents

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

(k) Accrued salaries

Accrued salaries (see note 20 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See note 14 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(l) Amounts receivable for services (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.

(m) 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. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(n) Payables

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 settled within 30 days.

(o) Provisions

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

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

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

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Commission does not have an unconditional right to the defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Superannuation

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

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

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

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

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

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

Provisions – other

Employment on-costs

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

(p) Superannuation expense

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation fund. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(q) Assets and services received free of charge or for nominal cost

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

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

(r) Comparative figures

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

Note 3. Judgements made by management in applying accounting policies

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

Operating lease commitments

The Commission has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

Note 4. Key sources of estimation uncertainty

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

Long Service Leave

Several estimations and assumptions used in calculating the Commission's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Note 5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2015 that impacted on the Commission.

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

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

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

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

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

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

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 Authority. Where applicable, the Commission plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<i>Financial Instruments</i> This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments. The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i> . The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2018

		Operative for reporting periods beginning on/after
AASB 15	<i>Revenue from Contracts with Customers</i>	1 Jan 2018
	This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 16	<i>Leases</i>	1 Jan 2019
	This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 1057	<i>Application of Australian Accounting Standards</i>	1 Jan 2016
	This Standard lists the application paragraphs for each other Standard (and Interpretation). There is no financial impact on application of the Standard.	
AASB 2010-7	<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 Int 2, 5, 10, 12, 19 & 127]</i>	1 Jan 2018
	This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i>	1 Jan 2018
	Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Commission to determine the application or potential impact of the Standard.	
AASB 2014-3	<i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i>	1 Jan 2016
	The Commission establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.	

		Operative for reporting periods beginning on/after
AASB 2014-4	<i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i>	1 Jan 2016
	The adoption of this Standard has no financial impact for the Commission as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.	
AASB 2014-5	<i>Amendments to the Australian Accounting Standards arising from AASB 15</i>	1 Jan 2018
	This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1 Jan 2018
	This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 2014-9	<i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i>	1 Jan 2016
	This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 2014-10	<i>Amendments to Australian Accountings Standards - Sale or Contributions of Assets between and Investor and its Associate or Joint Venture [AASB 10& 128]</i>	1 Jan 2016
	This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Commission has not yet determined the application or the potential impact of the Standard.	

AASB 2015-1	<i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i>	1 Jan 2016
	These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. The Commission has determined that the application of the Standard has no financial impact.	
AASB 2015-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i>	1 Jan 2016
	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.	
AASB 2015-6	<i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i>	1 Jul 2016
	The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.	
AASB 2015-8	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2017
	This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Commission has not yet determined the application or the potential impact of AASB 15.	
AASB 2015-10	<i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 & 128</i>	1 Jan 2016
	This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. The Commission has not yet determined the application or the potential impact of AASB 2014-10.	

1 Jan 2017

AASB 2016-2	<i>Amendments to Australian Accounting Standards –Disclosure Initiative: Amendments to AASB 107</i>	
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This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.

AASB 2016-3	<i>Amendments to Australian Accounting Standards - Clarifications to AASB 15</i>	
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1 Jan 2018

This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a license, and, provides further transitional provisions to AASB 15. The Commission has not yet determined the application or potential impact.

Note 6. Employee benefits expense

	2016	2015
	\$	\$
Wages and salaries ^{(a) (c)}	967,252	958,158
Superannuation - defined contribution plans ^(b)	105,943	98,052
GROH rental expense	62,104	64,436
Staff travel expense	121,677	100,215
Other staffing costs ^(c)	29,243	21,386
	1,286,219	1,242,247

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State, GESB and other eligible funds.

(c) 'Wages and salaries' expense in 2015 has been restated to include the fringe benefits tax expense amount of \$35,030 which was previously reported in 'Other staffing costs'.

Employment on-costs expenses, such as workers' compensation insurance, are included at note 11 'Administration expenses'.

Employment on-costs liability is included at note 21 'Provisions'.

Note 7. Supplies and services

	2016	2015
	\$	\$
Communications	47,417	40,084
Consumables	42,312	49,984
Services & Contracts	404,729	390,554
	494,458	480,622

Note 8. Depreciation and amortisation expense

	2016	2015
	\$	\$
<u>Depreciation</u>		
Property, plant and equipment	14,493	32,283
	14,493	32,283

Note 9. Accommodation expenses

	2016	2015
	\$	\$
Lease rentals	222,490	218,827
Repairs and maintenance	3,860	20,044
Utilities	33,182	32,961
	259,532	271,832

Note 10. Grants and subsidies

	2016	2015
	\$	\$
Recurrent		
State Government	10,000	20,000
Local Government	111,174	95,000
Community	1,015,795	1,310,845
	1,136,969	1,425,845

Note 11. Administration expenses

	2016	2015
	\$	\$
Operating lease fleet vehicles		
Repairs and maintenance	27,216	18,047
Travel - non staff related	39,745	52,624
Audit fees	30,226	43,885
Insurances	51,230	60,048
Advertising	26,708	28,999
Other administration expenses ^(a)	15,204	31,780
	30,876	51,810
	221,205	287,193

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 21 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Note 12. Other revenue

	2016	2015
	\$	\$
Recoups of expenditure from various bodies		
Sundry Income	10,533	2,693
Other receipts	5,610	63,560
	-	1,395
	16,143	67,648

Note 13. Income from State Government

	2016	2015
	\$	\$
Appropriation received during the period:		
Service appropriation ^(a)	1,000	1,000
Salaries and Allowances Act 1975	262,000	257,000
	263,000	258,000
Resources received free of charge from other State government agencies during the period:		
Department of Finance - Office Accommodation	18,484	17,015
	18,484	17,015
Royalties for Regions Fund^(a):		
Regional & Statewide Initiatives - operational funding ^(b)	1,841,000	1,966,000
Regional Workers Incentives allowance payments ^(b)	15,649	17,301
Regional Community services fund ^(b)	555,555	1,473,856
	2,412,204	3,457,157
	2,693,688	3,732,172

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

(b) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

Note 14. Restricted cash and cash equivalents

	2016	2015
	\$	\$
<u>Current</u>		
Community Resource Centre Wyndham	75,000	75,000
Kimberley Regional Development Scheme	115,575	181,794
Kimberley Capabilities Register	10,950	14,202
Royalties for Regions Fund (a)	443,889	1,145,943
Warmun Re-Establishment Taskforce	169,563	169,563
Warmun Inc	-	90,540
KDC 27th Pay Period (b)	-	27,445
Treasury Appropriation	-	2,000
	814,977	1,706,487

(a) Unspent funds are committed to projects and programs in WA regional areas.

