



Government of **Western Australia**
Mid West Development Commission



ANNUAL REPORT

2016-17

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STATEMENT OF COMPLIANCE

For year ended 30 June 2017

HON ALANNAH MACTIERNAN MLC

MINISTER FOR REGIONAL DEVELOPMENT

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 Mid West Development Commission for the financial year ended 30 June 2017.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006.



TODD WEST
CHAIRMAN
28 August 2017



GAVIN TREASURE
CHIEF EXECUTIVE OFFICER
28 August 2017

Contact Details

Postal

PO Box 238
Geraldton WA 6531

Street

Level 2, Foreshore Business Centre
Foreshore Business Centre
209 Foreshore Drive
GERALDTON WA 6530

Electronic

Internet: www.mwdc.wa.gov.au
Email: info@mwdc.wa.gov.au
Telephone: 61 8 9921 0702
Facsimile: 61 8 9921 0707

Wildflower representation, Sandstone



OVERVIEW

EXECUTIVE SUMMARY

Performance Highlights

- Continued to support development of a Mid West marine aquaculture industry by:
 - supporting a successful second Yellowtail Kingfish Grow-out Trial (YTK2), which was completed during the year;
 - working with industry and government regarding the establishment of the Mid West Marine Aquaculture Zone; and
 - working with key stakeholders to prepare “An implementation plan to transition marine aquaculture in the Mid West to an industry of national significance by 2022” - using YTK2 sales proceeds.
- Progressed or completed key bodies of work to support implementation of Mid West Regional Blueprint priorities; namely:
 - Mid West Health and Wellbeing Strategy;
 - Mid West Digital and Communications Strategy;
 - Mid West Agriculture Development Strategy;
 - Mid West Water for Growth Strategy;
 - Mid West Energy Development Strategy;
 - Mid West Transport Development Strategy;
 - 10 Year Morawa and North Midlands Education and Training Plan; and
 - Mid West Innovation Agenda.
- Worked with stakeholders to progress Mid West Tourism Development Strategy priorities, namely:
 - Kalbarri Skywalk (under development);
 - Mid West Coastal Nodes (complete);
 - Abrolhos Islands tourism development;
 - Murchison geotourism;
 - Rangelands Parks; and
 - Kalbarri to Shark Bay 4WD trail projects.
- Continued to implement the Commission’s Mid West Investment Plan, which to date has provided \$125.9 million to 37 projects with an estimated construction value totaling \$229 million.
- Commissioned independent analysis of several Blueprint strategies to better understand the economic and employment potential of their successful implementation.
- Worked with the City of Greater Geraldton (CGG), former Department of Regional Development and others to finalise the Growing Greater Geraldton Growth Plan.
- Provided resources on secondment to activate ‘Progress Midwest’ - an alliance of the three tiers of government, academia and industry to grow the region's traded (export) economy.
- Worked with CGG to develop State and Federal funding applications for the renewal and upgrade of Geraldton Airport’s main runway.
- Assisted the Geraldton Universities Centre (GUC) to investigate the establishment of a universities centre in the Pilbara. This could enable GUC to deliver enhanced course options for students in both regions and support its own financial sustainability.
- Worked with the Department of Commerce to evaluate, prioritise and select 30 new mobile phone tower sites in the Mid West across Rounds 1 and 2 of the Commonwealth Mobile Black Spots Program (18 and 12 sites respectively).
- Provided support to deliver the “Geraldton Tech Investor Showcase” in partnership with Regional Development Australia Mid West and Gascoyne and West Tech Fest, which was attended by 40 high-profile Silicon Valley (USA) and East Coast Australian investors and venture capitalists.
- Achieved strong results in the annual client perceptions survey, including that 92% of clients agree the Commission makes a positive contribution towards economic development in the Mid West.

OPERATIONAL STRUCTURE

Enabling Legislation

The Mid West Development Commission is a State Government statutory authority managed by a community based Board.

The Commission functions under the provisions of the *Regional Development Commissions Act (1993)* and is one of nine regional development commissions in Western Australia.

Responsible Minister

Hon Alannah MacTiernan MLC
Minister for Regional Development

Organisational Structure

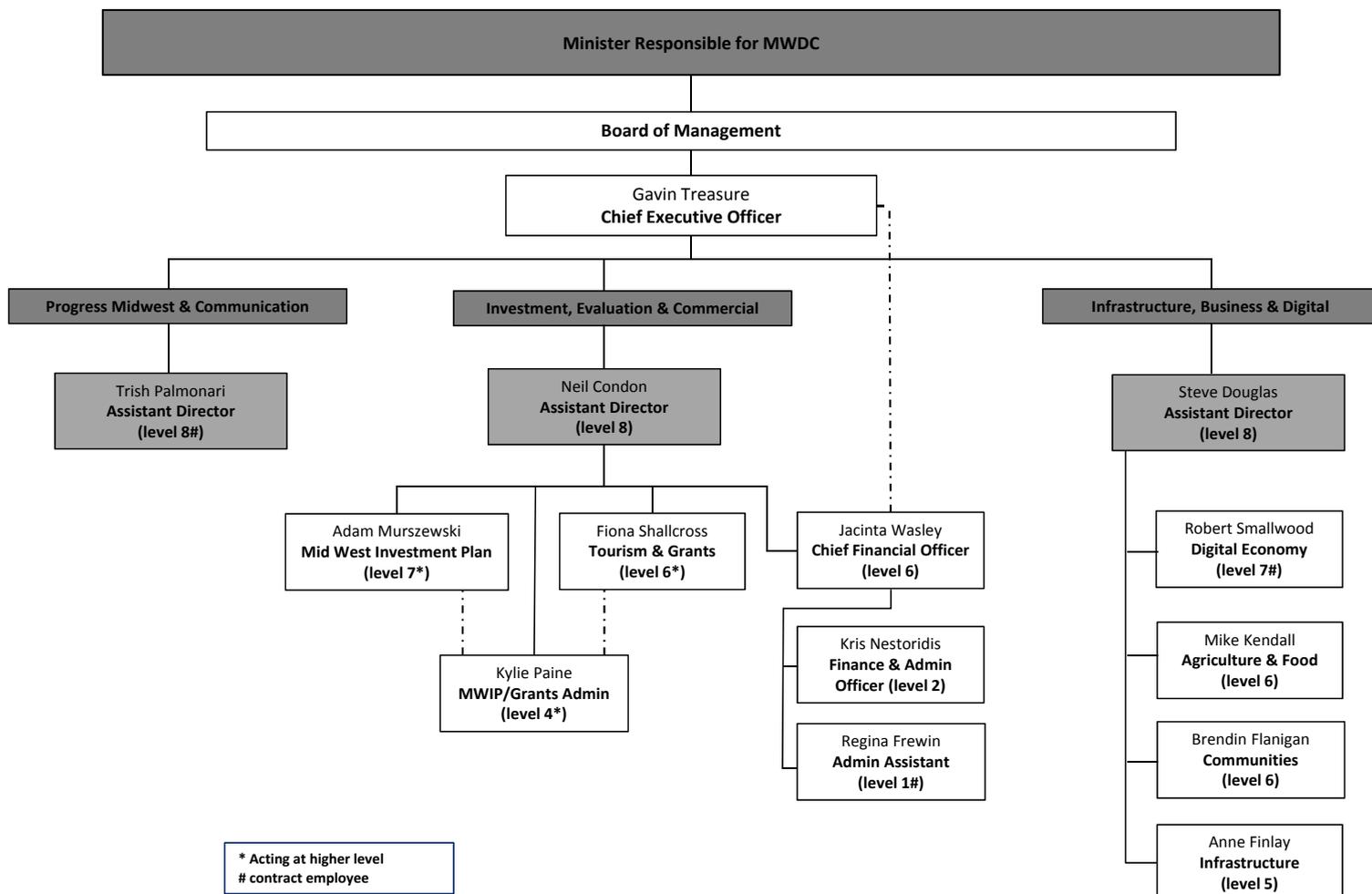
Mission

To have the Mid West region recognised as a preferred region in which to live, work, study and invest.

Strategic Directions

The Commission's future direction is set out in its Mid West Regional Blueprint (August 2015). This will be reviewed to align with the new State Government's direction and emerging Department of Primary Industries and Regional Development (DPIRD) strategy and organisational structure.

Organisational Chart For the year ended 30 June 2017



Board of the Authority

The Mid West Development Commission is managed by a Board of regional representatives comprising Local Government, Community and Ministerial appointments.

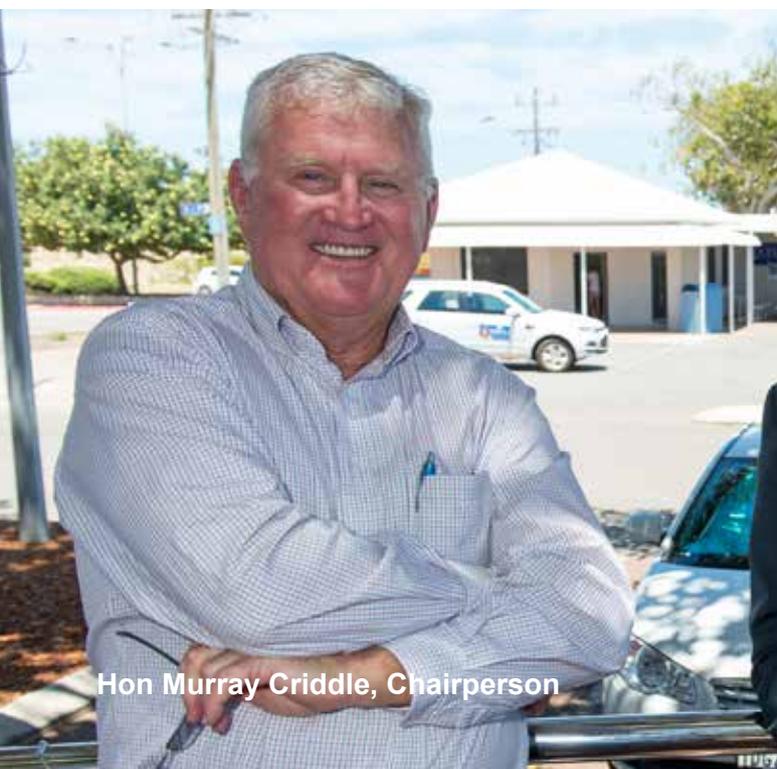
The following Board members served during 2016-17 and comprise the Commission's current Board. The MWDC Chief Executive Officer is an ex-officio member of the Board.

Board Profiles

Hon Murray Criddle

- Chairperson to 30 June 2017

Murray is a primary producer and a retired Member of the Western Australian Parliament. He was Member for the Agricultural Region from 1993 until his resignation in 2008 and Minister for Transport from 1998 to 2001. During his time in Parliament Murray was a member of a number of Standing Committees including Estimates and Financial Operations, Ecology and Sustainable Development, and Public Administration and Finance. He was also a member of a number of Select Committees including Select Committee for Native Title and Select Committee for Cape Range National Park and Ningaloo Marine Park. Murray was a Ministerial appointment to the Commission Board in 2009 as Chairman. His term on the Board expires on 30 June 2017.



Hon Murray Criddle, Chairperson

Mr Todd West

- Chairperson from 1 July 2017

Todd is CEO of Glass Co WA, which is WA's largest regional glass processing and manufacturing facility and has won multiple local and State awards. Prior to Glass Co, Todd owned and operated Wests Glass, Security and Home Improvements before merging the two businesses in 2012. 'Wests' has operated in the Mid West since 1968 as a family business. As a dedicated local business owner Todd is passionate about expanding the Mid West as a service centre for the North West of WA and advocates for continued infrastructure investment in local businesses. His previous roles included Vice President of the Mid West Chamber of Commerce and Industry, Executive Board Member of the local Master Builders Association and Regional Executive Member for the Glass and Window Association of WA. Todd joined the Commission Board in 2014 as a Community appointment and was Vice Chairperson during 2016-17. He will take on the Chairperson's role as a Ministerial appointment from 1 July 2017.

Cr Kirrilee Warr

- Vice Chairperson from 1 July 2017

Kirrilee lives in Yuna (Chapman Valley) and is a Director, along with her husband, of their broadacre agricultural enterprise. She has strong community involvement in sport, environment, heritage and industry development. Kirrilee currently holds appointments with Racing and Wagering WA, CBH Grower Advisory Council and Shire of Chapman Valley. She has previously held positions with Creating a Better Yuna, RRR Network and as Secretary of the Yuna Farm Improvement Group. Kirrilee is passionate about empowering young people and women, telecommunications, economic development of primary industries, and education. She is also a member and Graduate of the Australian Institute of Company Directors. Kirrilee was a Ministerial appointment to the Board in 2012.

Cr Michelle Bagley

Michelle is a primary producer at Yandanooka in the Shire of Mingenew. Michelle was elected to the Mingenew Shire Council in 1999 and has been Shire President for the past twelve years. Prior to entering Local Government, Michelle was actively involved in the several Mingenew sporting clubs and community committees. Michelle was Coordinator of the local Youth Advisory Council for three years. Michelle is current Chair of the Midwest Regional Council, Chair of the North Midlands Regional Road Group and Deputy Chair of the Mid West Regional Road Group. She was the delegate for the Northern Country Zone of Local Government and also recently become a member of the Western Australian College of Agriculture - Morawa's Independent Public Schools Board. Michelle joined the Commission Board in 2012 as a Local Government member.

Ms Michelle Allen

Michelle has a strong farming and community background with experience as a grain and livestock producer in WA's Northern Agricultural Region. She was a Director in a broad acre family farming enterprise in Northampton and actively involved in the financial management and enterprise planning of the business. Michelle is passionate about local communities and has extensive experience working within community, industry and government organisations in a variety of roles. Initially she worked within grower and research organisations developing policy and strategies associated with seed imports, grains research and natural resource management. She was also a member of the Agricultural Protection Board of WA from 1999-2010, during which time she Chaired a Parliamentary Review of the State Wild Dog Management Program. Michelle remains involved with a number of local organisations in a governance capacity and plays a key role in the areas of communication and strategic planning. She has a particular interest in seeing the Mid West prosper and develop capacity to meet the intense challenges and terrific opportunities that come to such a diverse region. Michelle was a Community appointment to the Commission Board in 2014.

Mr Shane Van Styn

Shane has worked as an accountant for the last 20 years and has been involved in a range of small and medium businesses in the hospitality, construction, property services and security industries. He was first elected to the City of Greater Geraldton Council in 2011 and in October 2015 was elected the position of Mayor. Shane has served as the Chairperson of the Audit Committee of the City since 2011 and in 2016 has assumed the role of Chair of Regional Capitals Australia. Shane is a Fellow of CPA Australia, holds a degree in Accounting and is a registered taxation agent and auditor. Whilst born in urban Perth, Shane long expressed a desire to move to the regions, choosing to move to Geraldton in 1999. His ascension to the position of Mayor in regional WA is the fulfilment of a lifelong passion of being dedicated to the service of a regional community. Shane was a Local Government appointment to the Commission Board in 2016.

Ms Christine Kerr

Chris is currently a Consultant / Director with Transition Management, a business that undertakes a range of contracts and projects, particularly human services. She has had long term involvement in the TAFE, labour market and disability sectors. She has an interest in the future direction of the education and training environment and the development of innovative sports, arts and environmental tourism in the region. Chris also advocates strongly for equitable inclusion of all people in employment, education, training and community to build dynamic and proactive communities. Chris has a passion for communities that value diversity and has sought to combine her personal and professional interests to promote community inclusion. She is currently a Board member of the National Disability and Carers Advisory Council, is the Disability Services Commission (DSC) 'Count Me In' Ambassador for the Mid West, and has been a Board member of the DSC WA. Chris was awarded the Centenary Medal for service to the disabled community. Chris was a Ministerial appointment to the Commission Board in 2014. Her term expired in June 2017.

