



ANNUAL REPORT 2017-18



Government of Western Australia
Mid West Development Commission



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Front cover: Square Kilometre Array (Photo credit Department of Commerce (fmr))

STATEMENT OF COMPLIANCE

For year ended 30 June 2018

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 2018.

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



TODD WEST
CHAIRMAN
3 September 2018



GAVIN TREASURE
CHIEF EXECUTIVE OFFICER
3 September 2018

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OVERVIEW

CHAIRMAN'S REPORT

Regional development has changed significantly in recent years and quite dramatically in my last few years on the Mid West Development Commission (MWDC) Board. From 2011-17 regional WA enjoyed unprecedented prosperity through the advent of the Royalties for Regions (RfR) program and a buoyant private sector economy. During that time MWDC allocated almost \$150 million to more than 300 projects across our region, which delivered diverse and enduring benefits to all Mid West communities and economies.

In 2017-18 the fiscal environment was far more challenging, with the State Government undergoing extensive budget repair and the private sector investment relatively subdued. This has created a less familiar dynamic for MWDC and changed the way we need to do business. Partnerships have never been more important and we now need to be far more creative in the way we pursue leverage sources and offer value to the limited private sector investment opportunities.

However, as the State's budget repair phase 'relaxes' in the next few years, opportunities will emerge for new investment in key regional economic development projects. We need to use this intervening period to develop a laser focus on projects that align with the new State government 'jobs & growth' agenda and start developing quality business cases for future investment.

Following the change of State government in 2017, significant structural reforms have occurred throughout the public service. MWDC is now part of the new Department of Primary Industries and Regional Development (DPIRD), through the amalgamation with the former Departments of Agriculture and Food, Fisheries and Regional Development, along with staff from the Regional Development Commissions (RDCs).

Where MWDC was previously a team of only 15 staff (up to) and a Board of nine, we are now part of a significant multifaceted Statewide agency of around 1,600. With all RDCs being Statutory Authorities under the Regional Development Commissions Act (1993), this amalgamation presents significant challenges for DPIRD but exposes all Commissions to enormous new opportunities. Our challenge is now maximising these opportunities by leveraging our new networks and shared resources for the benefit of our diverse regions.

To support the State Government 'jobs & growth' agenda, the MWDC has established five new key focus areas to prioritise regional development effort. These key focus areas also align with DPIRD's Statement of Strategic Intent:

1. Digital Connectivity;
2. Agribusiness;
3. Energy Futures;
3. Aboriginal Development; and
5. Economic Infrastructure.

The MWDC Board has also confirmed 'Industry and Business Development' as a sixth key focus area, which recognises that growth and diversification in the private sector will have the greatest overall impact on employment and economic development in the Mid West. MWDC has adopted a 'cluster' approach to much of its work by aligning efforts of the private sector, academia and government towards common focus areas. As such, this sixth pillar includes our efforts in tourism, innovation, marine services, the Square Kilometre Array (SKA) and other initiatives that can stimulate private sector outcomes.

Underpinning our future efforts as an agency will be a strong focus on maximising local benefits from future public and private investment in the regions. A new local content initiative has been established by the State Government, with Local Content Officers / Advisors appointed in each region. All MWDC staff and Board Members will share this emphasis on local content to ensure all of our efforts create as much impact in our local businesses and communities as possible. It will be fundamental to all six pillars.



As with all RDCs, MWDC has developed a Business Plan to access resources through DPIRD for 2018-19 operations. MWDC's Business Plan aligns with the six priority pillars and indicates specific work areas of our small team. This exercise has been useful for Board Members and senior staff to decide what is most important and what can achieve maximum impact from limited resources. This reflection and planning will become an important part of our annual positioning as an agency and will be critical to securing the necessary resources to deliver the things we prioritise as a Board.

The Mid West Regional Blueprint (2015) and related development strategies share that overt focus on employment and economic development and provide us with excellent visibility of the best investment opportunities for the Mid West. So the work we've done has positioned us extremely well for when budget pressures ease and the funding tap is turned back on.