(b) Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

Note 15. Receivables

	2016	2015
	\$	\$
<u>Current</u>		
Receivables	3,731	46,962
GST Receivable (a)	11,295	96,330
Total current	15,026	143,292

(a) 'GST receivable' amount in 2015 has decreased by \$3,594 as a result of the offsetting the GST payable value in Note 20 Payables.

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

Note 16. Amounts receivable for services

	2016	2015
	\$	\$
<u>Non-current</u>		
	39,000	39,000
	39,000	39,000

Represents 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.

Note 17. Other current assets

	2016	2015
	\$	\$
<u>Current</u>		
Prepayments	16,533	7,882
	16,533	7,882

Note 18. Property, plant and equipment

	2016 \$	2015 \$
<u>Improvements - leasehold</u>		
At cost	130,226	130,226
Accumulated depreciation	(130,226)	(130,226)
	-	-
<u>Computer equipment</u>		
At cost	83,275	83,275
Accumulated depreciation	(83,275)	(79,705)
	-	3,570
<u>Furniture, Fixtures and fittings</u>		
At cost	79,140	79,140
Accumulated depreciation	(33,866)	(26,592)
	45,274	52,548
<u>Office equipment</u>		
At cost	23,749	17,937
Accumulated depreciation	(17,461)	(13,812)
	6,288	4,125
	51,562	60,243

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out in the table below.

	Improvements Leashold \$	Furniture, Fixtures and Fittings \$	Computing Equipment \$	Office Equipment \$	Total \$
2016					
Carrying amount at start of period	-	52,548	3,570	4,125	60,243
Additions	-	-	-	5,812	5,812
Depreciation	-	(7,274)	(3,570)	(3,649)	(14,493)
Carrying amount at end of period	-	45,274	-	6,288	51,562
 2015					
Carrying amount at start of period	-	59,821	24,992	7,713	92,526
Additions	-	-	-	-	-
Depreciation	-	(7,273)	(21,422)	(3,588)	(32,283)
Carrying amount at end of period	-	52,548	3,570	4,125	60,243

Note 19. Impairment of assets

There were no indications of impairment to property, plant and equipment or intangible assets at 30 June 2016.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2016 have either been classified as assets held for sale or written off.

Note 20. Payables

	2016	2015
	\$	\$
Current		
Trade payables ^(a)	12,460	9,734
Other payables	-	37,798
	<hr/>	<hr/>
GST payable ^(b)	12,460	47,532
	<hr/>	<hr/>
Accrued expenses ^(a)	-	-
Accrued salaries	-	-
	<hr/>	<hr/>
Total current	39,662	286,936
	<hr/>	<hr/>

(a) 'Trade Payables' amount in 2015 of \$208,425 has been transferred to the accrued expenses category.

(b) 'GST Payable' amount in 2015 of \$3,594 has been transferred to the offset the GST Receivable value in Note 15. Receivables.

Note 21. Provisions

	2016	2015
	\$	\$
Current		
<i>Employee benefits provision</i>		
Annual leave ^{(a) (d)}	180,900	228,112
Long service leave ^{(b) (d)}	174,499	168,559
	<hr/>	<hr/>
<i>Other provisions</i>		
Employment on-costs ^{(c) (d)}	355,399	396,671
	<hr/>	<hr/>
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^{(b) (d)}	4,813	2,232
	<hr/>	<hr/>
<i>Other provisions</i>		
Employment on-costs ^{(c) (d)}	4,813	2,232
	<hr/>	<hr/>
360,212	398,903	
	<hr/>	

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2016	2015
	\$	\$
Within 12 months of the end of the reporting period	62,864	113,150
More than 12 months after the end of the reporting period	118,036	114,962
	180,900	228,112

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2016	2015
	\$	\$
Within 12 months of the end of the reporting period	174,902	17,955
More than 12 months after the end of the reporting period	29,367	211,579
	204,269	229,534

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

The associated expense, apart from unwinding of the discount (finance cost), is disclosed in note 11 'Administration expenses'.

(d) The employment on-costs have been restated in 2015 to transfer the superannuation on-costs component to their respective annual leave (\$25,205), current long service leave (\$18,612) and non-current long service leave (\$5,290). Previously the 2015 superannuation on-cost values were reported under the employment on-costs category.

Movements in other provisions

	2016	2015
	\$	\$
Movements in each class of provisions during the period, other than employee benefits, are set out below.		
<u>Employment on-cost provision</u>		
Carrying amount at start of period	2,232	1,745
Additional/(reversals of) provisions recognised	2,989	487
Payments/other sacrifices of economic benefits	-	-
Carrying amount at end of period	5,221	2,232

Note 22. Equity

The Western Australian 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. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity

	2016	2015
	\$	\$
Balance at start of period	145,000	145,000
<u>Contributions by owners</u>		
Capital appropriation	-	-
Balance at end of period	145,000	145,000
Accumulated surplus/(deficit)		
Balance at start of period	2,003,272	1,943,474
Result for the period	(703,045)	59,798
Balance at end of period	1,300,227	2,003,272
Total Equity at end of period	1,445,227	2,148,272

Note 23. Notes to the Statement of Cash Flows**Reconciliation of cash**

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

	2016	2015
	\$	\$
Cash and cash equivalents	938,181	938,182
Restricted cash and cash equivalents (Note 14 'Restricted cash and cash equivalents')	814,977	1,706,487
Total	1,753,158	2,644,669

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

	2016	2015
	\$	\$
Net cost of services	(3,396,733)	(3,672,374)
<u>Non-cash items</u>		
Depreciation and amortisation expense (Note 8 'Depreciation and amortisation expense')	14,493	32,283
Services received free of charge (Note 13 'Income from Statement Government')	18,484	17,015
<u>(Increase)/decrease in assets</u>		
Current receivables ^(a)	43,231	(35,804)
Other current assets	(8,651)	(1,709)
<u>Increase/(decrease) in liabilities</u>		
Current payables ^{(a) (d)}	(35,072)	4,301
Accrued expenses ^(d)	(212,202)	218,223
Current provisions	(38,691)	12,467
Non-current provisions	(30,797)	22,966
Net GST receipts/(payments) ^(b)	81,971	-
Change in GST receivables/payables ^(c)	3,064	(90,780)
Net cash provided by/(used in) operating activities	(3,560,903)	(3,493,412)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

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

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

(d) 2015 'Current Payables' amount of \$218,223 has been transferred to the 'Accrued Expenses' category to reflect the restatement made in Note 20 Payables .