Cr Carole Minney

Carole has a strong background in the areas of health, employment, education and training and youth affairs. She is a Councillor at the Shire of Mount Magnet and is Treasurer of the Mount Magnet Aboriginal Corporation. Carole is the Mount Magnet representative for the Mid West Aboriginal Organisations Alliance and is also a St John Ambulance Volunteer at the Mount Magnet Sub Centre. She has a keen interest Aboriginal economic development through tourism. Carole was a Local Government appointment to the Commission Board in 2016.

Mr Jeffrey Calver

Jeffrey has worked in the health system for over 20 years. Originally living in the United Kingdom, he relocated to Geraldton four years ago to undertake a position within the local health service. Jeffrey holds a Master of Science degree in Building Services Engineering and is a member of the Chartered Institute of Building Service Engineers (CIBSE). He is also a former Chairman of the East Anglia Region of the CIBSE. Jeffrey has a keen interest in developing local communities and ensuring sustainability, with a focus on improved health outcomes for all rural communities of the Mid West Region. Jeffrey was a Community appointment to the Commission Board in 2016.

Mr Gavin Treasure

Gavin is Chief Executive Officer of the Mid West Development Commission and is a member of the Board in this capacity.

Senior Officers

Mr Gavin Treasure (Chief Executive Officer)

Gavin joined the Commission in October 2012 after eight years as CEO of the Shire of Morawa. He is a certified practising accountant and also holds a Master of Business Administration and Master of Commerce.

Administered Legislation

The Mid West Development Commission also administers the following related Acts:

- Geraldton Foreshore and Marina Development Act 1990
- Geraldton Sailors and Soldiers' Memorial Institute Act 1929
- Geraldton Sailors and Soldiers' Memorial Institute Enabling Act 1934
- Geraldton Sailors and Soldiers' Memorial Institute (Trust Property Disposition) Act 1938

Other Key Legislation Impacting on Mid West Development Commission's Activities

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

- Disability Services Act 1993
- Electoral Act 1907
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Freedom of Information Act 1992
- Geraldton Foreshore and Marina Development Act 1990
- Industrial Relations Act 1979
- Minimum Conditions of Employment Act 1983
- Occupational Safety and Health Act 1984
- Public Interest Disclosure Act 2003
- Public Sector Management Act 1994
- Royalties for Regions Act 2009
- Salaries and Allowances Act 1975
- State Records Act 2000
- State Supply Commission Act 1991
- Workers Compensation and Rehabilitation Act 1981

PERFORMANCE MANAGEMENT FRAMEWORK

Outcome Based Management Framework

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following tables illustrate the relationship between the Commission’s services and desired outcomes, and the government goal they contribute to.

Government Goal	Desired Outcome	Services
<p>Stronger Focus on the Regions:</p> <p>Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.</p>	<p>An environment conducive to the balanced economic and social development of the Mid West region.</p>	<ol style="list-style-type: none"> 1. Information and Advice 2. Investment Facilitation 3. Infrastructure and Services Development in the Mid West

Service 1: Information and Advice

To contribute to economic growth and employment by developing strategic partnerships between government, business and the community, providing a central point of coordination and contact, and by raising awareness of the Mid West region.

Service 2: Investment Facilitation

To create a business environment within the Mid West region that has a diverse economic base and is attractive to investors.

Service 3: Infrastructure and Services Development in the Mid West

To facilitate the development of infrastructure and services based on long term economic development strategies, to support communities and businesses in the Mid West.

Changes to Outcome Based Management Framework

The Commission’s Outcome Based Management Framework did not change during 2016-17.

Shared Responsibilities with Other Agencies

The Commission did not share any responsibilities with other agencies in 2016-17.



Yellow Tail Kingfish aquaculture grow-out trial, Geraldton

AGENCY PERFORMANCE

REPORT ON OPERATIONS

Service 1: Information and Advice

To contribute to economic growth and employment by developing strategic partnerships between government, business and the community, providing a central point of coordination and contact, and by raising awareness of the Mid West region.

AGENCY ACTIVITIES

- Administered the Royalties for Regions (RfR) Mid West Regional Grants Scheme (RGS) and Community Chest Fund (CCF). This included:
 - \$3,096,917 from the RGS to 18 projects, including:
 - \$1.56 million to nine projects (allocated in RGS Round 6 in 2015-16 but not announced until 2016-17);
 - \$1.54 million to nine projects from RGS Round 7.
 - allocating \$822,604 from CCF to 29 projects, including:
 - \$267,048 to 12 project from CCF Round 2;
 - \$555,556 to 17 projects from CCF Round 3; and
 - supporting recipients of RGS and CCF funding from previous rounds to effectively report on and / or acquit their grants.
- Administered \$950,000 to 33 projects identified for funding by new State Government from its Local Projects Local Jobs program (LPLJ).

(Please refer to the tables at the end of this Report on Operations section for details of Mid West RGS, CCF and LPLJ allocations).

- Provided advice and assistance to clients in a variety of areas, including project planning and development, identification of suitable grant opportunities and applications for grant funding.

- Provided updates to stakeholders on the status of various major Mid West projects.
- Collated and provided statistical data to a range of stakeholders to assist with planning in response to social, economic, employment and industry growth and development within the Mid West.
- Continued working with the Murchison Executive Group, which includes the CEOs of seven Murchison local governments, to identify opportunities for local government collaboration and resource sharing in the Murchison subregion. This includes a specific focus on economic development opportunities eg growing tourism through new initiatives such as geotourism.
- Supported two key initiatives within the North Midlands subregion for greater collaboration and effectiveness in the sustainable education of local students; namely the North Midlands Project (including Learning Hub) and the Morawa Education and Industry Training Alliance (MEITA).
- Supported the North Midlands Strategic Working Group, which comprises the Presidents and CEOs of the six North Midlands Shires and the Shire of Irwin, to identify opportunities for collaboration and resource sharing.
- Supported a range of opportunities for professional development, collegiality and mentoring for a network of local government Community Development Officers (CDOs) and Community Resource Centre coordinators (CRCs). The CDO network now extends across a number of regions and continues to enhance collaboration amongst CDOs. This has resulted in more effective delivery of community programs and a significantly reduced turnover of staff within the region and beyond.
- Supported the Mid West Economic Summit 2016 through sponsorship and participation.
- Added links to Tenders WA and Jobs WA on the MWDC website to promote Government work opportunities to local businesses and jobseekers.

Major Initiatives for 2017-18

- Continue to work with recipients of the Commission's grant funding programs to deliver their projects and effectively report on and acquit their grants.
- Update the Mid West Mining Register as development occurs to assist local businesses identify and secure procurement opportunities.
- Continue to support a professional peer network for regional WA's local government CDOs and regional CRC coordinators to enhance collaboration and program delivery and limit historically high rates of staff turnover.
- Continue to assist with annual community development events in partnership with the City of Greater Geraldton (CGG) for the region and beyond. A planned September 2017 event will focus on Mid West tourism and cultural event opportunities, social enterprise and community learning and engagement.
- Support the recently established North Midlands Project group based in Carnamah with regional development and capacity building initiatives, which have potential for key learning and training outcomes for the region as a whole.
- Provide ongoing support to the Murchison Executive Group (MEG) including collaborative planning across the seven Murchison Zone councils, with involvement from the Shire of Upper Gascoyne.
- Provide ongoing assistance at the local government level to all Mid West local governments and community groups to shape and develop subregional and region wide regional development initiatives.
- Provide a dedicated Local Content Officer to work with Mid West businesses to help them compete for a larger share of State Government contracts. The Officer will take the lead role in linking State Government contracts with local businesses to create job opportunities in the region.



Service 2: Investment Facilitation

To create a business environment within the Mid West region that has a diverse economic base and is attractive to investors.

AGENCY ACTIVITIES

- Continued to support development of a Mid West marine aquaculture industry by:
 - supporting the proponent with a second Yellowtail Kingfish Grow-out Trial (YTK2), which was successfully completed during the year;
 - liaising with industry and the former Department of Fisheries (DoF) regarding the establishment of the Mid West Marine Aquaculture Zone;
 - hosting aquaculture investor functions in association with the YTK2 trial proponent; and
 - working with key stakeholders to prepare “An implementation plan to transition marine aquaculture in the Mid West to an industry of national significance by 2022”, through use of YTK2 sales proceeds.
- Continued to progress a Mid West Agriculture Development Strategy to identify priority interventions for growth of the region’s agriculture and food industries.
- Worked with the CGG, the former Department of Regional Development (DRD) and others to finalise the Growing Greater Geraldton Growth Plan (the Growth Plan), which was launched at the Mid West Economic Summit in February 2017.
- Commenced implementation of the Growth Plan through the establishment of Progress Midwest, an informal alliance of the three tiers of government, academia and industry (business) collaborating to grow the traded (export) economy of the Mid West. MWDC provided resources on secondment to Progress Midwest throughout much of 2016-17.
- Supported Progress Midwest to deliver the following key initiatives from the Growth Plan under the Cluster Ignition Project pilot clusters (marine services; food (specifically horticulture) and tourism):
 - Local Access (Lobster to the Plate) trial, which has allowed professional fishermen to catch and tag up to 50 extra lobsters on top of their current quotas to sell directly to the local market and create a new domestic market to support the tourism and restaurant sectors;
 - Mid West Cluster Jam, which saw a range of marine, agriculture and tourism experts descend on Geraldton to meet with business and industry to discuss opportunities for growth;
 - Horticulture grower alignment, with agreement reached to establish a joint cluster group to focus on common input costs and infrastructure challenges, logistic chain knowledge, alignment and influence, market identification and penetration, pricing performance etc;
 - Marine Precinct Development Project, which involves demand assessment and modelling of growth opportunities for the Geraldton marine services sector. This will also inform the Geraldton Fishing Boat Harbour precinct masterplan about requirements to accommodate potential aquaculture industry growth;
 - Mid West tourism industry taskforce, which resulted in a number of ‘quick win’ priorities targeted and achieved including (initial) progression of extended retail trading hours to create vibrancy, China Ready accredited training, Tourism is Everybody’s Business (get locals to be a visitor and know your own back yard) and attraction of large scale events; and
 - The Greater Geraldton Investor Showcase, which brought together a team of potential investors and philanthropists to meet the best of the Mid West’s entrepreneurial and business community.

- Worked with stakeholders to progress key development priorities from the Mid West Tourism Development Strategy (MWTDS); namely:
 - Mid West Coastal Nodes, with completion of the four funded sites in Green Head; Irwin, Northampton and Dandaragan (Wheatbelt); and
 - the Kalbarri Skywalk project:
 - completion of the majority of the 22km of sealed roads into the National Park;
 - planning / design and advertise tender for the Meanarra Hill and Z-Bend sites (to be undertaken Q3-4 2017);
 - planning / design work for the West Loop site and the two cantilevered Skywalk platforms;
 - employment of two Nanda Rangers to support the project; and
 - engagement and consultation with the Nanda people to inform the design and interpretation material at the West Loop / Skywalk site.
- Continued to work with stakeholders to progress the other four (of six) MWTDS tourism 'game changers'; namely:
 - Sustainable Development of the Abrolhos Islands – worked with the Departments of Fisheries and Parks and Wildlife to progress a business case for funding;
 - Murchison Geotourism Development – worked with Murchison local governments and other stakeholders to secure funding for the initial feasibility and design phase;
 - Rangelands Parks – worked with the Department of the Parks and Wildlife on plans to develop a number of disused conservation estates in the Mid West and Gascoyne for tourism purposes; and
 - Kalbarri to Shark Bay 4WD trail – worked with the Shires of Northampton and Shark Bay to progress planning for a 4WD track along the Zuytdorp cliffs from the Murchison Homestead to Tamala Station.
- Continued to deliver elements of the Mid West Indigenous Arts Industry Strategic Plan, including:
 - working alongside Aboriginal Arts and Cultural Hub Western Australia (AACHWA) to provide assistance, guidance and support to local art centres and artists throughout the region; and
 - strengthening the role of AACHWA.
- Continued MWDC's 20 year support of Australia's component of the Square Kilometre Array (SKA) Stage 1 (jointly hosted with South Africa) by:
 - providing input through membership of the SKA Regional Stakeholders Group;
 - working with Horizon Power to establish the Murchison Radio-astronomy Observatory (MRO) Power Plant and integrate it with CSIRO's adjacent solar PV plant; and
 - supporting the Shire of Murchison to complete the construction of a \$5.5 million replacement Ballinyoo Bridge over the Murchison River.
- Continued to work with CSIRO and others to identify and progress regional development opportunities which could spin off the SKA, its infrastructure and people.
- Through its membership of the Mid West Workforce Alliance, continued to support initiatives aimed at meeting the region's current and future workforce needs.
- Collaborated with local social enterprise, Pollinators, to undertake an action based development of a draft Mid West Innovation Action Agenda. Learnings from the various workshops and programs held to support this process fed directly into the Action Agenda, including its draft recommendations, which aim to build the innovation culture and ecosystem in the Mid West.

Major Initiatives for 2017-18

- Work with the CGG and stakeholders to continue the implementation of the Growth Plan, which aims to support economic development and deliver jobs.
- Launch of the Growing Greater Geraldton Investment Prospectus (interactive online) through Progress Midwest.
- Support Progress Midwest to:
 - become incorporated and pursue funding for ongoing operations;
 - complete and launch the Growing Greater Geraldton Destination Management Plan; and
 - complete and launch the Growing Greater Geraldton Marketing Strategy and establish a Cooperative Tourism Marketing Fund for its implementation.
- Continue working with stakeholders to progress the sustainable development of the Abrolhos Islands for tourism.
- Continue work with the Mid West marine aquaculture industry by:
 - liaising with a local YTK proponent expanding operations to commercial scale and with administrators on regulatory issues;
 - using residual sale proceeds from the 2nd YTK trial to support initiatives aimed at the industry's development;
 - assisting the local YTK proponent to host potential aquaculture investors and articulate the Commission's industry development philosophy;
 - advocating State government agencies to develop aquaculture in WA with appropriate governance and management practices;
 - assisting industry to progress the Mid West Aquaculture Development Plan and achieve full commercialisation;
 - ensuring government services to the developing aquaculture industry provide the required support and the best value; and
 - ensuring local industry concerns are considered in relation to the planned establishment of Marine Aquaculture Zone in the Mid West.
- Complete and launch an Agriculture Development Strategy for the Mid West to help develop a region built on a diverse, innovative, profitable and productive agriculture and food sector that services local and global markets through the production and supply of high quality food.
- Collaborate with the Department of Training and Workforce Development to undertake a regional labour market review. This will help align regional skill needs shortages with State data and support the implementation of the Mid West Workforce Development Plan (2015-18), which aims to ensure the region's current and future workforce needs are met.
- Work with Murchison local governments to complete the feasibility and design phase of the Murchison geotourism development project, which explores tourism opportunities based on the subregion's geological, biological (flora and fauna) and cultural attributes. The project seeks to capitalise on the growing global interest in geotourism, with a focus on the growing number of Chinese and European tourists to the Murchison.
- Support eleven local governments across three regions (Pilbara, Gascoyne and Mid West) manage Gascoyne Murchison Outback Pathways responsibilities and requirements to maintain and upgrade relevant tourism infrastructure and promotional material.
- Work with the Department of Primary Industries and Regional Development (DPIRD), Department of Water and Environment Regulation and pastoralists to enhance the profitability of pastoralism in the Southern Rangelands.
- Continue to work with AACHWA to support the sustainability of the region's Aboriginal art centres and to further develop the industry.