Despite being in a transition phase with a focus on building future cases for investment, there is much to celebrate from our 2017-18 efforts. This annual report provides a snapshot of our key achievements during 2017-18 and our plans for 2018-19. Please refer to the Agency Performance section of this annual report (page 12) or the Performance Highlights (page 5) for a summary.

It was pleasing to see in our annual client survey that around 90% of MWDC clients agreed that the MWDC made a positive contribution towards economic development in the Mid West in 2017-18. We have maintained this result for the past decade, which is a huge accolade for the Commission's staff and Board.

I'd like to congratulate our great staff and Board on a challenging but terrific year and am excited about the prospects for 2018-19.

A handwritten signature in black ink, appearing to read 'Todd West'.

Todd West, Chairman

Mid West Development Commission Board



EXECUTIVE SUMMARY

Performance Highlights

- Supported the establishment of the new Department of Primary Industries and Regional Development (DPIRD), through the amalgamation of the former Departments of Agriculture and Food, Fisheries and Regional Development, along with staff from the nine Regional Development Commissions (RDCs). This involved relocation of Mid West Development Commission (MWDC) to the DPIRD Gregory Street Geraldton office.
- Building on the significant work undertaken through the Mid West Regional Blueprint and completed development strategies, a new MWDC Business Plan was developed with a focus on driving jobs and growth in the Mid West. The Business Plan will be used to access DPIRD resources to pursue priority initiatives.
- Administered the Local Projects Local Jobs (LPLJ) Program for the Mid West, which saw \$966,000 allocated to 34 projects determined through State Government election commitments.
- Completed the Mid West Transport Development Strategy; titled '*Optimising the Mid West Transport Network for Jobs and Growth*'. This has confirmed the transport infrastructure priorities for the region, necessary to enable the Mid West to realise its economic potential through efficient movement of commodities and people.
- Completed the Mid West Digital & Communications Implementation Plan, to guide delivery of key projects as resources are made available. Initial focus is on delivering innovative internet connectivity solutions in the North Midlands and Chapman Valley / Northampton farming areas through the State Government's Digital Farm Grants.
- Engaged a Principal Local Content Advisor for the Mid West region, who will be responsible for maximising the local content outcomes from public and private investment in the region and manage Local Content Officers in the Wheatbelt and Goldfields. This is part of a Statewide Local Content initiative, led by the Department of Jobs, Tourism, Science and Innovation (JTSI) with DPIRD and RDCs in support.
- Worked with CGG to develop State and Federal funding applications for the renewal and upgrade of Geraldton Airport's main runway, with \$6.5 million of State funding already secured.
- Worked with proponents to prepare submissions to the Federal Government Regional Growth Fund for the:
 - Abrolhos Islands Tourism Development (\$13 million sought); and
 - Carnarvon Mullewa Road sealing between Mullewa and the Murchison Settlement and a Square Kilometre Array Interpretative Centre at the Settlement (\$25 million sought).
- Worked with stakeholders to progress Mid West Tourism Development Strategy priorities, namely:
 - Kalbarri Skywalk (underway);
 - Mid West Coastal Nodes (complete);
 - Abrolhos Islands tourism development (underway);
 - Murchison geotourism (underway);
 - Rangelands Parks (underway); and
 - Kalbarri to Shark Bay 4WD trail projects (planning).
- 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 \$221.5 million.
- Provided resourcing support to 'Progress Midwest' to grow the region's traded (export) economy with initial focus on tourism, horticulture and marine services.
- Achieved strong results in the annual client perceptions survey, including that 90% of clients agree that MWDC 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