Note 24. Commitments

	2016	2015
	\$	\$
Non-cancellable operating lease commitments		
Commitments for minimum lease payments are payable as follows:		
Within 1 year	285,969	209,889
Later than 1 year and not later than 5 years	443,059	244,671
	729,028	454,560

Note 25. Contingent liabilities and contingent assets

At the reporting date, the Commission has no contingent liabilities or contingent assets.

Note 26. Events occurring after the end of the reporting period

There were no significant events occurring after the end of the reporting period.

Note 27 Explanatory statement

All variances between estimates (original budget) and actual results for 2016, and between the actual results for 2016 and 2015 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- * 5% and \$74,800 for the Statements of Comprehensive Income and Cash Flows; and,
- * 5% and \$35,480 for the Statement of Financial Position

	Variance Note	Estimate 2016 \$	Actual 2016 \$	Actual 2015 \$	Variance between estimate and actual \$	Variance between actual results for 2016 and 2015 \$
Statement of Comprehensive Income (Controlled Operations)						
Expenses						
Employee benefits expense	1	1,525,000	1,286,219	1,242,247	(238,781)	43,972
Supplies and services	2	591,000	494,458	480,622	(96,542)	13,836
Depreciation and amortisation expense		40,000	14,493	32,283	(25,507)	(17,790)
Accommodation expenses		294,000	259,532	271,832	(34,468)	(12,300)
Grants and subsidies	3, A	1,051,000	1,136,969	1,425,845	85,969	(288,876)
Administration expenses		263,000	221,205	287,193	(41,795)	(65,988)
Total cost of services		3,764,000	3,412,876	3,740,022	(351,124)	(327,146)
Income						
Revenue						
Other revenue		22,000	16,143	67,648	(5,857)	(51,505)
Total Revenue		22,000	16,143	67,648	(5,857)	(51,505)
Total income other than income from State Government		22,000	16,143	67,648	(5,857)	(51,505)
NET COST OF SERVICES		3,742,000	3,396,733	3,672,374	(345,267)	(275,641)
Income from State Government						
Service appropriation		263,000	263,000	258,000	-	5,000
Resources received free of charge		-	18,484	17,015	18,484	1,469
Royalties for Regions- operational funding	4, B	2,221,000	1,841,000	1,966,000	(380,000)	(125,000)
Royalties for Regions- grant & other funding	C	564,000	571,204	1,491,157	7,204	(919,953)
Total income from State Government		3,048,000	2,693,688	3,732,172	(354,312)	(1,038,484)
SURPLUS/(DEFICIT) FOR THE PERIOD		(694,000)	(703,045)	59,798	(9,045)	(762,843)

Kimberley Development Commission - 30 June 2016

	Variance Note	Estimate 2016 \$	Actual 2016 \$	Actual 2015 \$	Variance between estimate and actual \$	Variance between actual results for 2016 and 2015 \$
Statement of Financial Position (Controlled Operations)						
ASSET						
Current Assets						
Cash and cash equivalents	5	1,184,000	938,181	938,182	(245,819)	(1)
Restricted cash and cash equivalents	6, D	387,000	814,977	1,706,487	427,977	(891,510)
Receivables	7, E	126,000	15,026	143,292	(110,974)	(128,266)
Other current assets		8,000	16,533	7,882	8,533	8,651
Total Current Assets		1,705,000	1,784,717	2,795,843	79,717	(1,011,126)
Non-Current Assets						
Amounts receivable for services		39,000	39,000	39,000	-	-
Property, plant and equipment		30,000	51,562	60,243	21,562	(8,681)
Total Non-Current Assets		69,000	90,562	99,243	21,562	(8,681)
TOTAL ASSETS		1,774,000	1,875,279	2,895,086	101,279	(1,019,807)
LIABILITIES						
Current Liabilities						
Payables	F	41,000	39,662	286,936	(1,338)	(247,274)
Provisions	G	383,000	360,212	398,903	(22,788)	(38,691)
Total Current Liabilities		424,000	399,874	685,839	(24,126)	(285,965)
Non-Current Liabilities						
Provisions		45,000	30,178	60,975	(14,822)	(30,797)
Total Non-Current Liabilities		45,000	30,178	60,975	(14,822)	(30,797)
TOTAL LIABILITIES		469,000	430,052	746,814	(38,948)	(316,762)
NET ASSETS		1,305,000	1,445,227	2,148,272	140,227	(703,045)
EQUITY						
Contributed Equity		145,000	145,000	145,000	-	-
Accumulated surplus/(deficit)		1,160,000	1,300,227	2,003,272	140,227	(703,045)
TOTAL EQUITY		1,305,000	1,445,227	2,148,272	140,227	(703,045)

Kimberley Development Commission - 30 June 2016

		Estimate 2016 \$	Actual 2016 \$	Actual 2015 \$	Variance between estimate and actual \$	Variance between actual results for 2016 and 2015 \$
Statement of Cash Flow (Controlled Operations)						
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation	8, H	263,000	263,000	258,000	-	5,000
Royalties for Regions Fund- operational funding	I	2,221,000	1,841,000	1,966,000	(380,000)	(125,000)
Royalties for Regions Fund-grant & other funding		564,000	571,204	1,491,157	7,204	(919,953)
Net cash provided by State Government		3,048,000	2,675,204	3,715,157	(372,796)	(1,039,953)
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	9, J	(1,525,000)	(1,383,654)	(1,165,159)	141,346	(218,495)
Supplies and services	10, K	(672,000)	(563,220)	(427,537)	108,780	(135,683)
Accommodation		(293,000)	(259,532)	(287,946)	33,468	28,414
Grants and subsidies	11	(1,051,000)	(1,274,637)	(1,293,177)	(223,637)	18,540
GST payments on purchases	12	(460,000)	(228,185)	(176,354)	231,815	(51,831)
Administration expenses		(263,000)	(221,205)	(283,986)	41,795	62,781
Receipts						
GST receipts on sales	13	206,000	1,696	24,662	(204,304)	(22,966)
GST receipts from taxation authority	14, L	216,000	308,460	44,589	92,460	263,871
Other receipts		22,000	59,374	71,496	37,374	(12,122)
Net cash provided by/(used in) operating activities		(3,820,000)	(3,560,903)	(3,493,412)	259,097	(67,491)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current asset		-	(5,812)	-	(5,812)	(5,812)
Net cash provided by/(used in) investing activities		-	(5,812)	-	(5,812)	(5,812)
Net increase/(decrease) in cash and cash equivalents		(772,000)	(891,511)	221,745	(119,511)	(1,113,256)
Cash and cash equivalents at the beginning of the period		2,343,000	2,644,669	2,422,924	301,669	221,745
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,571,000	1,753,158	2,644,669	182,158	(891,511)