- Continue to capture regional outcomes from the SKA and MRO by:
 - providing local feedback and advice to the Department of Jobs, Tourism, Science and Innovation (Office of Science) and through the SKA Regional Stakeholders Group on a variety of matters as required eg procurement;
 - identifying and progressing economic and community development initiatives that can leverage off the establishment of the SKA, other radio astronomy projects and their associated infrastructure; and
 - working with Progress Midwest and the Mid West Chamber of Commerce and Industry to ensure local businesses are well informed of any potential opportunities to supply goods or services to radio astronomy projects at the MRO, and their capability is communicated to the project proponents.
- Work alongside and facilitate Aboriginal leadership via the Mid West Aboriginal Organisations Alliance and the WA Aboriginal Leadership Program.
- Continue working with Bundiyarra Aboriginal Community Aboriginal Corporation to create cultural tourism and trails developments across the region.
- Work with Bush Heritage Australia, Rangelands NRM (Natural Resource Management), Northern Agricultural Catchments Council, Department of Biodiversity, Conservation and Attractions, Central Regional TAFE and Yamatji Marlpa Aboriginal Corporation to pursue opportunities for Badimaya people in Mount Magnet, Yalgoo, Paynes Find and surrounds to achieve cultural and environmental outcomes in the Southern Rangelands.
- Partner Pollinators to finalise the Mid West Innovation Action Agenda and progress its implementation. The Action Agenda aims to support economic development and jobs by building capacity in the local innovation ecosystem.



Coastal Node - Milligan's Island, Green Head

Service 3: Infrastructure and Services Development in the Mid West

To facilitate the development of infrastructure and services based on long-term economic development strategies to support communities and businesses in the Mid West.

AGENCY ACTIVITIES

- Supported the Regional Development Portfolio to implement a nine point Action Plan under the Regional Development reform process, which includes developing five initial High Impact Programs for initial strategic delivery.
- Commissioned independent analysis of several Blueprint development strategies to help better understand the economic and employment potential of their successful implementation ie health, water (horticulture scenario), tourism and digital and communications.
- Continued to implement the Commission's MWIP. To date the MWIP has provided \$137.9 million to 38 projects with an estimated total cost of \$237 million. MWIP outcomes in 2016-17 included:
 - announcement of \$12 million for the Mount Magnet and Meekatharra health facilities; and
 - assessment and recommendation for funding of eight additional projects with a total value of \$88 million (MWIP funding of \$36 million sought). Funding opportunities for these projects will be explored in 2017-18.
- Administered MWIP funding and liaised with proponents on several projects including:
 - Main Roads WA 's Dongara to Northampton Strategic Corridor Planning Study;
 - the CGG's Karloo-Wandina Urban Expansion project;
 - the Shire of Morawa's town centre revitalisation project;
 - the CGG's Beresford Foreshore protection and enhancement project;
 - the Shire of Meekatharra's sealing of sections of Landor Road between Carnarvon and Meekatharra;
 - Horizon Power's MRO Power Station project and its integration with the CSIRO solar PV facility, which combines to power the MRO site;
 - Foodbank WA's completion of the new Foodbank Geraldton warehouse;
 - the Shire of Northampton's sealing of Binu West and White Cliffs Roads;
 - LandCorp's attraction of a high quality development for Lot 601 in the Geraldton CBD;
 - the Shire of Murchison's replacement of Ballinyoo Bridge (completed) over the Murchison River and extension of the sealing of the southern approach;
 - the CGG and other stakeholders on LandCorp's site investigations and planning for Stage 2 of the Batavia Coast Marina redevelopment;
 - the Department Parks and Wildlife's Kalbarri Skywalk project;
 - the Shire of Northampton's completion of the Horrocks Community Centre;
 - the Central Regional TAFE's completion of the Geraldton Interactive Student Hub;
 - the Catholic Diocese of Geraldton completion of the Monsignor Hawes Heritage Centre project;
 - the Geraldton Cemetery Board's completion of a crematorium upgrade and construction of a condolence lounge building;
 - the CGG's completion of the Wonthella Oval lighting project; and
 - the WA Country Health Service to pursue funding for progress the Murchison Health business case for improved health facilities in Mount Magnet and Meekatharra.
- Worked with Main Roads WA and the Shires of Meekatharra and Wiluna to develop a business case for funding to complete the sealing of Goldfields Highway (National Highway #1).
- Worked with the CGG to develop State and Federal funding applications for the renewal and upgrade of the Geraldton Regional Airport's main runway.

- Administered the Commission's Mid West Strategic Infrastructure Group (MWSIG), which functions to collaboratively resolve infrastructure bottlenecks and provide a forum for agencies to share information on major projects in the region. Through this group the Commission assisted the development of strategic infrastructure by:
 - highlighting the constraints in the region's exporting facilities;
 - supporting Main Roads WA to progress the Dongara – Northampton Strategic Corridor Planning Study, including the Geraldton Heavy Freight Bypass;
 - advocating for a solution to the Murchison subregion's water quality issues through the Water Corporation;
 - advocating for the timely commencement of the sealing of the Meekatharra-Wiluna Highway project; and
 - developing a key stakeholder briefing note for the Murchison Rail Project which aims to reconstruct the historic rail line from Mullewa to Mount Magnet.
- Participated in the reference group for the Departments of Regional Development and Transport led Regional Airports Study, which aims to identify opportunities for private investment in regional airport infrastructure.
- Engaged health sector stakeholders in the development of a Mid West Health and Wellbeing Strategy to identify and address infrastructure and servicing gaps impacting on delivery of the Mid West Regional Blueprint.
- Supported Centacare, who are the managers of the Bidi Bidi Early Childhood Development and Parenting Centre in Mount Magnet, to address the Murchison's relatively poor Australian Early Development Census (AEDC) results. Also supported other agencies and NGO's in the region dealing directly with early childhood vulnerability to monitor and improve AEDC results.
- Assisted the Wheatbelt Development Commission to develop the WA Regional Lime Routes Strategy, which identifies the key issues in accessing and transporting lime for agricultural purposes and prioritises projects to address these issues.
- Commenced development of the Mid West Transport Strategy, which aims to identify the key projects required to optimise the region's transport infrastructure.
- Worked with the Department of Water to develop the Mid West Water for Growth Strategy, which identifies the strategic opportunities for growing the Mid West economy through the sustainable use of water resources.
- Worked with the Morawa Education and Industry Training Alliance (MEITA) and North Midlands communities to complete and launch a 10 Year Morawa and North Midlands Education and Training Plan. The Plan outlines challenges facing education and training in the North Midlands and provides strategies for future collaboration across providers to deliver benefits to local students and their families.



Kalbarri Skywalk, concept design

- Worked with the Western Australian Museum on the development of a business case for the Geraldton Museum redevelopment project, which is a key component of the Growth Plan and CBD revitalisation.
- Worked with stakeholders in land sold as part of Stage 1 of the Batavia Coast Marina redevelopment on issues related to the proposed new developments, including a hotel, tavern and 'off property' improvements.
- Worked with a Project Steering Group to progress the Mid West Academy of Sport (MWAS), which develops talented subelite athletes, coaches and officials from within their home environment. MWAS secured new funding for four years from 2016-17 and introduced a second athlete tier to expand reach and beneficiaries.
- Assisted the Geraldton Universities Centre (GUC) to investigate the establishment of a universities centre in the Pilbara. By pooling together students from other communities, GUC will be able to offer an enhanced range of courses for students in all communities and thereby also support its financial sustainability.
- Supported Western Power to progress the Kalbarri micro-grid project and the establishment of BESS (Battery Energy Storage System) in Perenjori.
- Worked with stakeholders to finalise the Mid West Energy Strategy aimed at meeting the region's current and future energy needs, including through the use of renewables, predominantly wind and solar.
- Completed the Mid West Digital and Communications Strategy – titled "A Digitally-Enabled Future: A Digital and Communications Plan for Australia's Mid West". An Action Plan for delivery of the Strategy was also prepared.
- Worked with other key stakeholders to successfully lobby the Commonwealth Government for nbn to complete a rollout of nbn Fibre to the Premise (FttP) in Geraldton, instead of an inferior mix of FttP and Fibre to the Node (FttN). This positions Geraldton as the only WA location north of Perth (and only one of two regional towns in WA) with virtually ubiquitous FttP connectivity.
- Established a Working Group to investigate development of a community cooperative rural broadband initiative, which could bring enterprise-grade broadband services to rural areas of the Mid West, Wheatbelt and Goldfields / Esperance regions.
- Assisted Mid West local governments to investigate and in some cases resolve complaints from their communities regarding mobile phone tower reception and data speeds.
- Worked with the Department of Commerce on the evaluation, prioritisation and selection of new mobile phone tower sites in the Mid West for the Commonwealth Mobile Black Spots Program Rounds 1 and 2. Eighteen new towers were funded in Round 1 and twelve in Round 2, with towers being progressively installed from 2016-18.
- In cooperation with Regional Development Australia Mid West and Gascoyne and West Tech Fest, provided support to deliver the "Geraldton Tech Investor Showcase", attended by 40 high-profile Silicon Valley (USA) and East Coast Australian investors and venture capitalists.
- Provided technical assistance to local governments seeking to expand the footprint of their digital TV and radio signals.
- Provided technical advice regarding State telecommunications and broadband projects being considered for Government funding.
- Assisted State and Federal Members of Parliament to encourage infrastructure and government service providers to upgrade regional communications services.
- Assisted the Shires of Perenjori and Morawa to establish WiFi networks in local tourist caravan parks.
- Participated in a Department of Fisheries working group to evaluate options and form recommendations for the improvement of communications infrastructure on the Arolhos Islands.
- Presented to the Productivity Commission (Commonwealth) inquiry on the Review of the Universal Service Obligation for Telecommunications, defending the case not to remove terrestrial telephone services from regional, rural and remote WA.

Major Initiatives for 2017-18

- With DPIRD and other Commissions, continue to support and participate in any 'cross portfolio' efforts to assess priority regional projects for future funding opportunities.
- Continue to support the coordinated implementation of the new Department of Primary Industries and Regional Development (DPIRD).
- With the support of the MWSIG, progress priority infrastructure projects of the Mid West Regional Blueprint by working with:
 - the CGG to secure funding for the renewal and extension of the main runway of the Geraldton Regional Airport;
 - Western Power to progress the implementation of the Kalbarri Microgrid project;
 - the Water Corporation to identify and implement a solution to the Murchison subregion's water quality issues;
 - key stakeholders to investigate re-establishing the Murchison Rail corridor between Mullewa and Mount Magnet;
 - DPIRD and the Department of Transport and other stakeholders to complete a Regional Airports Study, which will identify opportunities to leverage regional airports to attract further investment in the regions;
 - Main Roads WA and other key government stakeholders to progress the DongaraNorthampton Strategic Corridor, which will provide plans for a heavy freight bypass around the regional centres of Dongara, Geraldton and Northampton;
 - the Department of Water and Environmental Regulation and Water Corporation to launch and progress water development initiatives identified in the Mid West Water for Growth strategy;
 - Main Roads WA to commence the upgrade of the Goldfields Highway from Meekatharra to Wiluna, which provides strategic connectivity between the Goldfields-Esperance, Mid West and Pilbara regions;
- the Wheatbelt Development Commission and other key stakeholders to implement the WA Lime Sand Routes Strategy, which identifies the priorities for road infrastructure upgrades to support the agricultural sector; and
- Mid West Ports Authority to collaboratively resolve infrastructure bottlenecks and provide a forum for agencies to share information on major projects in the region.
- Finalise and launch the Mid West Transport Development Strategy, which identifies the priority projects required to optimise the region's existing transport infrastructure.
- Continue to support the GUC in its endeavours to:
 - consolidate existing courses;
 - attract more school leavers (including Aboriginal students);
 - expand the range of courses offered in response to community and industry needs; and
 - work with the Pilbara community to establish a universities centre in Karratha region.
- Continue to support the MWAS during its 'consolidation' phase, with a focus on delivering services to athletes, coaches and officials and expanding operations to second tier athletes.
- Continue to support Centacare as required with the Bidi Bidi Early Childhood Development and Parenting Centre in Mount Magnet.
- Continue to work with LandCorp and other stakeholders to progress the proposed hotel and other developments on land sold as part of Stage 1 of the Batavia Coast Marina redevelopment.
- Continue to work with LandCorp, CGG and other stakeholders to finalise environmental remediation works and the detailed planning for Stage 2 of the Batavia Coast Marina redevelopment.
- Assist WACHS (as required) with implementation of the Mid West Health and Wellbeing Strategy, which confirms the region's highest priority health initiatives.

- Continue to support MEITA and North Midlands communities with implementation of priority interventions from the 10 Year Morawa and North Midlands Education and Training Plan.
- Work with the WA Museum to review options to enhance the Geraldton Museum and the telling of local stories including the HMAS Sydney II / Kormoran, Abrolhos Islands, SKA and Wilgie Mia ochre mine.
- Work with Western Power, Horizon Power and others on initiatives to increase power reliability and capacity throughput in the Mid West, including alternative and renewable energy solutions.
- With Horizon Power and CSIRO, support the Shire of Murchison to identify and implement a cost-effective, clean energy solution for the Murchison Settlement.
- Work with the Shire of Three Springs and Western Power to further develop Three Springs as an energy generation hub.
- With stakeholders around WA, develop a plan for a state-wide broadband backhaul network to provide enterprise-grade broadband services in regional, rural and remote areas and enhance global competitiveness.
- Support the development of the first Regional Broadband Cooperative in WA.
- Deployment of the first “Digital Flying Squad” to deliver digital education initiatives to regional and remote communities that elevate digital literacy.
- Expansion of WA Regional Health Services to extend remote diagnostic capabilities into remote communities using high-capacity broadband.
- Launch of the first CRC Innovation hubs to elevate / upgrade the services offered to gradually migrate into the social enterprise sphere.

Modal interaction, Geraldton - Mount Magnet Road



330kV transmission line, Three Springs









Royalties for Regions Mid West Regional Grant Scheme

The Commission supported the following 18 worthwhile projects for funding from the Mid West Regional Grants Scheme (RGS) during 2016-17.

Mid West Regional Grants Scheme - funded projects for 2016-17		
Organisation	Project Name	Funding (ex GST)
Shire of Northampton	Relocation of Kalbarri Tennis, Netball and Basketball Courts	\$226,680
Shire of Cue	Cue Community and Visitor Centre	\$200,000
Foodbank of WA (Foodbank Geraldton)	Safer Foodbank Geraldton	\$132,000
Access To Leisure And Sport (ATLAS)	ATLAS Sustainability Project	\$150,000
Sun City Care Inc	Wandalgu Sustainability Project	\$120,000
Wildflower Country Inc	Exploring Wildflower Country - Midlands Route	\$278,750
Marine Fishfarmers Association	Improving the Commercial Viability of Inland Saline Aquaculture via Intensification and Investigating High Value Species	\$79,000
National Trust of Australia (WA)	Central Greenough Conservation	\$101,820
Bundiyarra Aboriginal Community Aboriginal Corporation	Bundiyarra Muguri (Stage 1)	\$272,000
Geraldton Cemetery Board	Security Fencing	\$109,000
Shire of Irwin	Dongara Port Denison Digital Television Retransmission	\$84,500
City of Greater Geraldton	Chapman River Regional Park Mountain Bike Trail	\$235,500
Leaning Tree Community School	Leaning Tree Community School Sustainability Components	\$77,400

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Mid West Regional Grants Scheme - funded projects for 2016-17		
Organisation	Project Name	Funding (ex GST)
Shire of Coorow	3 Bays Walk Trail	\$287,500
City Greater Geraldton	Derna Park and Wandina Primary School Community Nature Playground	\$149,167
Shire of Three Springs	Three Springs Early Childhood Learning Centre	\$300,000
Meekatharra District High School P&C	Meekatharra District High School Community Hub	\$200,000
Shire of Northampton (auspice Kalbarri Bowling Club)	Second Green Replacement - Kalbarri Bowling Club	\$93,600
18 PROJECTS	TOTAL	\$3,096,917



Inland Saline Aquaculture (barramundi), Morawa

Royalties for Regions Mid West Community Chest Fund

The Commission supported the following 29 worthwhile projects for funding from the Mid West Community Chest Fund (CCF) during 2016-17.