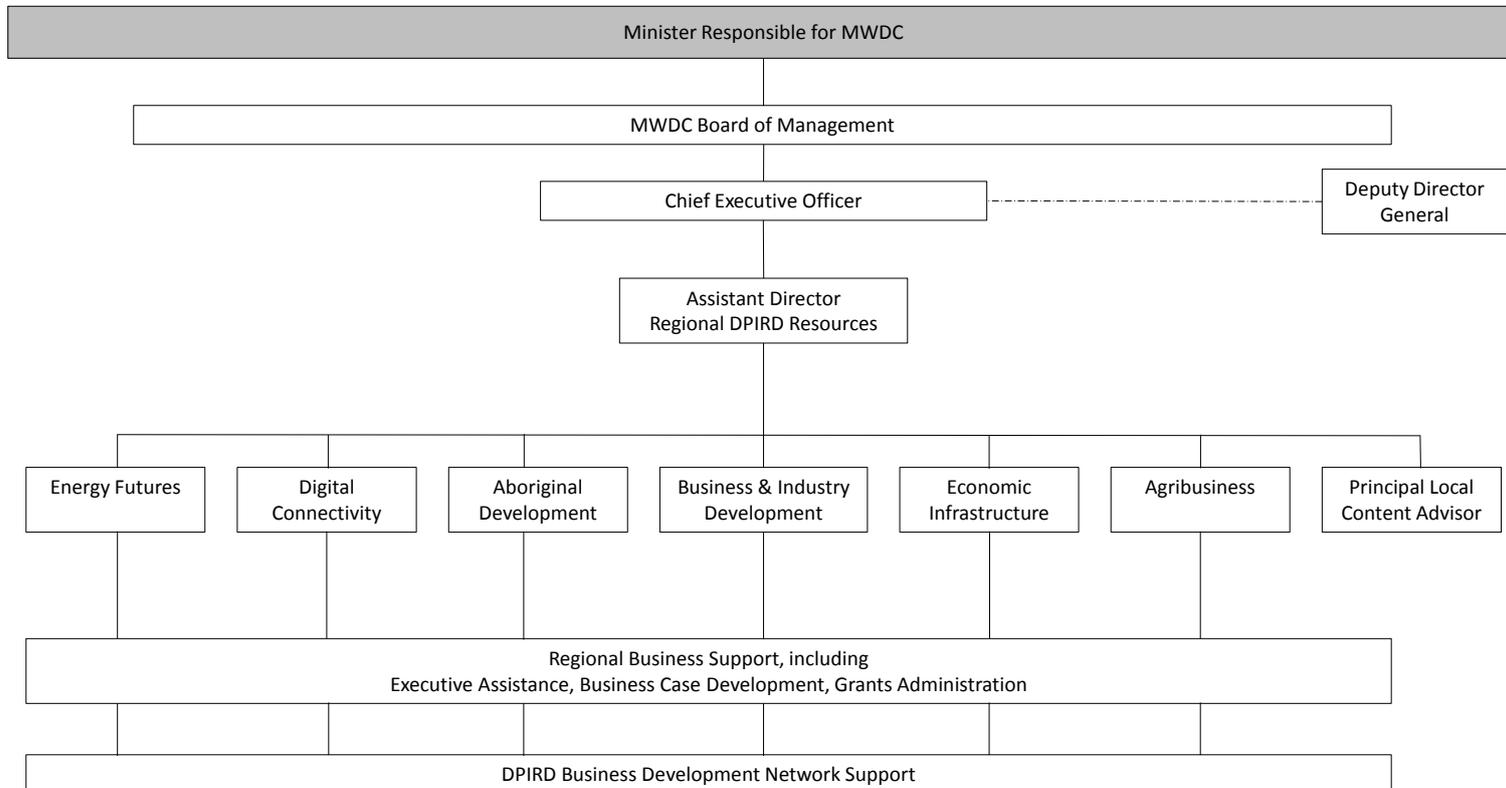
Mission

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 Business Plan (June 2018), which aligns with the State Government's direction and new Department of Primary Industries and Regional Development (DPIRD) strategy and organisational structure.

Organisational Chart For the year ended 30 June 2018



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 2017-18 and comprise the Commission's current Board. The MWDC Chief Executive Officer is an ex-officio member of the Board.