Major Estimate and Actual (2016) Variance Narratives for Controlled Operations

- 1 Employee benefits expense underspent by \$238,781 (16%) due to a decrease in the number of Full Time Equivalents during the financial year.
- 2 Supplies and services underspent by \$96,542 (16%) primarily due to budget estimates included an amount of \$138,000 initially budgeted as supplies and services, however, was paid as grant.
- 3 Grants and subsidies exceeded estimate by \$85,969 (8%) due to \$138,000 initially budgeted as supplies and services, however, was paid as grant.
- 4 Royalties for Regions operational funding was lower than estimate due to carry over funding from 2014-15 financial year of \$380,000.
- 5 Cash and cash equivalents was lower than estimate by \$245,819 due to estimate included restricted cash for Royalties for Regions.
- 6 Restricted cash and cash equivalent exceeded estimates by \$427,977 primarily due to carry over of Royalties for Regions grants fund received.
- 7 Receivables were lower than estimate by \$110,974 due to lower GST receivable than estimated.
- 8 Royalties for Regions - operational funding was lower than estimate due to carry over funding from 2014-15 financial year of \$380,000.
- 9 Employee benefits underspent by \$141,346 (9%) due to a decrease in the number of Full Time Equivalents during the financial year.
- 10 Supplies and services underspent by \$108,780 primarily due to budget estimates included an amount of \$138,000 initially budgeted as supplies and services, however, was paid as grant.
- 11 Grants and subsidies exceeded estimates by \$223,637 due to \$138,000 initially budgeted as supplies and services, however, was paid as grant and due to payment made for Regional Grants Scheme that was accrued from 2014-15.
- 12 GST payments on purchases was lower than estimates due to lower GST taxable invoice payments than was anticipated.
- 13 GST receipts on sales was lower than estimate due to the budget was over-estimated.
- 14 GST receipts from taxation authority exceeded estimate by \$92,460 due to higher GST taxable invoice payments than was anticipated.

Major Actual (2016) and Comparative (2015) Variance Narratives for Controlled Operations

- A Grants and subsidies decreased by \$288,876 predominantly due to decrease in grants related expenditure in 2015-16.
- B Royalties for Regions - operational funding decreased by \$125,000 due to carry over fund from 2014-15.
- C Royalties for Regions - grant and other funding decreased by \$919,953 due to carry over for Regional Community Services fund of \$920k (\$750k for Yawuru Home Ownership scheme).
- D Restricted cash and cash equivalents decreased by \$891,510 due to payment of grants related to 2014-15 financial year.
- E Receivables decreased by \$128,266 mainly due to a decrease in GST receivable in 2015-16.
- F Payables decreased by \$247,274 due to a decrease in accrued expenses and accrued salaries by \$212,000 at the end of 2015-16 financial year.
- G Provisions decreased by \$38,691 (6%) due to increase in cash payment of leave.
- H Royalties for Regions - operational fund decreased by \$125,000 due to carry over fund from 2014-15.
- I Royalties for Regions Fund - grant and other funding decreased by \$919,953 due to decrease in Regional Community Services funding of \$920k (\$750k for Yawuru Home Ownership scheme).
- J Employee benefits increased by \$218,495 (19%) due to additional salary cost for 27th pay and cash payment of leave.
- K Supplies and services increased by \$135,683 due to a large volume of trades payable at the end of 2014-15 financial year.
- L GST receipts from taxation authority increased by \$263,871 due to higher GST taxable invoice payments in 2015-16.

Note 28 Financial instruments**(a) Financial risk management objectives and policies**

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

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 the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 28 (c) 'Financial instrument disclosures' and note 15 'Receivables'.

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

Liquidity risk

Liquidity risk arises when the 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 value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of financial instruments

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

	2016 \$	2015 \$
<u>Financial Assets</u>		
Cash and cash equivalents	938,181	938,182
Restricted cash and cash equivalents	814,977	1,706,487
Receivables ^(a)	3,731	46,962
Amounts receivable for services	39,000	39,000
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	39,662	286,936

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

(c) Financial instrument disclosures

Credit risk

The following table details the Commission's maximum exposure to credit risk 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.

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

Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired					More than 5 Years	Impaired financial assets
			Up to 1 months	1 - 3 months	3 month to 1 year	1-5 Years	\$		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2016									
Cash and cash equivalents	938,181	938,181	-	-	-	-	-	-	-
Restricted cash and cash equivalents	814,977	814,977	-	-	-	-	-	-	-
Receivables ^(a)	3,731	3,731	-	-	-	-	-	-	-
Amounts receivable for services	39,000	39,000	-	-	-	-	-	-	-
	1,795,889	1,795,889	-	-	-	-	-	-	-
2015									
Cash and cash equivalents	938,182	938,182	-	-	-	-	-	-	-
Restricted cash and cash equivalents	1,706,487	1,706,487	-	-	-	-	-	-	-
Receivables ^(a)	46,962	46,962	-	-	-	-	-	-	-
Amounts receivable for services	39,000	39,000	-	-	-	-	-	-	-
	2,730,631	2,730,631	-	-	-	-	-	-	-

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

Liquidity risk and interest rate exposure

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

Interest rate exposure and maturity analysis of financial assets and financial liabilities

Weighted Average Effective Interest Rate %	Carrying Amount	Interest rate exposure			Nominal Amount	Up to 1 month	Maturity Dates				
		Fixed interest rate	Variable interest rate	Non- interest bearing			1 - 3 months	3 months to 1 year	1 - 5 years	More than 5 years	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2016											
Financial Assets											
Cash and cash equivalents	-	938,181	-	-	938,181	938,181	938,181	-	-	-	-
Restricted cash and cash equivalents	-	814,977	-	-	814,977	814,977	814,977	-	-	-	-
Receivables ^(a)	-	3,731	-	-	3,731	3,731	3,731	-	-	-	-
Amounts receivable for services	-	39,000	-	-	39,000	39,000	-	-	-	39,000	-
		1,795,889	-	-	1,795,889	1,795,889	1,756,889	-	-	39,000	-
Financial Liabilities											
Payables	-	39,662	-	-	39,662	39,662	39,662	-	-	-	-
		39,662	-	-	39,662	39,662	39,662	-	-	-	-

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

Interest rate sensitivity analysis

None of the Commission's financial assets and financial liabilities at the end of the reporting period are sensitive to movements in interest rates (fixed interest rates), hence movements in the interest rates have no bottom line impact on the Commission's surplus or equity.