Mid West Community Chest Fund - funded projects for 2016-17		
Organisation	Project Name	Funding (ex GST)
The RSL of Australia WA Branch (auspice for Northampton RSL)	Northampton RSL Outdoor Military Display	\$11,800
Shire of Morawa	Free Community WiFi	\$7,600
Northampton District Bowling Club	Kitchen Upgrades	\$2,800
Mid West Sports Federation	Sport Governance Program	\$20,000
Geraldton and District Badminton Association	Facility Upgrade	\$50,000
Shire of Mount Magnet (auspice Mount Magnet VFRS)	Running Team Track Upgrade	\$50,000
Batavia Coast Replica Boat Association	Batavia Long Boat Replica Sails Replacement	\$5,000
Shire of Chapman Valley	Showgrounds Shade Structure	\$33,500
Shire of Mount Magnet	Murchison Geotourism Development	\$50,000
Shire of Perenjori	Community Stage	\$10,000
Uniting Church Homes (Juniper Hillcrest)	Hairdressing Salon Accessible Basin and Chair	\$3,357
Shire of Northampton	Lions Park Redevelopment	\$22,991
Shire of Northampton (auspice Pioneer Lodge Inc)	Pioneer Lodge Expansion, Car Port and Gardens	\$37,695
St John Ambulance sub centre Mount Magnet	Ambulance Support Trailer	\$29,000
Scout Association of Australia WA Branch (auspice Woorree Scout Group)	Hall Improvements	\$27,250
Shire of Chapman Valley	Chapman Valley Tennis Club Facility Upgrade	\$20,000

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Mid West Community Chest Fund - funded projects for 2016-17		
Organisation	Project Name	Funding (ex GST)
City of Greater Geraldton	Grave Restoration Works at the Greenough Pioneer and Old Walkaway Cemeteries	\$25,074
Access To Leisure And Sport (ATLAS)	Accessible Geraldton	\$50,000
City of Greater Geraldton	Mullewa Entry Statements	\$20,727
Denison Bowling and Recreation Club	Replacement of Bowling Green Lights	\$29,038
Shire of Carnamah (auspice for Eneabba Tennis Club and Playgroup)	Eneabba Community Shed	\$50,000
Shire of Chapman Valley	Bill Hemsley Park Community Meeting Space	\$42,000
Green Head Men's Shed	Recycling, Restoration and Metal Work Shed	\$43,000
Kalbarri Golf Club	Kalbarri Golf Course Reticulation Project	\$10,000
Shire of Mingenew	Mingenew Museum Refurbishment	\$15,235
Shire of Wiluna	Wiluna 48 Hour Rest Spot	\$26,765
Shire of Meekatharra	Mount Gould Police Station Restoration and Upgrade	\$42,500
Meekatharra Speedway	Meekatharra Dirt Kart Junior Development Program	\$50,000
Shire of Coorow	Coastal Cemetery Development	\$37,272
29 PROJECTS	TOTAL	\$822,604

Local Projects Local Jobs (LPLJ) Program

Funding of \$950,000 was allocated to 33 projects through the new State government's LPLJ program during 2016-17. This funding was determined through 2017 State government election commitments. Funding allocated to proponents will be announced in 2017-18 and the projects will be reported in the 2017-18 Annual Report.

Actual results versus budget targets

Financial Targets

	2016-17 Target \$000	2016-17 Actual \$000	Variation \$000
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	4,435	5,515	1,080
Net cost of services (sourced from Statement of Comprehensive Income)	4,427	5,243	816
Total equity (sourced from Statement of Financial Position)	2,434	2,763	329
Net increase/(decrease) in cash held (sourced from Statement of Cash Flows)	(126)	356	482
Approved salary expense level	1,759	1,751	(8)

The variance in total cost of services primarily reflects unbudgeted RfR expenditure.

The variance in total equity mainly reflects the carryover of RfR funding to 2017-18, this has been partially offset with a decrease in land valuation.

The variance in cash held largely reflects carryover RfR grant funding, which includes funding for the LPLJ program and Mid West Investment Plan (MWIP).

For explanation on Income Statement variances, refer to Note 30 of the Financial Statements on page 65 of this report.

Financial Targets

	Target \$000	Actual \$000	Variance \$000
Agreed Working Cash Limit (at Budget)	217	217	N/A
Agreed Working Cash Limit (at Actuals)	271	242	29

Summary of Key Performance Indicators

The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the services delivered and the resources used to produce the service.

	Target	Actual	Variance
<p><i>Outcome: An environment conducive to the balanced economic and social development of the Mid West region</i></p> <p>Key Effectiveness Indicators:</p> <ul style="list-style-type: none"> • Clients agreeing that the Commission reduced obstacles to economic growth and employment • Clients agreeing that the Commission contributed to the development of a new business opportunity • Clients agreeing that the Commission contributed to more trade activity • Clients agreeing that the Commission contributed to the retention of staff and/or expansion of employment opportunities 	<p>42%</p> <p>63%</p> <p>30%</p> <p>28%</p>	<p>47%</p> <p>63%</p> <p>33%</p> <p>34%</p>	<p>5%</p> <p>0%</p> <p>3%</p> <p>6%</p>
<p><i>Service 1: Information and Advice</i></p> <p>Key Efficiency Indicators:</p> <p>Cost per client visit</p> <p>Cost per client inquiry</p>	<p>\$535</p> <p>\$104</p>	<p>\$331</p> <p>\$82</p>	<p>(\$204)</p> <p>(\$22)</p>
<p><i>Service 2: Investment Facilitation</i></p> <p>Key Efficiency Indicator:</p> <p>Average cost per project</p>	<p>\$85,599</p>	<p>\$81,778</p>	<p>(\$3,821)</p>
<p><i>Service 3: Infrastructure and Services Development in the Mid West</i></p> <p>Key Efficiency Indicator:</p> <p>Average cost per project</p>	<p>\$53,313</p>	<p>\$46,075</p>	<p>(\$7,238)</p>

Key Effectiveness Indicators

The Commission's effectiveness indicators are measured through an annual client perceptions survey, conducted by independent market research company. Surveys were sent to 255 clients that had contact with the Commission during 2016-17, with 182 completed surveys returned (response rate of 71.37%).

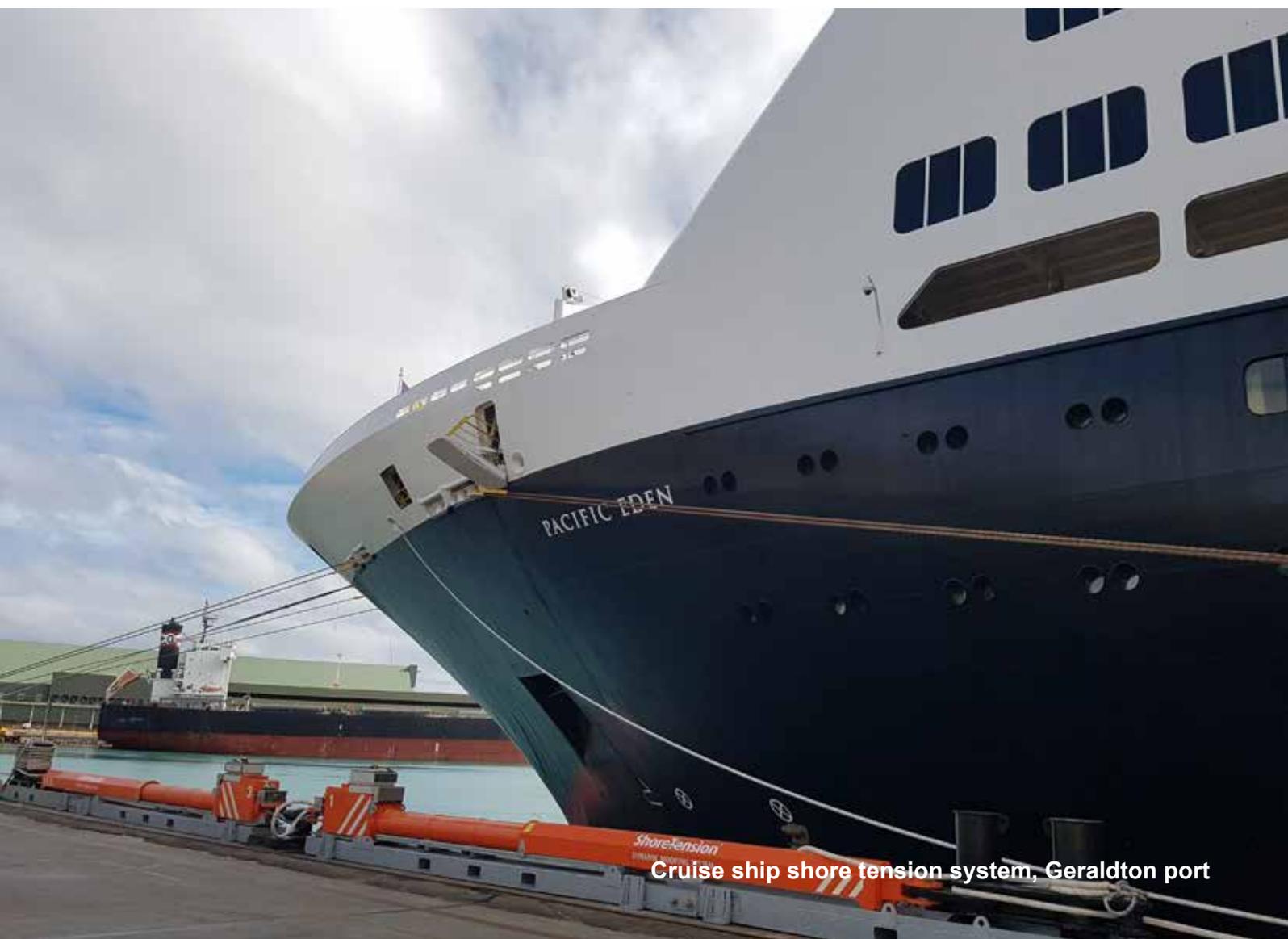
To support the balanced economic and social development of the region the Commission works to help reduce obstacles to growth; develop new business opportunities; increase trade activity; and retain staff / expand employment opportunities. Accordingly, clients were asked questions regarding business development outcomes that were facilitated by contact with the Commission.

Key Efficiency Indicators

Total costs for two of the three service areas are below target. This is mainly due to the timing of project expenditure, resulting in a decrease in average cost per project for Services 2 and 3.

The total number of client visits for Service 1 was significantly above target. This was due mainly to the Commission's extensive consultation associated with the implementation of the Blueprint and associated strategy development processes. The Mid West Investment Plan, Mid West Regional Grants Scheme and Progress Midwest were among other significant contributors.

For further explanation on variances, please refer to page 77 of this report. Please note that within the audited Key Performance Indicators, target and actual total costs and unit costs have been adjusted to exclude Grants and Subsidies Expense.





Horticulture expansion, Geraldton

SIGNIFICANT ISSUES IMPACTING THE AGENCY

The Commission's operations are influenced by major current and future opportunities and challenges in the region. These include the following.

- The Commission's Mid West Investment Plan continues to leverage public and private investment in priority infrastructure for the region.
- The Commission undertook significant work on the ongoing development and implementation of the Mid West Regional Blueprint in 2016-17. The Blueprint was developed by the Commission in partnership with the Regional Development Australia - Mid West Gascoyne to produce one strategic Blueprint to meet both Commonwealth and State Government needs.
- The Blueprint has revealed five pillars and 22 elements (sub pillars) considered vital to growth and development in the Mid West. Each of these areas requires further work to determine the priorities and key actions going forward. In 2016-17, tourism, business development, agriculture, health, digital communications, energy, water, innovation and strategic infrastructure were among the highest priorities.
- The Mid West economy is heavily reliant on primary commodity exports, exposing it to market fluctuations and climate change impacts. Initiatives to diversify the region's economic base include:
 - expanding Mid West Tourism offerings by increasing product to entice visitors into the region;
 - establishing Progress Midwest - a new economic development entity to create industry clusters and grow the traded economy;
 - progressing information technology related opportunities;
 - realising the region's vast renewable energy potential;
 - supporting marine based aquaculture research;
 - development; and realising the region's tourism potential;
 - unlocking and expanding the region's innovation ecosystem; and
 - identification and increasing water access for intensive horticulture expansion purposes.
- The Mid West has a relatively high Aboriginal population, which drives the need for initiatives that will support Aboriginal employment, education and business outcomes.
- Around 83% of the region is classified as remote, which presents challenges to provide and maintain infrastructure and services.
- The Commission continues to strive for educational outcomes, rural and remote service delivery and the development of thriving local and subregional economies and communities. As implementation of the Mid West Regional Blueprint occurs, the emphasis will focus around identifying those key 'game changing' initiatives that deliver the best economic and social outcomes for the region.

Geraldton Universities Centre, Stage 2



DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS

Certification of Financial Statements

For the year ended 30 June 2017

The accompanying financial statements of the Mid West 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 2017 and the financial position as at 30 June 2017.

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.



JACINTA WASLEY
CHIEF FINANCIAL OFFICER
28 August 2017



GAVIN TREASURE
CHIEF EXECUTIVE OFFICER
28 August 2017



TODD WEST
CHAIRMAN
28 August 2017

Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6.	2,006,265	2,218,827
Supplies and services	8.	479,504	773,077
Depreciation and amortisation expense	9.	81,623	77,224
Accommodation expenses	10.	166,890	223,969
Grants and subsidies	11.	2,711,380	1,692,146
Other expenses	12.	68,969	64,394
Total cost of services		5,514,631	5,049,637
Income			
<i>Revenue</i>			
Other revenue	14.	271,749	59,892
Total Revenue		271,749	59,892
Total income other than income from State Government		271,749	59,892
NET COST OF SERVICES		5,242,882	4,989,745
Income from State Government			
Service appropriation	15.	243,000	238,000
Resources received free of charge	15.	9,493	9,302
Royalties for Regions Fund	15.	5,308,571	3,354,704
Total income from State Government		5,561,064	3,602,006
SURPLUS FOR THE PERIOD		318,182	(1,387,739)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation reserve	26.	(245,455)	(272,727)
Total other comprehensive income (loss)		(245,455)	(272,727)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		72,727	(1,660,466)

See also the '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 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	27.	242,137	14,009
Restricted cash and cash equivalents	16, 27.	1,367,435	1,239,305
Receivables	17.	92,049	38,800
Total Current Assets		1,701,621	1,292,114
Non-Current Assets			
Amounts receivable for services	18.	153,000	153,000
Property, plant and equipment	19.	2,500,773	2,818,857
Intangible assets	21.	11,991	20,984
Total Non-Current Assets		2,665,764	2,992,841
TOTAL ASSETS		4,367,385	4,284,955
LIABILITIES			
Current Liabilities			
Payables	23.	67,239	70,771
Provisions	25.	420,576	463,933
Total Current Liabilities		487,815	534,704
Non-Current Liabilities			
Amounts due to the Treasurer	24.	960,000	960,000
Provisions	25.	156,707	100,115
Total Non-Current Liabilities		1,116,707	1,060,115
TOTAL LIABILITIES		1,604,522	1,594,819
NET ASSETS		2,762,863	2,690,136
EQUITY			
Contributed equity	26.	355,946	355,946
Reserves	26.	1,500,034	1,745,489
Accumulated surplus	26.	906,883	588,701
TOTAL EQUITY		2,762,863	2,690,136

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 2017

	Note	Contributed equity \$	Reserves \$	Accumulated surplus \$	Total equity \$
Balance at 1 July 2015	26.	355,946	2,018,216	1,976,440	4,350,602
Deficit		-	-	(1,387,739)	(1,387,739)
Other comprehensive income		-	(272,727)	-	(272,727)
Total comprehensive income for the period		-	(272,727)	(1,387,739)	(1,660,466)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2016		355,946	1,745,489	588,701	2,690,136
Balance at 1 July 2016		355,946	1,745,489	588,701	2,690,136
Surplus		-	-	318,182	318,182
Other comprehensive income		-	(245,455)	-	(245,455)
Total comprehensive income for the period		-	(245,455)	318,182	72,727
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2017		355,946	1,500,034	906,883	2,762,863

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 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		243,000	238,000
Royalties for Regions Fund		5,308,571	3,354,704
Net cash provided by State Government		5,551,571	3,592,704
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,988,218)	(2,217,290)
Supplies and services		(437,289)	(773,454)
Accommodation		(166,890)	(237,864)
GST payments on purchases		(321,331)	(260,562)
GST payments to taxation authority		(26,305)	(8,173)
Grants and subsidies		(2,711,380)	(1,692,146)
Other payments		(110,036)	(49,830)
Receipts			
GST receipts on sales		27,309	8,033
GST receipts from taxation authority		268,349	285,426
Other receipts		270,478	85,521
Net cash used in operating activities	27.	(5,195,313)	(4,860,339)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		-	(14,382)
Net cash used in investing activities		-	(14,382)
Net increase/(decrease) in cash and cash equivalents		356,258	(1,282,017)
Cash and cash equivalents at the beginning of period		1,253,314	2,535,331
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	27.	1,609,572	1,253,314

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 2017

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2017 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 2017.