Board Profiles

Mr Todd West **- Chairperson**

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 business 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 developing the vast opportunities that the Mid West and adjoining regions have to offer and advocates for continued infrastructure investment in the regions. His previous roles have 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 was appointed Chairperson of the Mid West Development Commission Board as a Ministerial appointment on 1 July 2017.

Cr Kirrilee Warr **- Vice Chairperson**

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 the 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 Commission Board in 2012.

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.

Cr Carole Minney

Carole is a Community representative on the Commission Board with support from the Western Australia Centre for Rural Health (WACRH) and Midwest Aboriginal Organisations Alliance (MAOA). Carole is a Malgana Woman from Shark Bay. She has been living and working in Mount Magnet for eight years and has been a strong voice for the Murchison subregion. Carole has a strong background in health, education, employment, training and Indigenous community engagement. She would like to see more meaningful training opportunities developed in the Murchison subregion, to support smaller communities and assist in the economic development for the whole region. Carole's tenure on the Commission Board commenced on 1 July 2018.

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.

Ms Lara Dalton

Lara has spent the majority of her life in Geraldton, establishing strong family and community connections. She is an active member of the community and a member of many community and sporting associations. Lara has held executive roles on several schools and not for profit Boards. She was a member of the Governing Body of Leaning Tree Community School for eight years and the Chair for three. She has a passion for youth and youth issues and opportunities and is currently a member on the Short Term Accommodation for Youth (STAY) Board. Lara has a strong background in hospitality, tourism and training. Lara established, owned and operated the Salt Dish Café from 2009-2014 and is currently the Hospitality Lecturer at Central Regional College of TAFE. She coordinates and runs short skills sets for the hospitality industry locally, as well as in remote and regional centres such as Meekatharra and Perenjori. Lara was a Ministerial appointment to the Commission Board in 2017.

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:

- Regional Development Commissions Act 1993
- 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 2017-18.

Shared Responsibilities with Other Agencies

The Commission did not share any responsibilities with other agencies in 2017-18.



Horticulture expansion, 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 supporting previous recipients of RGS and CCF funding to effectively report on and / or acquit their grants.
- Administered \$966,000 for 34 projects identified for funding under State Government election commitments from its Local Projects Local Jobs program (LPLJ). Please refer to the table at the end of this Report on Operations section for details of 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.
- Updated the Mid West Mining Register as development occurred to assist local businesses identify and secure procurement opportunities.
- 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.
- Added links to Tenders WA and Jobs WA on the MWDC website to promote Government work opportunities to local businesses and jobseekers.
- Supported the Mid West Economic Summit 2017 through sponsorship and participation.
- 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 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).
- Participated in the Statewide Local Content Initiative. Significant achievements included:
 - Appointment of a Local Content Adviser for the Mid West region;
 - Working with the Mid West Chamber of Commerce and Industry (MWCCI) and City of Greater Geraldton (CGG) to host a workshop for businesses on accessing WA Local Government Association (WALGA) E-Tendering system and opportunities;
 - Working with RSM Business Local, MWCCI and local business consultants to host a tender writing workshop for regional businesses;
 - Creating linkages and awareness of the Local Content Initiative with industry associations, including the Master Builders Association, MWCCI and RSM Business Local;
 - Investigating the potential for job creation and business opportunities associated with the roll out of the National Disabilities Insurance Scheme (NDIS);
 - Providing a single point of contact for businesses and government agencies on Local Content; and
 - Providing policy input into the WA Industry Participation Strategy (WAIPS).