Liquidity risk and interest rate exposure

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

Interest rate exposure and maturity analysis of financial assets and financial liabilities

Weighted Average Effective Interest Rate %	Carrying Amount	Interest rate exposure			Nominal Amount	Up to 1 month	Maturity Dates				
		Fixed interest rate	Variable interest rate	Non- interest bearing			1 - 3 months	3 months to 1 year	1 - 5 years	More than 5 years	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2015											
Financial Assets											
Cash and cash equivalents	-	938,182	-	-	938,182	938,182	938,182	-	-	-	-
Restricted cash and cash equivalents	-	1,706,487	-	-	1,706,487	1,706,487	1,706,487	-	-	-	-
Receivables ^(a)	-	46,962	-	-	46,962	46,962	46,962	-	-	-	-
Amounts receivable for services	-	39,000	-	-	39,000	39,000	-	-	-	39,000	-
	2,730,631	-	-	2,730,631	2,730,631	2,691,631	-	-	39,000	-	
Financial Liabilities											
Payables	-	286,936	-	-	286,936	286,936	286,936	-	-	-	-
	286,936	-	-	286,936	286,936	286,936	-	-	-	-	

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

Interest rate sensitivity analysis

None of the Commission's financial assets and financial liabilities at the end of the reporting period are sensitive to movements in interest rates, hence movements in the interest rates have no bottom line impact on the Commission's surplus or equity.

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.

Note 29 Remuneration of members of the accountable authority

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

Remuneration Band \$	2016	2015
1 - 10,000	10	9
10,001 - 20,000	1	2
50,001 - 60,000	1	-
	\$	\$
Base remuneration and superannuation ^(a)	94,522	53,111
The total remuneration of member of the accountable authority	94,522	53,111

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

(a) The 2015 comparative figure has been restated to correctly reflect the remuneration of the Commission's members of the accountable authority. The Chief Executive Officer's remuneration has also been transferred from Note 29 Remuneration of members of the accountable authority to Note 30 Remuneration of senior officers.

Note 30. Remuneration of senior officers

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

Remuneration Band \$	2016	2015
130,001 - 140,000	-	1
160,001 -170,000	1	-
220,001 - 230,000	1	-
240,001 - 250,000	-	1
	\$	\$
Base remuneration and superannuation ^(a)	347,174	327,023
Annual leave and long service leave accruals ^(a)	9,756	16,630
Other benefits ^(a)	33,625	25,302
Total remuneration of senior officers	390,555	368,955

The total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers other than senior officers reported as members of the accountable authority.

(a) The 2015 comparative figure has been restated to correctly reflect the remuneration of the Commission's senior officers. The Chief Executive Officer's remuneration has also been transferred from Note 29 Remuneration of members of the accountable authority to Note 30 Remuneration of senior officers.

Note 31. Remuneration of auditor

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

	2016	2015
Auditing the accounts, financial statements and key performance indicators	34,000	37,700

Note 32. Supplementary financial information**(a) Write-offs**

During the financial year, no assets were written off the Commission's asset register.

(b) Losses through theft, defaults and other causes

There have been no losses of public money and other property through theft or default.

(c) Gifts of public property

There have been no gifts of public property provided by the Commission

Note 33. Schedule of income and expenses by service

For the year ended 30 June 2016

	Regional promotion		Industry & infrastructure		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
COST OF SERVICES						
<u>Expenses</u>						
Employee benefits expense	860,625	695,658	425,594	546,589	1,286,219	1,242,247
Supplies and services	318,600	269,148	175,858	211,474	494,458	480,622
Depreciation and amortisation expense	9,338	18,079	5,155	14,204	14,493	32,283
Accommodation expenses	167,227	152,226	92,305	119,606	259,532	271,832
Grants and subsidies	732,596	798,473	404,373	627,372	1,136,969	1,425,845
Administration expenses	142,531	160,828	78,674	126,365	221,205	287,193
Total cost of services	2,230,917	2,094,412	1,181,959	1,645,610	3,412,876	3,740,022
<u>Income</u>						
Other revenue	10,402	37,883	5,741	29,765	16,143	67,648
Total income other than income from State Government	10,402	37,883	5,741	29,765	16,143	67,648
NET COST OF SERVICES	2,220,515	2,056,529	1,176,218	1,615,845	3,396,733	3,672,374
Income from State Government						
Service appropriation	169,462	144,480	93,538	113,520	263,000	258,000
Resources received free of charge	11,910	9,528	6,574	7,487	18,484	17,015
Royalties for Regions - operational funding	1,186,232	1,100,960	654,768	865,040	1,841,000	1,966,000
Royalties for Regions - other funding	368,050	835,048	203,154	656,109	571,204	1,491,157
Total income from State Government	1,735,654	2,090,016	958,034	1,642,156	2,693,688	3,732,172
SURPLUS/(DEFICIT) FOR THE PERIOD	(484,861)	33,487	(218,184)	26,311	(703,045)	59,798

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

Key Performance Indicators

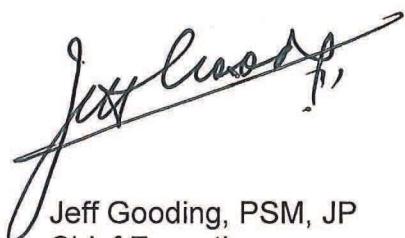
KIMBERLEY DEVELOPMENT COMMISSION CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2016

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Kimberley Development Commission's performance, and fairly represent the performance of the Commission for the financial year ended 30 June 2016.



Michael McConachy
Chairperson
Kimberley Development Commission

Date: 6 September 2016



Jeff Gooding, PSM, JP
Chief Executive
Kimberley Development Commission

Date: 6 September 2016

Key Performance Indicators

Performance management enhances the transparency and accountability of the Commission and enables its service delivery to be readily assessed as it works to achieve desired outcomes that are consistent with its statutory responsibilities and high level government goals (described in Section 1).

The desired outcome from the Commission's activities is:

"An environment conducive to the balanced economic and social development of the Kimberley Region."

Accordingly, the Commission delivers two major services to its customers:

- Policies, strategies, plans and regional promotion; and
- Industry and infrastructure identification, coordination and development

In accordance with Treasurer's Instructions 904 and 903(8), the Commission has key performance indicators for efficiency and effectiveness and includes a discussion of actual results against budget targets for both financial and non-financial indicators. Comparative information for the current and previous four reporting years has been included.