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, except for land which has been measured at fair value.

On 28 April 2017, the Premier of Western Australia announced significant changes to the public sector aimed at creating collaborative departments focused on whole-of-Government objectives. As of the 1 July 2017, the Departments of Agriculture and Food, Fisheries, and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development (DPIRD). Staff (excluding the CEO's and Board Members) from the nine Regional Development Commissions transferred to the new Department, although the Regional Development Commissions remain as legal entities.

Mid West Development Commission is still a going concern and no changes have been made to carrying values of assets and liabilities if going concern basis would not have been used.

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.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2. Summary of significant accounting policies (continued)

(c) Reporting entity

The reporting entity comprises the Mid West Development Commission. The Mid West Development Commission was established under the Regional Development Commissions Act (1993) on April 8, 1994. The Act also repealed the Geraldton Mid West Development Authority Act (1988) and determined that all assets and liabilities would transfer to the Mid West Development Commission from that date.

(d) Contributed equity

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

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

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before 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.

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.

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2. Summary of significant accounting policies (continued)

(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, the revaluation model is used for the measurement of land and historical cost for all other property, plant and equipment. Land is carried at fair value less accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land is determined on the basis of current market buying values determined by reference to recent market transactions.

In the absence of market-based evidence, fair value of land is determined on the basis of existing use. This normally applies where land use is restricted. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

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

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

Refer to note 19 'Property, plant and equipment' for further information on revaluations.

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.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of land as described in note 19 'Property, plant and equipment'.

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:

Furniture & Fittings	10 to 15 years
Office Equipment	5 years
Computer Hardware	3 to 5 years
Software ^(a)	3 to 5 years

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

Land is not depreciated.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2. Summary of significant accounting policies (continued)

(g) Intangible assets

Capitalisation/expensing of assets

Capitalisation/expensing of assets

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

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

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

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Commission have a finite useful life and zero residual value.

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

Software ^(a)	3 to 5 years
Web site costs	3 to 5 years

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

Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Web site costs

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

(h) Impairment of assets

Property, plant and equipment and intangible assets 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 written down to the recoverable amount and an impairment loss is recognised. As the Commission is a not-for-profit entity, unless an 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 asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

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

Refer to note 22 'Impairment of assets' for the outcome of impairment reviews and testing.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2. Summary of significant accounting policies (continued)

(i) Leases

The Commission holds operating leases for motor vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(j) Financial instruments

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

- Loans and receivables
- 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
- Amounts due to the Treasurer

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.

(k) 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.

(l) Accrued salaries

Accrued salaries (see note 23 '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 net fair value

(m) Amounts receivable for services (holding account)

The Commission receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement. Refer to note 15 'Income from State Government' and note 18 'Amounts receivable for services'.

(n) 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. Refer also to note 2(j) 'Financial Instruments' and note 17 'Receivables'.

(o) Payables

Payables are recognised when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days. Refer to note 2(j) 'Financial Instruments' and note 23 'Payables'.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2. Summary of significant accounting policies (continued)

(p) Amounts due to the Treasurer

Initial recognition and measurement, and subsequent measurement, is at the amount repayable. Although there is no interest charged, the amount repayable is equivalent to fair value as the period of the borrowing is for less than 12 months with the effect of discounting not being material. Refer to note 24 'Amounts due to the Treasurer'.

(q) 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. Refer to note 25 'Provisions'.

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 end of 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 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 end of 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 settlement of the liability for at least 12 months after the reporting period. 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.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2. Summary of significant accounting policies (continued)

Superannuation

The Government Employees Superannuation Board (GESB) and other fund 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 become 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 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(r) Superannuation expense

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

(s) Resources 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.

(t) Comparative figures

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

Notes to the Financial Statements

For the year ended 30 June 2017

Note 3. Judgements made by management in applying accounting policies

No judgements have been made in the process of applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

Note 4. Key sources of estimation uncertainty

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date do not have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Long Service Leave

Several estimations and assumptions used in calculating the Commissions 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

(a) 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 2016 that impacted on the Commission.

<i>AASB 1057</i>	<i>Application of Australian Accounting Standards</i>
	This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.
<i>AASB 2014-3</i>	<i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i>
	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.
<i>AASB 2014-4</i>	<i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i>
	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.
<i>AASB 2014-9</i>	<i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i>
	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. As the Commission has no joint ventures and associates, the application of the Standards has no financial impact.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 5. Disclosure of changes in accounting policy and estimates (continued)

(a) Initial application of an Australian Accounting Standard (continued)

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

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 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]

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 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]

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 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 110 & 128

This standard defers the mandatory effective date (application date) of amendments to AASB 10 & AASB 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. There is no financial impact.

(b) Voluntary changes in accounting policy

There have been no changes in accounting policy during the financial year.

(c) 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* or by an exemption from TI 1101. By virtue of a limited exemption, the Commission has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Where applicable, the Commission plans to apply the following Australian Accounting Standards from their application date.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 5. Disclosure of changes in accounting policy and estimates (continued)

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

		Operative for reporting periods beginning on / after
AASB 9	<i>Financial Instruments</i>	1 Jan 2018
	<p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>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.</p>	
AASB 15	<i>Revenue from Contracts with Customers</i>	1 Jan 2019
	<p>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.</p> <p>The Commission's income is principally derived from appropriations which will be measured under AASB 1058 <i>Income of Not for Profit Entities</i> and will be unaffected by this change. However, the Commission has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Authority has discharged its performance obligations.</p>	
AASB 16	<i>Leases</i>	1 Jan 2019
	<p>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.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating lease commitments for \$822,924. The worth of non cancellable operating leases which the Commission anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short term or low value leases. Interest and amortisation expense will increase and rental expense will decrease.</p>	
AASB 1058	<i>Income of Not-for-Profit Entities</i>	1 Jan 2019
	<p>This Standard clarifies and simplifies the income recognition requirements that apply to not for profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Commission has not yet determined the application or the potential impact of the Standard.</p>	

Notes to the Financial Statements

For the year ended 30 June 2017

Note 5. Disclosure of changes in accounting policy and estimates (continued)

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

		Operative for reporting periods beginning on / after
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
	<p>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.</p>	
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i>	1 Jan 2018
	<p>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.</p>	
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	1 Jan 2018
	<p>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.</p>	
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1 Jan 2018
	<p>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.</p>	
AASB 2014-10	<i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</i>	1 Jan 2018
	<p>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 mandatory effective date (application date) for the Standard has been deferred to 1 January 2018 by AASB 2015-10. The Commission has determined that the Standard has no financial impact.</p>	
AASB 2015-8	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2019
	<p>This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers 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. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Commission has not yet determined the application or the potential impact of AASB 15.</p>	

Notes to the Financial Statements

For the year ended 30 June 2017

Note 5. Disclosure of changes in accounting policy and estimates (continued)

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

		Operative for reporting periods beginning on / after
AASB 2016-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 Jan 2017
	<p>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.</p>	
AASB 2016-3	<i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 Jan 2018
	<p>This standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Commission has not yet determined the application or the potential impact.</p>	
AASB 2016-4	<i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	1 Jan 2017
	<p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement. The Commission has not yet determined the application or the potential impact.</p>	
AASB 2016-7	<i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 Jan 2017
	<p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014 5 Amendments to Australian Accounting Standards arising from AASB 15 for not for profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>	
AASB 2016-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 Jan 2019
	<p>This Standard inserts Australian requirements and authoritative implementation guidance for not for profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	
AASB 2017-2	<i>Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle</i>	1 Jan 2017
	<p>This Standard inserts Australian requirements and authoritative implementation guidance for not for profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	

Notes to the Financial Statements

For the year ended 30 June 2017

Note 5. Disclosure of changes in accounting policy and estimates (continued)

(d) Changes in accounting estimates

There have been no changes in accounting estimates during the financial year.

Note 6. Employee benefits expense

	2017	2016
	\$	\$
Wages and salaries ^(a)	1,749,299	1,915,313
Superannuation - defined contribution plans ^(b)	194,600	202,400
Other related expenses	62,366	101,114
	2,006,265	2,218,827

(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 and GESB and other eligible funds. During the 2017 financial year the combined amount of \$123,954 was paid to GESB (2016, \$128,881).

Employment on-costs expenses, such as workers' compensation insurance, are included at Note 12 'Other Expenses'.

Employment on-costs liability is included at Note 25 'Provisions'.

Note 7. Compensation of Key Management Personnel

The Commission has determined that key management personnel include Ministers, board members, and, senior officers of the Commission. However, the Commission is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the *Annual Report on State Finances 21/08/2017*:

Compensation of members of the accountable authority

Compensation Band (\$)	2017	2016
0 - 10,000	6	8
10,001 - 20,000	1	1
60,001 - 70,000	1	-
70,001 - 80,000	-	1

Compensation of senior officers

Compensation Band (\$)	2017	2016
310,001 - 320,000	-	-
320,001 - 330,000	1	-
330,001 - 340,000	-	-
350,001 - 360,000	-	1

	\$	\$
Short term employee benefits	371,455	394,436
Post employment benefits	42,053	42,180
Other long term benefits	7,985	30,880
Termination benefits	-	-
Total compensation of key management personnel	421,493	467,496

Note 8. Supplies and Services

	2017	2016
	\$	\$
Board fees	94,008	93,162
Communications	18,596	20,713
Consultants and contractors	245,529	456,889
Consumables	20,735	35,773
Equipment repairs and maintenance	16,420	15,670
Labour hire	-	7,111
Operating leases - vehicles	17,548	16,996
Travel	35,204	68,273
Other	31,464	58,490
	479,504	773,077

Notes to the Financial Statements

For the year ended 30 June 2017

Note 9. Depreciation and amortisation expense

	2017	2016
	\$	\$
<u>Depreciation</u>		
Office equipment	3,013	3,013
Computer hardware	8,714	8,714
Furniture, fixtures and fittings	60,902	60,903
Total depreciation	72,629	72,630
<u>Amortisation</u>		
Intangible assets	8,994	4,594
Total amortisation	8,994	4,594
Total depreciation and amortisation	81,623	77,224

Note 10. Accommodation expenses

	2017	2016
	\$	\$
Building rental operating lease expense	139,357	196,945
Electricity	12,301	13,551
Cleaning	15,232	13,473
Total	166,890	223,969

Note 11. Grants and subsidies

	2017	2016
	\$	\$
<u>Recurrent</u>		
Regional and Remote Renewable Energy Power Solutions Community Benefits Fund	-	100,000
Royalties for Regions Fund - Regional Grant Scheme	2,711,380	1,592,146
Total	2,711,380	1,692,146

Note 12. Other expenses

	2017	2016
	\$	\$
Audit fees	42,895	50,567
Employment on-costs ^(a)	8,271	10,995
Other expenses ^(b)	17,803	2,832
Total	68,969	64,394

(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 25 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 13. Related Party Transactions

The Commission is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Commission is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the Commission include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with government related entities

Significant transactions include:

- service appropriations (Note 15);
- services received free of charge from the Finance Department (Note 15);
- Royalties for Regions Fund (Note 15);
- superannuation payments to GESB (Note 6);
- lease rental payments to the Department of Finance (Note 10); and
- grant received from Department of Agriculture and Food and co-location accommodation costs received from Department of Planning (Note 14).

Material transactions with related parties

The Commission had no material related party transactions with Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

Note 14. Other revenue

	2017	2016
	\$	\$
Department of Agriculture & Food	10,000	-
Department of Planning	8,896	-
Horizon Power Community Benefit Fund	-	50,000
Yellow Tail King Fish Grow-out Trial #2 - Fish Proceeds	246,806	-
Other revenue	6,047	9,892
	271,749	59,892

Note 15. Income from State Government

	2017	2016
	\$	\$
Appropriation received during the period:		
Service appropriation ^(a)	243,000	238,000
	243,000	238,000
Services received free of charge ^(b)		
Determined on the basis of the following estimates provided by agencies:		
Department of Finance	9,493	9,302
	9,493	9,302
Royalties for Regions Fund:		
Regional Infrastructure and Headworks Account ^(c)	557,230	562,440
Regional Community Services Account ^(c)	2,756,341	869,264
Regional and Statewide Initiative ^(a)	1,995,000	1,923,000
	5,308,571	3,354,704
	5,561,064	3,602,006

(a) Service appropriations and Royalties for Regions fund the net cost of services delivered.

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

(c) 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.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 16. Restricted cash and cash equivalents

	2017	2016
	\$	\$
Batavia Coast Marina Redevelopment	475,534	475,271
Food Industry Innovation	10,000	
Gascoyne Murchison Outback Pathways Project	1,435	1,435
Geraldton Foreshore Redevelopment	-	263
Midwest Digital Economy Strategy	6,916	10,264
Midwest Science Forum	-	217
Pacific Flora 2004	3,091	3,091
Regional and Remote Renewable Energy Power Solutions Community Benefits Fund	101,962	153,674
Royalties for Regions Fund	525,938	579,477
Treasury	4,000	3,000
Yellow Tail Kingfish Grow-out Trial	214	12,613
Yellow Tail Kingfish Grow-out Trial #2	238,345	-
	1,367,435	1,239,305

Note 17. Receivables

	2017	2016
	\$	\$
<u>Current</u>		
GST receivable	90,778	38,800
Receivables	1,271	-
Total Current	92,049	38,800

Note 18. Amounts receivable for services (Holding Account)

	2017	2016
	\$	\$
Current	-	-
Non-current	153,000	153,000
	153,000	153,000

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.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 19. Property, plant & equipment

	2017	2016
	\$	\$
<u>Office equipment</u>		
At cost	15,064	15,064
Accumulated depreciation	(15,064)	(12,051)
	-	3,013
<u>Communications</u>		
At cost	10,287	10,287
Accumulated depreciation	(10,287)	(10,287)
	-	-
<u>Computer hardware</u>		
At cost	26,143	26,143
Accumulated depreciation	(20,341)	(11,627)
	5,802	14,516
<u>Furniture fixtures & fittings</u>		
At Cost	609,027	609,027
Accumulated Depreciation	(334,965)	(274,063)
	274,062	334,964
<u>Land</u>		
At fair value ^(a)	2,220,909	2,466,364
	2,220,909	2,466,364
	2,500,773	2,818,857

(a) Land was revalued as at 1 July 2016 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2017 and recognised at 30 June 2017. In undertaking the revaluation, fair value was determined by reference to market values for land: \$2,220,909 (2016: \$2,466,364). At reporting date, the Commission had agreed in principle to contribute its land to the Stage Two development of the Batavia Cost Marina to LandCorp. If this occurs the Commission's associated borrowing from Treasury (\$960,000) will be repaid by the project.