Major Initiatives for 2018-19

- Continue to work with recipients of the Commission's grant funding programs to deliver their projects and effectively report on and acquit their grants.
- Administer and deliver the new Regional Economic Development (RED) grants program for the Mid West.
- Initiate engagement with new and emerging miners on opportunities for Local Content including utilising the Mid West regional centre (Geraldton) as a destination for FIFO operations and increasing business and local recruitment opportunities for rural townships located in direct proximity to each of the mine sites.
- Work with CGG to develop a new Major Projects Summary for the Mid West to assist businesses, industry and government identify opportunities from current, planned and proposed major infrastructure investments in the region.
- Work in partnership with key stakeholders to develop sustainable tourism at the Abrolhos Islands.
- Working with WALGA, provide input, advice and support to the Murchison Executive Group (MEG), including Cue Parliament.
- Working with WALGA, provide input, advice and support to the Northern Country Zone (NCZ), including representation at each Zone meeting.
- Provide a dedicated Local Content Officer to work with Mid West businesses to assist in competing 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 regional job opportunities.
- Conduct an Industry Link roadshow to give businesses, government and other organisations an understanding of the Local Content Initiative and the Industry Link website.
- Work with the Department of Jobs, Tourism, Science and Innovation (JTSI) to educate businesses and government on the roll out of the WAIPS and the industry participation plans.
- Actively support the maximising of local content associated with the introduction of the NDIS on 1 July 2019.
- Provide regional businesses with enhanced opportunities to participate in regional tender panels.
- Promote the Business Capabilities Fund to Mid West businesses.
- Work with indigenous businesses and organisations in order to promote and participate in State Government tender opportunities.

Yellow Tail Kingfish, seacage off the Geraldton coast



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);
 - 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”;
 - Liaising with industry and the former Department of Fisheries regarding the establishment of the Mid West Marine Aquaculture Zone (MWADZ); and
 - Supporting the development of a Shellfish Industry Association to drive growth of edible oysters in the MWADZ.
- Continued progress of a Mid West Agriculture Development Strategy to identify priority interventions for growth of the region’s agriculture and food industries. A particular focus is on water schemes to provide suitable quality water for increased horticultural production and the expansion of the Geraldton/Bootal/Walkaway growing areas.
- Supported the establishment and incorporation of Progress Midwest - an informal alliance of the three tiers of government, academia and industry (business) collaborating to grow the region’s traded (export) economy. MWDC provided resources on secondment to Progress Midwest throughout much of 2017-18.
- Supported Progress Midwest to deliver the following key initiatives from the Growth Plan under the Cluster Ignition Project pilot clusters i.e. marine services; food (specifically horticulture) and tourism.

Tourism

- Working with DPIRD and DBCA, held an initial key stakeholder engagement forum around State Government plans and intention to establish a National Park at the Abrolhos Islands.

Horticulture:

- Established an incorporated a Mid West Horticulture Grower Group to improve collaborations and focus energies on priority initiatives to grow the local sector.
- Secured funding for a for a desk top study (Waste Not Want Not) that is looking at the value adding opportunities for horticulture waste.
- Commenced a water use efficiency study with soil moisture probes installed on key producers’ properties.
- Facilitated negotiations with the Water Corporation, resulting in cost savings of around 35% for some growers.
- Supported the production of a report by Vegetables WA and DPIRD to understand the growth aspirations of local growers to feed into a pre-feasibility study to examine water supply options.
- Secured the services of a dedicated Agricultural Technical Specialist allocated to work with Progress Midwest and the Mid West Horticulture Group.

Marine Services:

- Coordinated a key stakeholder tour of the Australia Marine Complex in Henderson, with meetings with Federal Defence Contract contenders Austal Shipping and Cimtec and a briefing with representatives of the State Government’s Defence West unit. The visit linked the Mid West marine services sector into the supply chain at the Australian Marine Complex, with reciprocal visits of the Geraldton Marine Services Precinct and Port also hosted.
- Coordinated delivery of the Geraldton Maritime Network, with a Marine Services Capabilities statement developed for participants to use for their own promotional purposes.
- Explored the cost of installing a large scale custom built docking pontoon that could be used for vessels from the north requiring maintenance.
- Worked with the Mid West Ports Authority on its Port Master Planning.