Key Performance Indicator of Effectiveness – Customer Survey

To assess its level of customer service and achievement against its key Performance Indicator of Effectiveness, the Commission engages an independent communications/research business to undertake an annual customer survey.

Customer satisfaction is measured against a range of elements of the Commission's service, including the effectiveness of the Commission in achieving seven different outcomes through the delivery of services.

Advantage Communications was engaged to complete the customer survey on the Commission's behalf for the 2015/2016 financial year. The same survey was used as previous years to allow for comparative analysis. However, this year's survey was sent out by e-mail instead of by post as in previous years. The response rate was similar.

Respondent Profile

This year's customer survey was completed by 118 respondents with 40% from the Perth metropolitan area, 56% from regional Western Australia and 4% from interstate. The Commission provided Advantage Communications with a list of 164 clients of which the sample group of 118 provides a maximum survey error of +/-4.8% at the 95% confidence level.

The respondent group comprised 43% from the State Government Sector of Western Australia, 24% from the Private Sector, 19% from Community Organisations, 5% from the Commonwealth Government and 9% from Local Government. Respondents were also categorised according to industry, with the largest percentages working in Government/public administration (31%) and community services (14%).

The respondents had varying levels of contact with the Commission; 46% had monthly, 16% weekly, 27% half yearly and 7% annually.

Effectiveness Indicator 1

The Kimberley Development Commission is effective and makes a positive contribution to economic and social development in the Kimberley

The survey results illustrate the perceived effectiveness of the Commission in contributing to the economic and social development in the Kimberley. This outcome reinforces the positive impact the Commission is having in this area in a formative year of Blueprint implementation. The overall result is consistent with the high standard achieved in the previous four years.

Survey Results

	Strongly Agree (%)	Agree (%)	Disagree (%)	Strongly Disagree (%)	Don't Know (%)	Total (%)
2011/12	30	64	3	0	3	100
2012/13	36	57	2	2	3	100
2013/14	39	57	0	0	4	100
2014/15	50	44	2	0	4	100
2015/16	32	61	2	0	5	100

Results Against Target

	Strongly Agree (%)	Agree (%)	Total %	Target %	Target Result
2011/12	30	64	94	90	Exceeded
2012/13	36	57	93	90	Exceeded
2013/14	39	57	96	90	Exceeded
2014/15	50	44	94	90	Exceeded
2015/16	32	61	93	90	Exceeded

Effectiveness Indicator 2

The extent to which the Commission is assessed by its clients as a reliable and accessible source of information and advice on the Kimberley region and regional development issues.

The provision of high quality information is an important component of the Commission's regional development activities. Similarly to previous years, survey respondents were asked to indicate whether they considered the Commission to be a reliable source of information and advice on regional development issues. The table below provides the last five years' results for this outcome.

The 2015/2016 outcome is consistent with previous years and suggests that respondents are taking the opportunity to access information and continue to be reliably informed which is both

positive and desirable with the implementation of the Blueprint. The overall results for this outcome indicate a consistent and steady trend.

Survey Result

	Strongly Agree (%)	Agree (%)	Disagree (%)	Strongly Disagree (%)	Don't Know (%)	Total (%)
2011/12	36	55	5	0	4	100
2012/13	39	50	3	3	5	100
2013/14	43	53	3	0	1	100
2014/15	51	41	5	0	3	100
2015/16	36	57	1	0	6	100

Results Against Target

	Strongly Agree (%)	Agree (%)	Total %	Target %	Target Result
2011/12	36	55	91	90	Exceeded
2012/13	39	50	89	90	1% below
2013/14	43	53	96	90	Exceeded
2014/15	51	41	92	90	Exceeded
2015/16	36	57	92	90	Exceeded

Key Performance Indicators of Efficiency

The efficiency indicators for the services are calculated by the cost of the projects divided by the number of project hours allocated by staff. To calculate the cost per project hour, grant income and expenditure are deducted from the Total Operating Cost. Using hours spent on each service, a ratio to total hours is calculated and this ratio then determines the Total Operating Cost for each service. Corporate service hours are not included in project hours.

Efficiency Indicators

Service 1: Policies, strategies, plans and regional promotion

	2015/2016	2014/15	2013/14	2012/13	2011/12
Net Operating Cost	1,488,408	1,258,056	1,754,597	1,394,883	1,067,561
Number of Project Hours	6,545	6,062	7,520	7,313	6,608
Cost per Project Hour	\$227	\$208	\$233	\$191	\$162

During 2015/2016 the Commission filled two vacant staff positions, made a significant contribution to the Regional Development Portfolio Reforms, finalised the Regional Investment Blueprint, the Commission's primary strategy, planning and policy document and progressed strategic project development work. These activities are also dependent on the Commission's most senior staff reflected in an increase in Service 1 hours (+ 483) and the cost per hour of those resources (\$19).

Service 2: Industry and infrastructure identification, coordination and development

	2015/2016	2014/15	2013/14	2012/13	2011/12
Net Operating Cost	772,114	988,473	751,970	1,188,234	1,415,140
Number of Project Hours	3,613	4,748	3,271	6,181	8,802
Cost per Project Hour	\$214	\$208	\$230	\$192	\$161

During 2015/2016 the Commission focussed on bringing several of its largest projects close to finalisation, completion of the Blueprint, assisting in the Regional Development Portfolio Reforms, transitioning its Corporate Service Functions to the Department of Regional Development and developing the policies behind the next round of significant Blueprint projects. This strategic re-allocation of resources, especially senior staff, resulted in a decrease in Service 2 hours (-1135) and a slight increase in the cost per hour of Service 2 functions (+\$6).

Summary of Key Performance Indicators

In the context of an evolving regional development operating environment and cross-cultural region, this summary demonstrates the Commission's continued achievements in providing efficient and effective services consistent with agreed targets.

1. Comparison of actual results against targets for effectiveness indicators.

	2015/2016 Target	2015/2016 Result	Reason for Significant Variation between Target and Result
Delivers effective activities in assisting economic and social development.	90%	93%	This result reflects client satisfaction with the Commission's work in the year in which the Blueprint was launched.
Makes a positive contribution to economic and social development in the Kimberley	90%	93%	As above
Provides a reliable source of information and advice.	90%	92%	The Commission continues to provide factual information and objective support which is valued by its clients.
Is an accessible source of information and advice.	90%	92%	This result demonstrates the Commission's commitment in this area with its small FTE of 8.