Information on fair value measurements is provided at Note 20 'Fair value measurements'.

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:

	Office equipment	Communications	Computer hardware	Furniture, fixtures & fittings	Land	Total
	\$	\$	\$	\$	\$	\$
2017						
Carrying amount at start of year	3,013	-	14,516	334,965	2,466,364	2,818,857
Additions	-	-	-	-	-	-
Disposals (written down value)	-	-	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-	(245,455)	(245,455)
Depreciation	(3,013)	-	(8,714)	(60,902)	-	(72,629)
Carrying amount at end of year	-	-	5,802	274,063	2,220,909	2,500,773
2016						
Carrying amount at start of year	6,028	-	23,230	395,867	2,739,091	3,164,214
Additions	-	-	-	-	-	-
Disposals (written down value)	-	-	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-	(272,727)	(272,727)
Depreciation	(3,013)	-	(8,714)	(60,903)	-	(72,630)
Carrying amount at end of year	3,013	-	14,516	334,964	2,466,364	2,818,857

Notes to the Financial Statements

For the year ended 30 June 2017

Note 20. Fair value measurement

	Level 1	Level 2	Level 3	Fair value At end of period
Assets measured at fair value:				
2017	\$	\$	\$	\$
Land (Note 19)	-	2,220,909	-	2,220,909
	-	2,220,909	-	2,220,909
Assets measured at fair value:				
2016	\$	\$	\$	\$
Land (Note 19)	-	2,466,364	-	2,466,364
	-	2,466,364	-	2,466,364

There were no transfers between Levels 1, 2 or 3 during the period.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Non-current assets held for sale, Land and Buildings (Office Accommodation) are derived using the market approach. Market evidence of sales prices of comparable land and buildings (office accommodation) in close proximity is used to determine price per square metre. The Commission has used the fair value as determined by the Western Australian Land Information Authority (Valuation Services) and applied the margin scheme in deriving fair value.

Note 21. Intangible assets

	2017	2016
	\$	\$
<u>Computer software</u>		
At Cost	17,977	17,977
Accumulated Amortisation	(15,181)	(10,982)
	2,796	6,995
<u>Website</u>		
At Cost	14,382	32,478
Accumulated Amortisation	(5,187)	(18,489)
	9,195	13,989
Total intangible assets	11,991	20,984
Reconciliations:		
<u>Computer software</u>		
Carrying amount at start of year	6,995	11,196
Additions	-	-
Amortisation expense	(4,200)	(4,200)
Carrying amount at end of period	2,795	6,995
<u>Website</u>		
Carrying amount at start of year	13,989	-
Additions	-	14,382
Amortisation expense	(4,794)	(393)
Carrying amount at end of period	9,195	13,989

Notes to the Financial Statements

For the year ended 30 June 2017

Note 22. Impairment of assets

There were no indications of impairment to plant and equipment, and intangible assets at 30 June 2017.

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 2017 have either been classified as assets held for sale or written-off.

Note 23. Payables

	2017	2016
	\$	\$
<u>Current</u>		
Accrued salaries	6,719	-
Accrued expenses	52,947	61,400
Trade payables	7,573	9,371
Total current	67,239	70,771

Note 24. Amounts due to the Treasurer

	2017	2016
	\$	\$
<u>Non-Current</u>		
Amount due to the Treasurer	960,000	960,000
	960,000	960,000

A liability of \$5,000,000 relating to capital works at the Geraldton Foreshore and Marina was transferred to the Geraldton Mid West Development Authority (now the Mid West Development Commission) by the Department of Marine and Harbours on 30 June 1993. Since that time repayments totalling \$4,040,000 have been made to the Consolidated fund thereby reducing the outstanding indebtedness to \$960,000. The loan is interest free and has no set repayment terms. Accordingly it has been carried at face value. At reporting date, the Commission had agreed in principle to contribute its land to the Stage Two development of the Batavia Cost Marina to LandCorp. If this occurs the Commission's associated borrowing from Treasury (\$960,000) will be repaid by the project.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 25. Provisions

	2017	2016
	\$	\$
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual Leave ^(a)	198,430	216,928
Long Service Leave ^(b)	211,082	230,585
Purchased leave ^(c)	1,919	6,420
	<u>411,431</u>	<u>453,933</u>
<i>Other provisions</i>		
Employment on-costs ^(d)	9,145	10,000
	<u>9,145</u>	<u>10,000</u>
	<u>420,576</u>	<u>463,933</u>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long Service Leave ^(b)	153,211	97,880
	<u>153,211</u>	<u>97,880</u>
<i>Other provisions</i>		
Employment on-costs ^(d)	3,496	2,235
	<u>3,496</u>	<u>2,235</u>
	<u>156,707</u>	<u>100,115</u>

(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:

	2017	2016
	\$	\$
Within 12 months of the end of the reporting period	119,984	120,732
More than 12 months after the end of the reporting period	78,446	96,196
	<u>198,430</u>	<u>216,928</u>

(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:

	2017	2016
	\$	\$
Within 12 months of the end of the reporting period	-	6,474
More than 12 months after the end of the reporting period	364,293	321,991
	<u>364,293</u>	<u>328,465</u>

(c) Purchased leave scheme 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. Actual settlement of liabilities is expected to occur as follows:

	2017	2016
	\$	\$
Within 12 months of the end of the reporting period	1,919	6,420
	<u>1,919</u>	<u>6,420</u>

(d) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including worker's compensation insurance. The Commission considers the carrying amount of employee on-costs approximates the net fair value. The associated expense is disclosed in note 12 'Other expenses'.

Movements in other provisions

	2017	2016
	\$	\$
Movements in each class of provisions during the financial year, other than employee benefits, are set out below:		
<u>Employment on-cost provision</u>		
Carrying amount at start of period	12,235	10,348
Additional provisions recognised	(4,342)	(3,965)
Payments/other sacrifices of economic benefits	4,748	5,852
Carrying amount at end of period	<u>12,641</u>	<u>12,235</u>

Notes to the Financial Statements

For the year ended 30 June 2017

Note 26. Equity

The Government holds the equity interest in the Commission on behalf of the community. Equity represents the residual interest in the net assets of the Commission.

Contributed equity	2017	2016
	\$	\$
Balance at start of period	355,946	355,946
Balance at end of period	355,946	355,946
Reserves		
	2017	2016
	\$	\$
<u>Asset revaluation surplus</u>		
Balance at start of period	1,745,489	2,018,216
Net revaluation increments/(decrements):		
Land	(245,455)	(272,727)
Balance at end of period	1,500,034	1,745,489
Accumulated surplus/(deficit)		
	2017	2016
	\$	\$
Balance at start of period	588,701	1,976,440
Result for the period	318,182	(1,387,739)
Balance at end of period	906,883	588,701
Total Equity at end of period	2,762,863	2,690,136

Notes to the Financial Statements

For the year ended 30 June 2017

Note 27. 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:

	2017	2016
	\$	\$
Cash and cash equivalents	242,137	14,009
Restricted cash and cash equivalents (<i>refer to Note 16 'Restricted cash and cash equivalents'</i>)	1,367,435	1,239,305
	<u>1,609,572</u>	<u>1,253,314</u>

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

	2017	2016
	\$	\$
Net cost of services	(5,242,882)	(4,989,745)
<u>Non-cash items:</u>		
Depreciation and amortisation expense	81,623	77,224
Services received free of charge	9,493	9,302
<u>(Increase)/decrease in assets:</u>		
Current receivables ^(a)	(1,271)	25,629
Exclude receivables movements relating to:		
- Revenues from State Government	-	-
<u>Increase/(decrease) in liabilities:</u>		
Current payables ^(a)	(3,532)	(89,748)
Current provisions	(43,357)	37,121
Non-current provisions	56,592	45,156
Net GST receipts/(payments) ^(b)	(52,021)	24,783
Change in GST in receivables/payables ^(c)	42	(61)
Net cash provided by/(used in) operating activities	<u>(5,195,313)</u>	<u>(4,860,339)</u>

(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 transaction.

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

Notes to the Financial Statements

For the year ended 30 June 2017

Note 28. Commitments

The commitments below are inclusive of GST where relevant.

Non-cancellable operating lease commitments

	2017	2016
	\$	\$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	221,333	198,996
Later than 1 year and not later than 5 years	601,591	843,901
Later than 5 years	-	-
	<u>822,924</u>	<u>1,042,897</u>

The Commission has entered into a property lease which is a non-cancellable lease with a five year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall increase by the lower of CPI or 4% per annum. An option exists to renew the lease at the end of the five year term for an additional term of five years.

Other expenditure commitments

	2017	2016
	\$	\$
Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	523,671	579,477
Later than 1 year and not later than 5 years	-	659,828
	<u>523,671</u>	<u>1,239,305</u>

Note 29. Events occurring after the end of the reporting period

On 28 April 2017, the Premier of Western Australia announced significant changes to the public sector aimed at creating collaborative departments focused on whole-of-Government objectives. As of the 1 July 2017, the Departments of Agriculture and Food, Fisheries, and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development (DPIRD). Staff (excluding the CEO's and Board Members) from the nine Regional Development Commissions transferred to the new Department, although the Regional Development Commissions remain as legal entities.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 30. Explanatory statement

Significant variances between estimates and actual results for 2017 and between the actual results for 2017 and 2016 are shown below. Significant variances in the Statement of Comprehensive Income and Statement of Cashflows are considered to be those greater than 5% and \$100,993. Significant variances in the Statement of Financial Position is considered to be those greater than 5% and \$65,540.

	Variance Note	Original Budget 2017	Actual 2017	Actual 2016	Variance between estimate and actual	Variance between actual results for 2017 and 2016
Statement of Comprehensive Income						
Employee benefits expense	1, A	2,112,000	2,006,265	2,218,827	(105,735)	(212,562)
Grants and subsidies	2, B	1,473,000	2,711,380	1,692,146	1,238,380	1,019,234
Supplies and services	C	414,000	479,504	773,077	65,504	(293,573)
Accommodation expenses		216,000	166,890	223,969	(49,110)	(57,079)
Depreciation and amortisation expense		82,000	81,623	77,224	(377)	4,399
Loss on disposal of non-current assets		-	-	-	-	-
Other expenses		138,000	68,969	64,394	(69,031)	4,575
Total cost of services		4,435,000	5,514,631	5,049,637		464,994
Income						
Other revenue	3, D	8,000	271,749	59,892	263,749	211,857
Total Revenue		8,000	271,749	59,892		211,857
Total income other than income from State Government						
NET COST OF SERVICES		4,427,000	5,242,882	4,989,745		253,137
Income from State Government						
Service appropriation		243,000	243,000	238,000	-	5,000
Services received free of charge		10,000	9,493	9,302	(507)	191
Royalties for Regions Fund	4, E	3,963,000	5,308,571	3,354,704	1,345,571	1,953,867
Total income from State Government		4,216,000	5,561,064	3,602,006		1,959,058
SURPLUS/(DEFICIT) FOR THE PERIOD		(211,000)	318,182	(1,387,739)		1,705,921
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus	5	-	(245,455)	(272,727)	(245,455)	27,272
Total other comprehensive income		-	(245,455)	(272,727)		27,272
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(211,000)	72,727	(1,660,466)		1,733,193

Notes to the Financial Statements

For the year ended 30 June 2017

Note 30. Explanatory statement (continued)

Statement of Financial Position	Variance Note	Original Budget 2017	Actual 2017	Actual 2016	Variance between estimate and actual	Variance between actual results for 2017 and 2016
		\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash and cash equivalents	6, F	124,000	242,137	14,009	98,137	208,128
Restricted cash and cash equivalents	7, G	528,000	1,367,435	1,239,305	859,435	148,130
Receivables		40,000	92,049	38,800	52,049	53,249
Amounts receivable for services		-	-	-	-	-
Other current assets		-	-	-	-	-
Total Current Assets		692,000	1,701,621	1,292,114		409,507
Non Current Assets						
Amounts receivable for services		153,000	153,000	153,000	-	-
Property, plant and equipment	8, H	3,019,000	2,500,773	2,818,857	(518,227)	(318,084)
Intangible assets		5,000	11,991	20,984	6,991	(8,993)
Other non-current assets		-	-	-	-	-
Total Non-Current Assets		3,177,000	2,665,764	2,992,841		(327,077)
TOTAL ASSETS		3,869,000	4,367,385	4,284,955		82,430
LIABILITIES						
Current Liabilities						
Payables		66,000	67,239	70,771	1,239	(3,532)
Provisions	9	330,000	420,576	463,933	90,576	(43,357)
Total Current Liabilities		396,000	487,815	534,704		(46,889)
Non-Current Liabilities						
Amounts due to the Treasurer		960,000	960,000	960,000	-	-
Provisions	9	79,000	156,707	100,115	77,707	56,592
Total Non-Current Liabilities		1,039,000	1,116,707	1,060,115		56,592
TOTAL LIABILITIES		1,435,000	1,604,522	1,594,819		9,703
NET ASSETS		2,434,000	2,762,863	2,690,136		72,727
EQUITY						
Contributed Equity		356,000	355,946	355,946	(54)	-
Reserves	10, I	2,018,000	1,500,034	1,745,489	(517,966)	(245,455)
Accumulated surplus		60,000	906,883	588,701	846,883	318,182
TOTAL EQUITY		2,434,000	2,762,863	2,690,136		72,727

Notes to the Financial Statements

For the year ended 30 June 2017

Note 30. Explanatory statement (continued)

	Variance Note	Original Budget 2017	Actual 2017	Actual 2016	Variance between estimate and actual	Variance between actual results for 2017 and 2016
		\$	\$	\$	\$	\$
Statement of Cash Flows						
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		243,000	243,000	238,000	-	5,000
Capital appropriation		-	-	-	-	-
Holding account drawdowns		-	-	-	-	-
Royalties for Regions Fund	11, J	3,963,000	5,308,571	3,354,704	1,345,571	1,953,867
State Government grants and subsidies		-	-	-	-	-
Net cash provided by State Government		4,206,000	5,551,571	3,592,704		1,958,867
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	12, K	(2,109,000)	(1,988,218)	(2,217,290)	120,782	229,072
Supplies and services	L	(404,000)	(437,289)	(773,454)	(33,289)	336,165
Accommodation		(216,000)	(166,890)	(237,864)	49,110	70,974
GST payments on purchases	13	-	(321,331)	(260,562)	(321,331)	(60,769)
GST payments to taxation authority		-	(26,305)	(8,173)	(26,305)	(18,132)
Grants and subsidies	14, M	(1,473,000)	(2,711,380)	(1,692,146)	(1,238,380)	(1,019,234)
Other payments	15	(242,000)	(110,036)	(49,830)	131,964	(60,206)
Receipts						
GST receipts on sales		-	27,309	8,033	27,309	19,276
GST receipts from taxation authority	16	104,000	268,349	285,426	164,349	(17,077)
Other receipts	17, N	8,000	270,478	85,521	262,478	184,957
Net cash provided by/(used in) operating activities		(4,332,000)	(5,195,313)	(4,860,339)		(334,974)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets		-	-	(14,382)	-	14,382
Net cash provided by/(used in) investing activities		-	-	(14,382)		14,382
Net (decrease)/increase in cash and cash equivalents		(126,000)	356,258	(1,282,017)	482,258	1,638,275
Cash and cash equivalents at the beginning of the period		778,000	1,253,314	2,535,331	475,314	(1,282,017)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		652,000	1,609,572	1,253,314		356,258

Notes to the Financial Statements

For the year ended 30 June 2017

Note 30. Explanatory statement (continued)

Major Variance Narratives (Controlled Operations)