- Supported Progress Midwest to:
 - Develop a Mid West Investment Prospectus to highlight regional investment opportunities;
 - Assisted RDA Mid West Gascoyne in hosting West Tech Fest in Geraldton, leveraging off a weeklong innovation and investment festival in Perth involving diverse global founders, investors, CEOs and tech industry visionaries; and
 - Lodge a submission providing strong support for Australian Government Agency decentralisation and proposing Geraldton as an obvious choice in WA (focus on Departments of Agriculture and Defence, and CSIRO).
- 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;
 - Supporting the Shire of Murchison to complete the construction of a \$5.5 million replacement of Ballinyoo Bridge over the Murchison River; and
 - Working with stakeholders to identify and progress regional development opportunities that could spin off the SKA, its infrastructure and people.
- Coordinated a study for the Shire of Murchison to review and evaluate suitable options for replacement of remote diesel generators, which currently supply the townsite with power.
- Facilitated a local community energy steering group (Geraldton Community Energy), working in concert with a proponent to maximise local investment opportunities and potential employment through investment in distributed energy resources.
- Worked with stakeholders to progress key development priorities from the Mid West Tourism Development Strategy (MWTDS); namely:
 - Mid West Coastal Nodes - completion of the four funded sites in Green Head; Irwin, Northampton and Dandaragan (Wheatbelt); and
 - The Kalbarri Skywalks and National Park Infrastructure project through:
 - Completion of the Meanarra Hill and Z-Bend sites;
 - Completion of preconstruction work at the West Loop site to streamline the delivery of the key Skywalks elements;
 - Planning/design and advertise the tenders for the West Loop site and the two cantilevered Skywalk platforms; and
 - Engagement and consultation with the Nanda people to inform the design and interpretation material at the West Loop / Skywalk site.
 - Sustainable Development of the Abrolhos Islands – worked with DPIRD and DBCA to progress an Initial Application for potential Federal Government (Regional Growth Fund) funding;
 - Murchison Geotourism Development – worked with Murchison local governments and other stakeholders to confirm sites and Shire participation in the proposed Murchison Geo Region, which explores tourism opportunities based on the subregion's geological, biological (flora and fauna) and cultural attributes;
 - Rangelands Parks – worked with the Department of Biodiversity, Conservation and Attractions on plans to develop a number of disused conservation estates in the Mid West and Gascoyne for tourism purposes with the Karara site activated; and
 - Kalbarri to Shark Bay 4WD trail – with the Shires of Northampton and Shark Bay, continued to advocate for a 4WD track along the Zuytdorp cliffs from the Murchison Homestead to Tamala Station.

- Collaborated with local social enterprise, Pollinators, to complete an action based Mid West Innovation Action Agenda. Learnings from the various workshops and programs held to support this process fed directly into the Action Agenda, which aim to build the innovation culture and ecosystem in the Mid West.
- Administered the Mid West component of the Regional New Industries Fund (RNIF), which includes funding for Mid West projects and opportunity to participate in cross regional and Statewide projects that support new industries or drive innovation.
- Provided support, advice and facilitation to emerging magnetite mining companies and consortia wishing to activate Mid West mining tenements for potential export through Geraldton or new port infrastructure located at Oakajee.
- Participate in a Statewide tourism network to foster collaboration and high level tourism initiatives.
- Work with the Shire of Irwin to deliver a new aged care facility in Port Denison, enabled through a \$2.5 million RfR investment.
- Work with the CGG and stakeholders to continue implementation of the Growth Plan to support economic development and deliver jobs i.e. CBD Revitalisation.
- Support Progress Midwest to:
 - Mid West Horticulture Grower Group priorities; and
 - Geraldton Tourism Group initiatives, in particular Abrolhos Islands development.
- Continue work with the Mid West marine aquaculture industry by:
 - Liaising with local and new YTK proponents expanding operations to commercial scale and with administrators on regulatory issues;
 - Assisting the local and new YTK proponents 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 Development Zone in the Mid West.
- Work with DPIRD to develop profitable outcomes for Mid West grain and livestock businesses through supply and value chain interventions.
- Drive the improvements in Grower Group strategic focus and operations through a Cluster program and collaborations.