2. Comparison of actual results against targets for efficiency indicators.

	2015/2016 Target	2015/2016 Result	Reason for Significant Variation between Target and Result
Service 1: Policies, strategies, plans and regional promotion			
Average cost per project hour	\$193	\$227	
Service 2: Industry and infrastructure identification, coordination and development			
Average cost per project hour	\$195	\$214	

The variation between target and result is attributed to the temporary impact of the transition of the Commission's financial services to the Department of Regional Development and vacancy factors in project positions.

Ministerial Directions

No Ministerial directives were received by the Commission during the financial year.

Other Financial Disclosures

Pricing policies of services provided

The Commission has not rendered any goods or services in the last financial year for which a charge has been required.

Capital Works

No capital projects were commenced, underway or completed in 2015/2016.

Employment and Industrial Relations

Staff Profile

Staff Employed	2011	2012	2013	2014	2015	2016
Full-time permanent	8	8	6	4	3	3
Full-time contract	5	5	1	1	4	4
Part-time measured on FTE basis	0.8	0.8	0.8	0.8	0.8	0.6
Positions vacant	0	0	4	2	1	1
Total staff employed	13.8	13.8	11.8	5.8	7.8	7.6

Professional (Staff) Development

Over the last year, the Commission has worked to broaden the skills of its already experienced and skilled staff to both contribute toward regional development in the Kimberley and Government's Regional Development Portfolio Reforms.

To overcome the distance of the Commission away from professional development opportunities in the metropolitan area (more than 3,000 kilometres), the Commission has focussed on in-house learning, local and video conference opportunities.

Worker's Compensation

The Commission received no Worker's Compensation Claims in 2015/2016.

Governance Disclosures

Board and Committee Remuneration

(Annual Reporting Framework 2015/2016 reporting year)

As required, the Commission provides this report on the individual and aggregate costs of remunerating all positions on its Boards and Committees as described in Premier's Circular 2010/02 – State Government Boards and Committees in reference to those which appear in the Register published by the Department of Premier and Cabinet. The Commission's Board Members are also entitled to claim a travel allowance that is not included in this information.

Remuneration by Board Position for 2016 (including Superannuation)

Position	Name	Type of remuneration	Period membership of	Gross/Actual Remuneration \$
Chair	Michael McConachy	Annual	01/07/15 to 30/06/16	54,350
Deputy Chair	Ian Trust	Annual	01/07/15 to 30/06/16	11,330
Member	June Oscar	Per meeting	01/07/15 to 30/06/16	2,929
Member	Malcolm Edwards	Per meeting	01/07/15 to 30/06/16	4,493
Member	Eunice Yu	Per meeting	01/07/15 to 30/06/16	1,807
Member	Robert Boshammer	Per meeting	01/07/15 to 30/06/16	3,610
Member	Graeme Campbell	Per meeting	01/07/15 to 17/10/15	723
Member	John Moulden	Per meeting	01/07/15 to 17/10/15	1,845
Member	Robert Banfield	Per meeting	01/07/15 to 14/02/16	3,610
Member	Elsia Archer	Per meeting	15/02/16 to 30/06/16	883
Member	Ron Johnston	Per meeting	15/02/16 to 30/06/16	883
Member	James Brown	Per meeting	15/02/16 to 30/06/16	883
CEO	Jeff Gooding	Not eligible	01/07/15 to 30/06/16	-
		Total costs	01/07/15 to 30/06/16	87,346

Remuneration by Board Position for 2015

Position	Name	Type of remuneration	Period membership of	Gross/Actual Remuneration \$
Chair	Ralph Addis	Annual	01/07/14 to 07/11/14	14,357
Chair	Michael McConachy	Annual	23/02/15 to 30/06/15	15,869
Deputy Chair	Ian Trust	Annual	23/02/15 to 30/06/15	1,763
Member	Ian Trust	Per meeting	01/07/14 to 23/02/15	3,481
Member	June Oscar	Per meeting	23/02/15 to 30/06/15	841
Member	Malcolm Edwards	Per meeting	23/02/15 to 30/06/15	841
Member	Eunice Yu	Per meeting	01/07/14 to 30/06/15	2,523
Member	Graeme Campbell	Per meeting	01/07/14 to 30/06/15	2,523
Member	Robert Boshammer	Per meeting	01/07/14 to 30/06/15	2,523
Member	Robert Banfield	Per meeting	01/07/14 to 30/06/15	2,523
Member	John Moulden	Per meeting	23/02/15 to 30/06/15	841
Member	Elsia Archer	Per meeting	01/07/14 to 23/02/15	1,682
Member	Nigel Grazia	Nil claimed	01/07/12 to 23/02/15	-
CEO	Jeff Gooding	Not eligible	01/07/14 to 30/06/15	-
		Total costs	01/07/14 to 30/06/15	49,767

Contracts with Senior Officers

At the date of reporting:

- the Chairperson of the Commission's Board, Michael McConachy, had interests in two firms, Helicopter Film Services Pty Ltd and Freshwater East Kimberley Apartments, of which he is the Managing Director, that during the 2015/2016 financial year had provided a service for payment on two and three separate occasions to the Commission, respectively.
- no other Senior Officers, or firms of which Senior Officers are Members or entities in which Senior Officers have substantial interests, had interests in existing or proposed contracts with the Commission other than normal contracts of employment of service.

On the 22 July 2015, \$5,910.30 (inc. GST) was paid, via RiskCover, to indemnify all Board Members and Senior Officers, as listed in Section 1 Overview of this report, against a liability incurred under sections 13 or 14 of the *Statutory Corporations (Liability of Directors) Act 1996*.

Unauthorised Use of Credit Cards

In accordance with Treasurer's Instructions TI 321 "Credit Cards – Authorised Use" we report that there has been no unauthorised use of the Commission's Credit Cards in 2015/2016 that has been apparent in the authorisation of expenditure process.

Other Legal Requirements

This section of the Annual Report provides a summary of the Commission's compliance with legislation other than the *Financial Management Act 2006*, *Financial Management Regulations 2007* and the Treasurer's Instructions.

Advertising

(*The Electoral Act 1907, Section 175ZE*)

The Commission incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

1. Total expenditure for 2015/2016 was \$6,205.65.
2. Expenditure was incurred in the following areas:

Class	Class costs (\$)	Agencies	Agency costs (\$)
Advertising agencies	7,087.10	AdCorp	3,762.02
		Lizart Productions	684.08
		Derby Visitor's Centre	319.00
		West Australian Newspaper	1,170.00
		Market Creations	1,152.00
Market research organisations	Nil	Nil	Nil
Polling organisations	Nil	Nil	Nil
Direct mail organisations	Nil	Nil	Nil
Media advertising organisations	Nil	Nil	Nil

Disability Access and Inclusion Plan Outcomes

(Disability Services Act 1993, s29 and Schedule 3 of the Disability Services Regulations 2004)

Similarly to last year, the Commission's initiatives are provided against each of the seven desired Disability Access and Inclusion Plan outcomes:

1. People with disabilities have the same opportunities as other people to access the services of and any events organised by, a public authority.