Variances between estimate and actual

- 1) Employee benefits expense decreased by \$106k (5%) due mainly to a reduction in fringe benefits tax.
 - 2) Grants and subsidies increased \$1.2M (84%) due mainly to unbudgeted Royalties for Regions funding.
 - 3) Other revenue increased \$264k due mainly to unbudgeted proceeds from YTK2 Grow-Out Trial project.
 - 4) Royalties for Regions funding exceeded estimates by \$1.3M (34%) due mainly to the receipt of funding for Local Projects Local Jobs funding, which was not budgeted for by MWDC.
 - 5) Changes in asset revaluation surplus by \$245k (100%) due to budget assuming no change in fair value.
 - 6) Cash and cash equivalents exceeded estimates by \$98k (79%) reflecting the timing of payments for the Commissions operational activities.
 - 7) Restricted cash exceeded estimates by \$859k (163%) due principally to carry over of Regional Grants Scheme funding to 30/6/18. This combined with the timing and specific needs of individual projects varying.
 - 8) Property, plant and equipment decreased by \$518k due primarily to the budget assuming no change in fair value.
 - 9) Current provisions increased by \$90k (27%) due mainly to the unbudgeted reclassification of entitlements from non current employee entitlements to current, combined with recognition of employees reaching three years of service and the recognition of their long service leave provisions.
 - 10) Reserves decreased by \$518k (74%) due to the budget assuming no change in the fair value of land.
 - 11) Royalties for Regions funding exceeded estimates by \$1.3M (34%) due mainly to the receipt of funding for Local Projects Local Jobs.
 - 12) Employee benefits decreased by \$121k (6%) due mainly to vacated positions not being replaced and/or being replaced at lower levels.
 - 13) GST payments on purchases increased by \$321k (100%) due to it not being budgeted.
 - 14) Grants and subsidies increased \$1.2M (84%) due mainly to Royalties for Regions funding expenditure.
 - 15) Other payments decreased \$132k (55%) due to the reclassification of expenditure that has resulted in a number of actual expense categories being reported in other areas.
 - 16) GST receipts from taxation authority increased by \$164k (158%) due mainly to the unbudgeted Royalties for Regions funding expenditure.
 - 17) Other receipts exceeded estimates by \$262k (3281%) due primarily to unbudgeted proceeds from YTK#2 Grow-out Trial project.
- Variances between actual results for 2017 and 2016
- A) Employee benefits expense decreased by \$213k (10%) due mainly to vacated positions not being replaced and/or being replaced at lower levels.
 - B) Grants and subsidies expense increased by \$1.0M (160%) primarily reflecting the timing of payments for Regional Grants Scheme funding round.
 - C) Supplies and services decreased by \$294k (38%) due to the timing and specific needs of individual projects varying.
 - D) Other revenue increased by \$212k due mainly to proceeds from YTK#2 Grow-out Trial project.
 - E) Royalties for Regions Fund revenue increased by \$2.0M (58%) due to Government Policy on funding distributions which vary from year to year.
 - F) Cash and Cash equivalents increased by \$208k (1486%) due to the timing and specific needs of the Commission.
 - G) Restricted cash increased by \$148k (12%) due mainly to the timing and specific needs of individual projects.
 - H) Property, plant and equipment decreased by \$318k (11%) due mainly to changes in fair value of land.
 - I) Reserves decreased by \$245k due to change in fair value of land.
 - J) Royalties for Regions Fund revenue increased by \$2.0M (58%) due to Government Policy on funding distributions which vary from year to year.
 - K) Employee benefits expense decreased by \$229k (10%) due mainly to vacated positions not being replaced and/or being replaced at lower levels.
 - L) Supplies and services decreased by \$336k (43%) due to the timing and specific needs of individual projects varying.
 - M) Grants and subsidies increased by \$1.0M (160%) primarily reflecting the timing of payments for Regional Grants Scheme funding round.
 - N) Other revenue increased by \$185k due mainly to proceeds from YTK#2 Grow-out Trial project.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 31. 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 31 (c) 'Financial instrument disclosures' and Note 17 '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.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 31 (c) 'Financial instruments disclosure'.

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

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

	2017	2016
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	242,137	14,009
Restricted cash and cash equivalents	1,367,435	1,239,305
Loans and receivables ^(a)	154,271	153,000
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	1,027,239	1,030,771

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

Notes to the Financial Statements

For the year ended 30 June 2017

Note 31. Financial instruments (continued)

(c) Financial instruments 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.

Aged analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 3 months	3-12 months	1-2 years	2-5 years	More than 5 years	
	\$	\$	\$	\$	\$	\$	\$	\$
2017								
Cash and cash equivalents	242,137	242,137	-	-	-	-	-	-
Restricted cash and cash equivalents	1,367,435	1,367,435	-	-	-	-	-	-
Receivables ^(a)	1,271	1,271	-	-	-	-	-	-
Amounts receivable for services	153,000	153,000	-	-	-	-	-	-
	1,763,843	1,763,843	-	-	-	-	-	-
2016								
Cash and cash equivalents	14,009	14,009	-	-	-	-	-	-
Restricted cash and cash equivalents	1,239,305	1,239,305	-	-	-	-	-	-
Receivables ^(a)	-	-	-	-	-	-	-	-
Amounts receivable for services	153,000	153,000	-	-	-	-	-	-
	1,406,314	1,406,314	-	-	-	-	-	-

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

Notes to the Financial Statements

For the year ended 30 June 2017

Note 31. Financial instruments (continued)

(c) Financial instruments disclosures (continued)

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

	Interest rate exposure					Maturity dates					
	Weighted average effective interest rate %	Carrying Amount \$	Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$	Nominal amount \$	Up to 3 months \$	3-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
2017											
<u>Financial Assets</u>											
Cash and cash equivalents	-	242,137	-	-	242,137	242,137	242,137	-	-	-	-
Restricted cash and cash equivalents	-	1,367,435	-	-	1,367,435	1,367,435	1,367,435	-	-	-	-
Receivables ^(a)	-	1,271	-	-	1,271	1,271	1,271	-	-	-	-
Amounts receivable for services	-	153,000	-	-	153,000	153,000	-	-	153,000	-	-
	-	1,763,843	-	-	1,763,843	1,763,843	1,610,843	-	153,000	-	-
<u>Financial Liabilities</u>											
Payables	-	67,239	-	-	67,239	67,239	67,239	-	-	-	-
Amounts due to the Treasurer	-	960,000	-	-	960,000	960,000	-	-	960,000	-	-
	-	1,027,239	-	-	1,027,239	1,027,239	67,239	-	960,000	-	-

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

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

	Interest rate exposure					Maturity dates					
	Weighted average effective interest rate %	Carrying Amount \$	Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$	Nominal amount \$	Up to 3 months \$	3-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
2016											
<u>Financial Assets</u>											
Cash and cash equivalents	-	14,009	-	-	14,009	14,009	14,009	-	-	-	-
Restricted cash and cash equivalents	-	1,239,305	-	-	1,239,305	1,239,305	1,239,305	-	-	-	-
Receivables ^(a)	-	-	-	-	-	-	-	-	-	-	-
Amounts receivable for services	-	153,000	-	-	153,000	153,000	-	-	153,000	-	-
	-	1,406,314	-	-	1,406,314	1,406,314	1,253,314	-	153,000	-	-
<u>Financial Liabilities</u>											
Payables	-	70,771	-	-	70,771	70,771	70,771	-	-	-	-
Amounts due to the Treasurer	-	960,000	-	-	960,000	960,000	-	-	960,000	-	-
	-	1,030,771	-	-	1,030,771	1,030,771	70,771	-	960,000	-	-

(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 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.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 32. Remuneration of auditor

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

	2017	2016
	\$	\$
Auditing the accounts, financial statements and key performance indicators	26,400	26,000
	26,400	26,000

Notes to the Financial Statements

For the year ended 30 June 2017

Note 33. Schedule of income and expenses by service

	Information and advice		Investment facilitation		Infrastructure and services development in the Mid West		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
COST OF SERVICES								
<u>Expenses</u>								
Employee benefits expense	528,551	566,622	961,253	1,103,787	516,461	548,418	2,006,265	2,218,827
Supplies and services	172,020	212,919	239,001	384,075	68,483	176,083	479,504	773,077
Depreciation and amortisation expense	27,208	25,742	27,207	25,741	27,208	25,741	81,623	77,224
Accommodation expenses	55,630	74,657	55,630	74,656	55,630	74,656	166,890	223,969
Grants and subsidies	78,750	36,096	763,834	1,008,225	1,868,796	647,825	2,711,380	1,692,146
Loss on disposal of non-current assets	-	-	-	-	-	-	-	-
Other expenses	20,262	18,264	25,361	27,865	23,346	18,265	68,969	64,394
Total cost of services	882,421	934,300	2,072,286	2,624,349	2,559,924	1,490,988	5,514,631	5,049,637
<u>Income</u>								
Other revenue	14,981	2,762	251,787	54,542	4,981	2,588	271,749	59,892
Total income other than income from State Government	14,981	2,762	251,787	54,542	4,981	2,588	271,749	59,892
NET COST OF SERVICES	867,440	931,538	1,820,499	2,569,807	2,554,943	1,488,400	5,242,882	4,989,745
<u>Income from State Government</u>								
Service Appropriation	81,000	79,334	81,000	79,333	81,000	79,333	243,000	238,000
Resources received free of charge	3,195	3,100	3,164	3,101	3,164	3,101	9,493	9,302
Royalties for Regions Fund	930,081	751,006	1,741,921	1,235,058	2,636,569	1,368,640	5,308,571	3,354,704
Total income from State Government	1,014,246	833,440	1,826,085	1,317,492	2,720,733	1,451,074	5,561,064	3,602,006
SURPLUS/(DEFICIT) FOR THE PERIOD	146,806	(98,098)	5,586	(1,252,315)	165,790	(37,326)	318,182	(1,387,739)



Mumbida Wind Farm, Walkaway

ADDITIONAL KEY PERFORMANCE INDICATOR INFORMATION

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate to for assisting users to assess the Mid West Development Commission's performance, and fairly represent the performance of the Mid West Development Commission for the financial year ended 30 June 2017.



TODD WEST
CHAIRMAN
28 August 2017



GAVIN TREASURE
CHIEF EXECUTIVE OFFICER
28 August 2017

Detailed Information in support of Key Performance Indicators

Treasurer’s Instruction 904 requires the disclosure of performance information in the Commission’s annual report. This information assists interested parties such as government, the community and client groups to assess agency performance in achieving government desired outcomes and obtaining value for public funds from services delivered.

Broad, high level government goals are supported at agency level by more specific desired outcomes. The Commission delivers services to achieve its desired outcome, which ultimately contributes to meeting higher level government goals. The following table illustrates the relationship between the Commission’s services and desired outcome with the most appropriate government goal.

Government Goal	Desired Outcome	Services
<p>Stronger Focus on the Regions:</p> <p>Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.</p>	<p>An environment conducive to the balanced economic and social development of the Mid West region.</p>	<ol style="list-style-type: none"> 1. Information and Advice 2. Investment Facilitation 3. Infrastructure and Services Development in the Mid West

Murchison Radio-astronomy Observatory power plant, Boolardy Station



1.0 Key Effectiveness Indicators

The Commission's effectiveness indicators are measured through an annual client perceptions survey, conducted by an independent market research company. This information is used to assess the effectiveness of the Commission's contact with businesses and the benefits derived by clients.

Surveys were sent to 255 randomly selected clients that had contact with the Commission in the previous 12 months. One hundred and eighty two (182) completed surveys were received, achieving a response rate of 71.4%. Based on population homogeneity calculations, the survey results demonstrate an overall sampling error within +/- 5% at the 95% confidence level for the overall results for clients of the Commission.

The customer perceptions survey remains consistent with previous reporting periods whereby 88.9% of clients agreed that the Commission makes a positive contribution towards economic development in the Mid West.

The Commission works to develop and support an environment conducive to the balanced economic and social development of the Mid West region. The Commission's success at this may positively impact on clients in a number of ways including helping to reduce obstacles to growth, develop new business opportunities, increase trade activity and retain staff / expand employment opportunities.

Accordingly clients were asked a number of questions relating to business development facilitated by their contact with the Commission. Findings are summarised below:

Survey Question	Actual 2013-14	Actual 2014-15	Actual 2015-16	Target 2016-17	Actual 2016-17
Reduced obstacles to growth	44%	43%	44%	42%	47%
Developed new business opportunities	61%	59%	57%	63%	63%
More trade activity	31%	30%	28%	30%	33%
Retention of staff / expansion of employment opportunities	31%	32%	30%	28%	34%

Comments

Results in all four of the criteria were marginally higher in 2016-17 than 2015-16. This is most likely due to the Commission's high level of engagement from the Blueprint's implementation and strategy development processes.

2.0 Key Efficiency indicators

The following efficiency indicators are based on the total cost for each of the Service areas after excluding Grants and Subsidies expense. The costs for each Service area comprise both direct expenditure and an allocation of general costs and overheads. The total cost of all Services (including Grants and Subsidies expense) is reported in the Commission's Statement of Comprehensive Income as the Total Cost of Services.

2.1 Service 1 – Information and Advice

Service Description

To contribute to economic growth and employment by developing strategic partnerships between government, business and the community, providing a central point of coordination and contact and by raising awareness of the Mid West region.

Performance Measures	Actual 2013-14	Actual 2014-15	Actual 2015-16	Target 2016-17	Actual 2016-17
Total cost of Service ⁽¹⁾ ⁽²⁾	\$894,523	\$906,795	\$898,205	\$877,451	\$803,671
Client contacts (inquiries)	4,203	5,132	5,336	4,200	4,920
Cost per client inquiry	\$106	\$88	\$84	\$104	\$82
Client visits	1,162	1,489	1,068	820	1,215
Cost per client visit	\$385	\$304	\$421	\$535	\$331

Note:

1. Target and actual total costs and unit costs have been adjusted to exclude Grants and Subsidies Expense.
2. 50% of the Total cost of Service is allocated to each of Client Visits and Client Contacts when calculating the respective unit costs.

Comments

The actual total cost of service in 2016-17 differs to target primarily due to the timing of project expenditure.

The 2016-17 number of client inquiries was 17.1% above target. Reasons include engaging more extensively with industry through the Blueprint's implementations and strategy development processes, combined with the rollout of the contestable RfR Mid West Regional Grants Scheme. Despite this and the challenging economic conditions, there has been solid demand for Commission services in a variety of areas including advancing projects, assistance with securing grant funding, promotion and advocacy and industry development projects.

The total number of client visits in 2016-17 was 48.2% above target, reflecting the Commission's high level of engagement with clients throughout the region. Reasons for the increase correlate with those above (client inquiries), in particular the establishment of Progress Midwest to drive industry and business development as a priority of the Mid West Regional Blueprint. These have contributed to cost per client inquiry and cost per client visit falling below the target cost.

2.2 Service 2 – Investment Facilitation

Service Description

To create a business environment within the Mid West region that has a diverse economic base and is attractive to investors.

Performance Measures	Actual 2013-14	Actual 2014-15	Actual 2015-16	Target 2016-17	Actual 2016-17
Total cost of Service (1)	\$1,424,611	\$1,402,673	\$1,616,128	\$1,283,983	\$1,308,452
Projects relating to investment facilitation undertaken	15.5	15.5	16	15	16
Average cost per project	\$91,910	\$90,795	\$101,008	\$85,599	\$81,778

Note:

1. Target and actual total costs and unit costs have been adjusted to exclude Grants and Subsidies Expense.

Comments

Total costs for 2016-17 were slightly below target. This is primarily due to the marginally higher number of projects resulting in a decrease in the average cost per project compared to target.

2.3 Service 3 – Infrastructure and Services Development in the Mid West

Service Description

To assist the development of infrastructure and services and long term economic development strategies for the Mid West region.