Major Initiatives for 2018-19

- Develop a Mid West Tourism Action Plan to progress all remaining initiatives from the Mid West Tourism Development Strategy; with updates to reflect new priority activities consistent with Tourism WA's Two-Year Action Plan.
- Continue working with stakeholders to progress the sustainable development of the Abrolhos Islands for tourism.
- Work with DBCA to identify opportunity to further develop the Rangeland Parks in the Mid West and Gascoyne for tourism.
- Continue working with the Shire of Northampton and DBCA to explore the Kalbarri to Shark Bay 4WD trail concept.
- Work with the City of Greater Geraldton and other key stakeholders to explore the laser lights initiative.
- Continue working with Murchison local governments to develop marketing materials for the Murchison Geo Region, which seeks to capitalise on the growing global interest in geotourism (particularly Chinese and European tourists). Staged development of a Murchison Geopark may follow.
- Develop a cross regional visitor centre network to foster collaborative and region wide projects.

- Work with DPIRD, the Department of Water and Environment Regulation and pastoralists to enhance the profitability of pastoralism in the Southern Rangelands.
- Recognising the critical role that competitively priced, readily and consistently available energy plays in facilitating economic development for communities, continue to:
 - Track and participate in the WA energy reform process to ensure regional communities are represented and served by the State energy infrastructure and regulatory regime;
 - Facilitate community processes for regional fringe of grid communities on the South West Interconnected System (SWIS) e.g. Perenjori Battery Energy Storage System (BESS) (commissioning early 2018-19) and Kalbarri micro-grid (commissioning in 2019);
 - Work with off-grid communities across the region to ensure adequacy of power infrastructure and, as appropriate, that ageing power generation is upgraded with renewable and complementary technologies;
 - Work with the Geraldton Community Energy Steering Group to facilitate the committee's journey to incorporation and attraction of investment into local distributed energy technology in the community;
 - Explore the potential of early stage energy technologies such as 'renewable or green hydrogen' for which the Mid West could be a strong strategic investment location;
 - Work with other Regional Development Commissions (RDC's) to identify potential locations for utility scale solar farms - de-risking the feasibility and investment process for the private sector by identifying candidate locations, likely constraints and other location features; and
 - Assist future proponents looking to invest in the region to ensure they are supported and assisted as they navigate the various energy agencies.
- Work alongside and facilitate Aboriginal leadership via the Mid West Aboriginal Organisations Alliance and the WA Aboriginal Leadership Program.
- Continue to capture regional outcomes from the SKA and Murchison Radio-astronomy Observatory (MRO) by:
 - Preparing an agreed SKA regional benefits plan/strategy, which articulates priorities and a process for pursuing specific projects that can leverage indirect social and economic benefits from the SKA, including Aboriginal economic development opportunities;
 - Supporting the Shire of Murchison with matters relating to the SKA, including Radio Frequency Zone challenges;
 - Providing local feedback and advice to the Department of Jobs, Tourism, Science and Innovation and through the SKA Regional Stakeholders Group on a variety of matters as required e.g. procurement; and
 - Working with Progress Midwest and MWCCI to ensure local businesses are well informed of any potential opportunities to supply goods or services to radio astronomy projects at the MRO and that their capabilities are communicated to the project proponents.
- Partner Pollinators to implement the Mid West Innovation Action Agenda, which aims to support economic development and jobs by building capacity in the local innovation ecosystem.
- Administer stage 2 of the RNIF to release residual funding for regional, cross regional and Statewide projects that support new industries and innovation.
- Work with Pollinators to secure leverage funding from the Federal Incubator Support program for optimum delivery of the Ecotourism Incubator program (supported through RNIF stage 1).
- Continue to provide support, advice and facilitation to the emerging magnetite mining companies and consortia looking to initiate Mid West mine site operations and export either through the existing Geraldton port or proposed port at Oakajee.