The Commission has considered the need of people with disabilities when hiring venues and organising meetings.

2. People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.

A key achievement this year has been the establishment of new and improved ACROD parking at the Commission's Kununurra office. Arrangements for people with disabilities to meet KDC staff in the ground floor Department of Planning premises instead of the first storey KDC Broome office have continued.

3. People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

The Commission offers information in alternative formats to anyone in need.

4. People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.

The Commission's staff respect all customers and a personalised service is provided to customers with and without disabilities.

5. People with disabilities receive the same opportunities as other people to make complaints to a public authority.

The Commission offers to make its complaints policy available in alternative formats on request and would provide appropriate advice and support to anyone wishing to make a complaint.

6. People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.

Across the breadth of its regional development work, the Commission strives to be inclusive of its wide ranging cross-cultural clientele regardless of background or disability.

7. People with disabilities have the same opportunities as other people regarding employment practices (recruitment and retention) by a public authority.

Although the Commission does not currently employ anyone with a disability, its recruitment and retention practices are fair and unbiased.

Compliance with Public Sector Standards and Ethical Codes

(*Public Sector Management Act 1994, s31 (1)*)

In accordance with the *Public Sector Management Act 1994*, s31 for 2015/2016 I provide the following compliance report:

WA Public Sector Code of Ethics

To maintain a high level of Governance, the Commission's Board and Staff have complied with the WA Public Sector Code of Ethics which has been made available to both in hard copy and electronically. The Code is reflected in the Commission's Policies and all new Board Members have received a copy of the Code in their Induction Packages and staff have electronically.

There have been no reports of non compliance.

Public Sector Standards in Human Resource Management

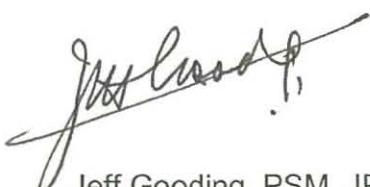
An annual review of the Commission's Human Resource Policies including those pertaining to the Public Sector Standards in Human Resource Management has again been completed. These policies are available to all staff in electronically.

No breach claims have been received.

Kimberley Development Commission Board and Staff Codes of Conduct

Both the Commission's Board and Staff Codes of Conduct have both been reviewed to accommodate any changes in legislation and government policy and the Commission's Board Charter has been reviewed for currency.

There have been no reports of non compliance.



Jeff Gooding, PSM, JP
Chief Executive
Date: 6 September 2016

Reporting on Recordkeeping Plans

(State Records Act 2000 and State Records Commission Standard 2, Principle 6)

In accordance with the State Records Commission, Standard 2, Principle 6 - Compliance, the Commission reports the following:

The efficiency and effectiveness of the organisation's recordkeeping systems are evaluated not less than once every five years.

The Commission undertook an evaluation of its recordkeeping system in December 2013 prior to preparing its third Recordkeeping Plan in May 2014. Both were submitted to the State Records Office.

The organisation conducts a recordkeeping training program.

A formalised Recordkeeping Training program exists and supports ongoing informal staff development about recordkeeping across the Commission's three offices. All staff are updated and new staff orientated to the new Recordkeeping Plan 2014 and associated Recordkeeping Policies.

The efficiency and effectiveness of the recordkeeping training program is reviewed from time to time.

Further to the implementation of the Commission's Recordkeeping Plan in 2014 a survey of staff has recently been undertaken in June 2016 with satisfactory results. This survey will be used to focus Recordkeeping training for the next year.

The Commission's induction program addresses employee roles and responsibilities in regard to their compliance with the organisations recordkeeping plan.

The Staff Induction Manual, that is updated annually, and the Commission's Recordkeeping Policies reflect the Commission's Recordkeeping Plan 2014.

Government Policy Requirements

Substantive Equality

(Public Sector Commissioner's Circular 2015-01: Implementation of the Policy Framework for Substantive Equality)

The Commission has no obligation to implement or report against the Policy Framework for Substantive Equality, however, the Commission, in working to implement "2036 and Beyond: A Regional Investment Blueprint for the Kimberley" remains committed to achieving substantive equality in the Kimberley as described elsewhere in this report.

Occupational Safety and Health

(Public Sector Commissioner's Circular 2012-05: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector)

Statement of the Commission's commitment to occupational safety and health and injury management with an emphasis on Executive commitment:

The Commission's Executive has maintained a high level of commitment to ensuring a safe work environment for its Board and Staff that includes driving long distances in a remote region.

Description of the formal mechanism for consultation with employees on occupational safety and health matters:

Given the small size of the organisation the mechanism of consultation continues to be for the Commission's Senior Staff and employees to liaise directly with one another on Occupational Safety and Health matters. This has worked well including during and after an effective emergency evacuation of one office.

Statement of compliance with the injury management requirements of the Workers' Compensation and Injury Management Act 1981:

An annual review of the Commission's Workers Compensation and Injury Management Policy and Procedure was completed during the year to ensure continuing compliance with the *Workers' Compensation and Injury Management Act 1981*.

Statement confirming that an assessment of the occupational safety and health management system has been completed (within previous five years):

A self evaluation of the Commission's Occupational Safety and Health management system was completed in 2013/2014.

Report of Annual performance for 2015/2016

Measure	Actual Results		Results against Target	
	2013/2014	2015/2016	Target 2015/2016	Comment on Result
Number of fatalities	Zero (0)	Zero (0)	Zero (0)	
Lost time injury and/or disease incidence rate	Zero (0)	Zero (0)	Zero (0)	
Lost time injury and/or disease severity rate	Zero (0)	Zero (0)	Zero (0)	
Percentage of injured workers returned to work: i) within 13 weeks ii) within 26 weeks	i) Zero (0) injured workers ii) Zero (0) injured workers	iii) Zero (0) injured workers Zero (0) injured workers	Greater than or equal to 80% return to work within 26 weeks	
Percentage of managers trained in occupational safety, health and injury management responsibilities	50%	50%	Greater than or equal to 80%	Due limited availability of Manager's training in the Kimberley.

Government Building Training Policy

(Premier's Circular 2015-02 – Government Building Training Policy)

The Commission has not held any building and construction or civil engineering contracts in 2015/2016.