Performance Measures	Actual 2013-14	Actual 2014-15	Actual 2015-16	Target 2016-17	Actual 2016-17
Total cost of Service (1)	\$692,023	\$732,620	\$843,165	\$799,692	\$691,128
Projects undertaken relating to Infrastructure and Services development in the Mid West	15	15	15	15	15
Average cost per project	\$46,135	\$48,841	\$56,211	\$53,313	\$46,075

Note:

1. Target and actual total costs and unit costs have been adjusted to exclude Grants and Subsidies Expense.

Comments

Total cost of service for 2016-17 was below target due to the deferral in budgeted Batavia Coast Marina expenditure. Average cost per project fluctuates with the number and size of projects being undertaken as well as the timing of their expenditure.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

MID WEST DEVELOPMENT COMMISSION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Mid West Development Commission which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Mid West Development Commission for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Board for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

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

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

In my opinion, in all material respects, the controls exercised by the Mid West 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 2017.

The Board's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Mid West Development Commission for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Mid West 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 2017.

The Board's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

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

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

This auditor's report relates to the financial statements and key performance indicators of the Mid West Development Commission for the year ended 30 June 2017 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.



PATRICK ARULSINGHAM
ACTING ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
29 August 2017



Houtman Abrolhos Islands

ANNUAL ESTIMATES

In accordance with Treasurer's Instruction 953, the annual estimates for the 2018 year are hereby included in the 2016-17 Annual Report. These estimates do not form part of the 2017 financial statements and are not subject to audit.

S40 Submission

Statement of Comprehensive Income

	2018 Estimate
	\$
COST OF SERVICES	
Expenses	
Employee benefits expense	294,000
Supplies and services	141,000
Grants and subsidies	2,358,000
Total Cost of Services	<u>2,793,000</u>
Income	
INCOME FROM STATE GOVERNMENT	
Service Appropriation	242,000
Royalties for Regions Fund	2,551,000
Total income from State Government	<u>2,793,000</u>
SURPLUS (DEFICIT) FOR THE PERIOD	<u><u>-</u></u>

Statement of Financial Position

ASSETS

Current Assets

Restricted cash and cash equivalents	1,167,000
Total Current Assets	<u>1,167,000</u>

Non-Current Assets

Receivables	153,000
Property, plant and equipment	2,221,000
Total Non-Current Assets	<u>2,374,000</u>
TOTAL ASSETS	<u><u>3,541,000</u></u>

LIABILITIES

Current Liabilities

Provisions	15,000
Total Current Liabilities	<u>15,000</u>

Non-Current liabilities

Borrowings	960,000
Provisions	35,000
Total Non-Current Liabilities	<u>995,000</u>
TOTAL LIABILITIES	<u><u>1,010,000</u></u>

EQUITY

Contributed Equity	124,000
Reserves	1,500,000
Accumulated surplus/(deficiency)	907,000
TOTAL EQUITY	<u><u>2,531,000</u></u>

Statement of Financial Position (continued)

	2018
	Estimate
CONTRIBUTED EQUITY	\$
Balance at start of period	356,000
Distributions to owners	(232,000)
Balance at end of period	124,000
RESERVES	
Asset Revaluation Reserve	
Balance at start of period	1,500,000
Balance at end of period	1,500,000
ACCUMULATED SURPLUS (RETAINED EARNINGS)	
Balance at start of period	907,000
Balance at end of period	907,000
Balance of equity at end of period	2,531,000
Total income and expense for the period	-

Statement of Cash Flows

CASH FLOWS FROM STATE GOVERNMENT

Service appropriation	242,000
Royalties for Regions Fund	2,548,000
Net cash provided by State Government	2,790,000

CASH FLOWS FROM OPERATING ACTIVITIES

Payments

Employee benefits	(294,000)
Supplies and services	(205,000)
Grants and subsidies	(2,358,000)
GST payments on purchases	(256,000)

Receipts

GST receipts from taxation authority	348,000
Other receipts	

Net cash provided by/(used in) operating activities	(2,765,000)
---	-------------

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts

Other proceeds	(468,000)
----------------	-----------

Net cash provided by/(used in) financing activities	(468,000)
--	------------------

Net increase/(decrease) in cash held and cash equivalents	(443,000)
--	------------------

Cash and cash equivalents at the beginning of the period	1,610,000
--	-----------

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,167,000
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MINISTERIAL DIRECTIVES

No Ministerial Directives were received during the financial year.

OTHER FINANCIAL DISCLOSURES

Pricing policies of services provided

The Commission does not charge for services and this reporting requirement, therefore, does not apply.

Capital works

Capital projects incomplete

The Commission did not have any incomplete capital works projects at the end of 2016-17.

Capital projects complete

The Commission did not complete any capital works projects during 2016-17.

Employment and industrial relations

Staff profile

In 2016-17, the Mid West Development Commission operated with up to 16 staff all of whom were located at the Commission's Geraldton office.

	2016-17	2015-16
Full-time permanent	10.0	10.1
Full-time contract	3.9	4.5
Part-time measured on an FTE basis	0.0	0.1
On secondment	0.7	1.0
	14.6	15.7

Staff development

The Commission has a commitment to the development of its employees. Our strategy is to build a highly skilled and professional workforce and as a result we are building a strong and capable team with the ability to adapt to the growth and diversity being experienced in the Mid West. Various industry specific training and professional development was undertaken as opportunity arose.

Workers Compensation

No workers compensation claims have been made within the Commission during 2016-17.

GOVERNANCE DISCLOSURES

Contracts with senior officers

At the date of reporting, other than normal contracts of employment of service, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Commission and senior officers.

Unauthorised use of credit cards

Officers of the Commission hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations under the Commissions credit card policy, six employees inadvertently utilised the corporate credit card for purchases of a private nature. The matter was not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and, that the nature of the expenditure was immaterial and characteristic of an honest mistake.

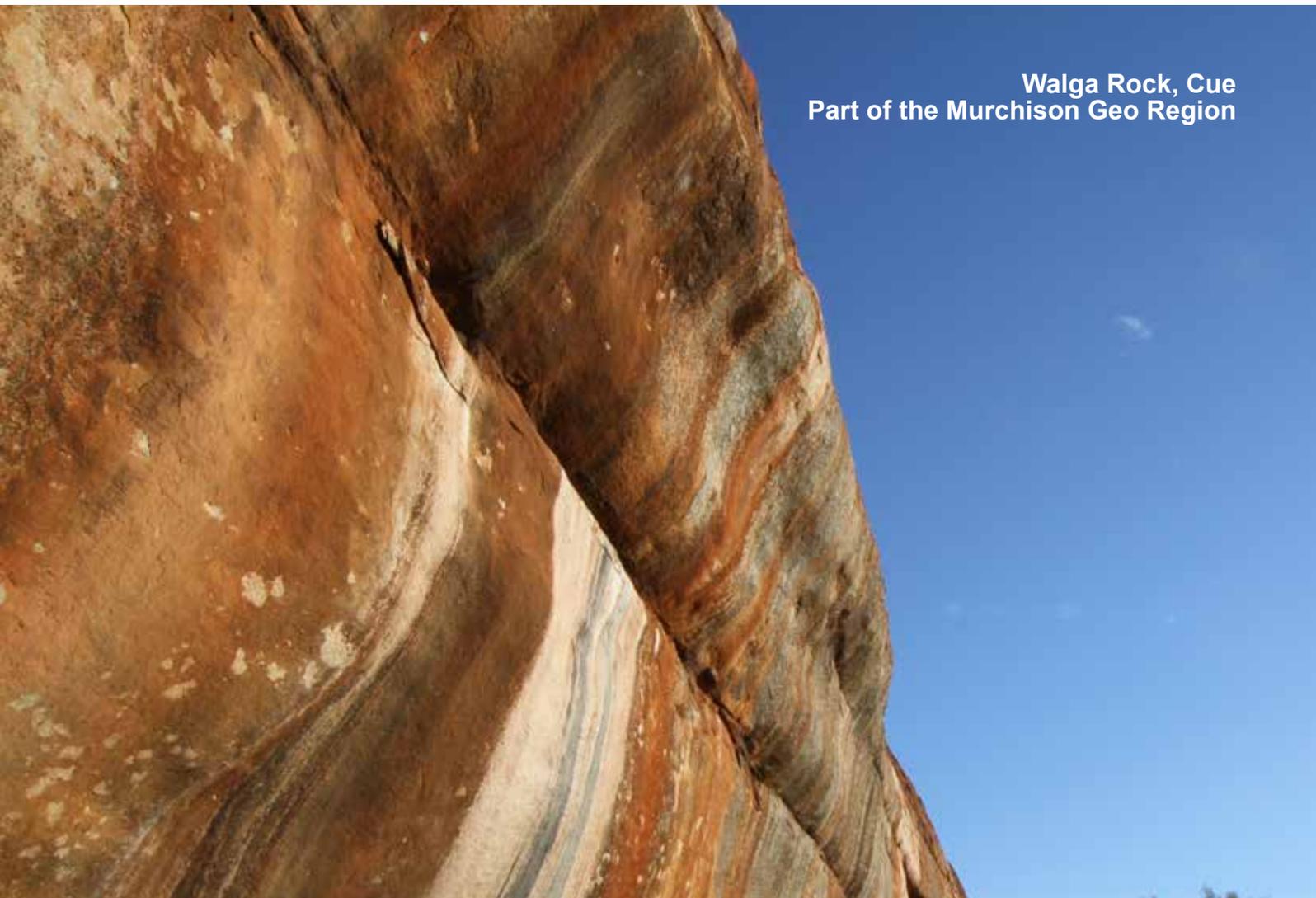
	2016-17 \$
Aggregate amount of personal use expenditure for the reporting period	727
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	-
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	727
Aggregate amount of personal use expenditure outstanding at balance date	-

BOARD AND COMMITTEE REMUNERATION

In compliance with Premier's Circular 2010/02 – State Government Boards and Committees, the Commission provided the following remuneration to its Board members during 2016-17.

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2016-17 financial year
Chair	Hon Murray Criddle	Stipend	12 months	\$68,765
Deputy	Mr Todd West	Stipend and sitting fee	12 months	\$10,980
Member	Cr Michelle Bagley	Sitting fee	12 months	\$1,363
Member	Cr Kirrilee Warr	Sitting fee	12 months	\$3,607
Member	Ms Chris Kerr	Sitting fee	12 months	\$4,931
Member	Ms Michelle Allen	Sitting fee	12 months	\$3,607
Member	Mr Shane Van Styn	Sitting fee	12 months	\$3,808
Member	Ms Carole Minnie	Sitting fee	12 months	\$1,122
			Total	\$98,183

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



Walga Rock, Cue
Part of the Murchison Geo Region

OTHER LEGAL REQUIREMENTS

Expenditure on advertising, market research, polling and direct mail

In compliance with section 175ZE of the *Electoral Act 1907*, the Commission incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

Total expenditure for 2016-17 was \$6,676.

Expenditure was incurred in the following areas:

Class of expenditure		Organisation	Total expenditure 2016-17 (inc GST)
Advertising agencies	\$1,938	Rev Design	\$1,318 ⁽¹⁾
		Western Australian News Ltd	\$618
Market research agencies	\$4,741	Perth Market Research	\$4,741
Polling organisations	Nil		
Direct mailing organisations	Nil		

1. Web hosting and other Internet services.

Exploring Wildflower Country - Wildflower Way launch, Three Springs



Disability access and inclusion plan outcomes

In 2007 the Commission, in consultation with the Disability Services Commission and the public, developed and submitted a Disability Action and Inclusion Plan (DAIP) in compliance with the 2004 amendment to the *Disability Services Act 1993*.

The DAIP was successfully implemented during 2007-08, and the following principles have been followed during 2015-16 to continue to address the seven desired DAIP outcomes:

1. People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Commission.
 - (i) Assessment of all Commission events as to their accessibility by all people.
 - (ii) Amended all grant agreements and contracts to include reference to the Commission's DAIP.
 - (iii) Reviewed and modified policies to include relevant strategies under the DAIP.
2. People with disabilities will have the same opportunities as other people to access the buildings and other facilities of the Commission.
 - (i) Increased staff awareness of issues of accessibility (see outcome 4).
3. People with disabilities receive information from the Commission in a format that will enable them to access the information as readily as other people are able to access it.
 - (i) Provision of all communications in clear and concise language, avoiding jargon.
4. People with disabilities receive the same level and quality of service from the staff of the Commission as other people receive from the Commission.
 - (i) Ongoing annual disability awareness training program for all Commission staff, including updating the new staff induction process to address the Commission's DAIP.
5. People with disabilities have the same opportunities to make complaints to the Commission.
 - (i) Alternative formats provided wherever the Commission's grievance procedures are displayed.
6. People with disabilities will have the same opportunities as other people to participate in any public consultation by the Commission.
 - (i) All venues assessed for accessibility when arranging public consultation events.
 - (ii) Consideration to be made whether any target groups would benefit from public consultation to encourage participation.
 - (iii) Ongoing assessment of accessibility of venues when arranging public consultation events.
7. Employment – People with disability have the same opportunities as other people to obtain and maintain employment with a public sector.
 - (i) Vacancy advertisements now include a statement that MWDC is an equal opportunity employer.
 - (ii) Special needs of new employees are identified and any adjustments will be made to the workplace and work practices where necessary prior to and as soon after as can be reasonably expected after induction depending on the nature of the adjustments.

Compliance with public sector standards and ethical codes

Public Sector Management Act Section 31(1):

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

Number lodged: Nil

Number of breaches found, including details of multiple breaches per application: Nil

Number still under review: Nil

Gavin Treasure

Chief Executive Officer

28 August 2017

Recordkeeping plans

As required by the *State Records Act 2000*, the Commission has an approved Records Keeping Plan (RKP).

Periodical record keeping training programs through the Commission's formal monthly staff meetings, as well as an induction program for new employees address the roles of staff and their responsibilities in regard to compliance with the Commission's RKP.

The Records Team within the Commission review the efficiency and effectiveness of its record keeping training program regularly, to ensure that key record systems objectives and record keeping practices are being met. A Commission Record Keeping Manual is in place to assist the Records Team to formalise and structure the training program for staff.

GOVERNMENT POLICY REQUIREMENTS

Substantive equality

As outlined in the Public Sector Commissioner's Circular 2015-01: Implementation of the Policy Framework for Substantive Equality, this reporting requirement only applies to participating agencies. The Commission is not a participant and this requirement, therefore, does not apply.

Occupational Safety, Health and Injury Management

The Commission strives to ensure a safe working environment. Occupational Safety and Health (OSH) issues (risks and hazards) can be reported at any time to the Corporate Services Manager and are addressed as they are identified. OSH policies continue to be reviewed and monitored as required by the changing needs of the Commission and its working environment.

Staff are made aware of OSH policies and procedures at induction and there are continuing awareness sessions during monthly meetings as necessary.

The Mid West Development Commission is compliant with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*.

The Commission's annual performance report for 2016-17 against the following indicators:

Indicator	Target 2016-17	Actual 2016-17
Number of fatalities	Zero (0)	Zero (0)
Lost time injury/diseases (LTI/D) incidence rate	Zero (0)	Zero (0)
Lost time injury severity rate	Zero (0)	Zero (0)
Percentage of injured workers returned to work:		
(i) within 13 weeks	0%	0%
(ii) within 26 weeks	0%	0%
Percentage of managers trained in occupational safety, health and injury management responsibilities	≥80%	0%

Government Building Training Policy

As outlined in the Public Sector Commissioner's Circular 2015-02: Government Building Training Policy this reporting requirement only applies to State Government building, construction and maintenance contracts that have a labour component of \$2 million and over. The Commission did not issue contracts in scope of the policy and is therefore not required to report against the policy.



Government of Western Australia
Mid West Development Commission



MID WEST DEVELOPMENT COMMISSION

Level 2, Foreshore Business Centre

209 Foreshore Drive

PO Box 238 | GERALDTON WA 6531

Phone: 08 9921 0702 | Fax: 08 9921 0707

Email: info@mwdc.wa.gov.au

Web: www.mwdc.wa.gov.au

Correspondence should be directed to:

Chief Executive Officer

Mid West Development Commission

PO Box 238

GERALDTON WA 6531