Square Kilometre Array, Murchison
Photo credit: Department of Commerce (fmr)

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

- Worked with the former Departments of Agriculture and Food, Fisheries, Regional Development and the other eight Regional Development Commissions to integrate services into the new Department of Primary Industries and Regional Development (DPIRD). All Commissions continue to function as independent statutory authorities under service level agreement with DPIRD.
- Commissioned independent analysis of Blueprint development strategies to help better understand the economic and employment potential of their successful implementation i.e. tourism and digital and communications.
- Continued to implement the Commission's MWIP. To date the MWIP has provided \$125.9 million to 37 projects with an estimated total cost of \$207.1 million. During 2017-18 there were 15 previously funded projects requiring support through delivery and acquittal. No further MWIP funding is available for allocation.
- On behalf of the Shire of Murchison, prepared an Initial Application (EOI) to the Federal Government's Regional Growth Fund for \$25 million (leveraging the \$35 million State government funding for the SKA Access Roads) to:
 - Complete the seal the Carnarvon Mullewa Road between Mullewa and the Murchison Settlement; and
 - Develop an Interpretative Centre at the Murchison Settlement that provides new visitor experiences relating to the SKA, Wajarri culture, geotourism and other new tourism opportunities for the Shire.
- Administered MWIP funding and liaised with the following proponents on their projects:
 - Main Roads WA 's Dongara to Northampton Strategic Corridor Planning Study;
 - CGG's Karloo-Wandina Urban Expansion project;
 - Shire of Morawa's town centre revitalisation project;
 - CGG's Beresford Foreshore protection and enhancement project;
 - Shire of Meekatharra's sealing of sections of Landor Road between Carnarvon and Meekatharra;
 - Foodbank WA's completion of the new Foodbank Geraldton warehouse;
 - 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;
 - Shire of Murchison's replacement of Ballinyoo Bridge (completed) over the Murchison River and extension of the sealing for the southern approach;
 - CGG and other stakeholders on LandCorp's site investigations and planning for the Batavia Coast Marina Stage 2 (BCM2) redevelopment;
 - Department Parks and Wildlife's Kalbarri Skywalk project;
 - Shire of Northampton's completion of the Horrocks Community Centre;
 - Central Regional TAFE's completion of the Geraldton Interactive Student Hub;
 - Catholic Diocese of Geraldton completion of the Monsignor Hawes Heritage Centre project;
 - Geraldton Cemetery Board's completion of a crematorium upgrade and construction of a condolence lounge building; and
 - CGG's completion of the Wonthella Oval lighting project.

- 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 MWDC'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.
- With the support of the MWSIG, progressed 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;
 - Main Roads WA and other key government stakeholders to progress the Dongara Northampton Strategic Corridor, which will provide plans for a heavy freight bypass around the regional centres of Dongara, Geraldton and Northampton; 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.
- Participated in the reference group for the DPIRD and Department of Transport led Regional Airports Study, which aims to identify opportunities for private investment in regional airport infrastructure.
- 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.
- Developed the Mid West Transport Development Strategy (Optimising the Mid West Transport Network for Jobs and Growth), which identified the priority projects required to optimise the region's existing transport infrastructure.
- Worked with MEITA and North Midlands communities to complete and launch a 10 Year Morawa and North Midlands Education and Training Plan. The Plan outlined challenges facing education and training in the North Midlands and provided strategies for future collaboration across providers to deliver benefits to local students and their families.
- Worked with the Western Australian Museum to develop 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 the Batavia Coast Marina Stage 1 (BCM1) 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.
- Assisted the Geraldton Universities Centre (GUC) to investigate establishing 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.

- Completed the Mid West Digital and Communications Initiatives Implementation Plan. Delivery of individual initiatives is underway, guided by State Government priorities and funding availability.
- In cooperation with nbn and City of Greater Geraldton, the deployment of Fibre to the Premise (FttP) was completed throughout all urbanised areas of Geraldton. As of late 2017, all occupiable premises in Geraldton have NBN FttP capability; the only regional town in WA (other than Mandurah) where FttP technology is universally-deployed. Geraldton now has what is arguably the fastest and most reliable Internet connectivity of any regional town in Australia.
- With stakeholders around WA, along with CBH, ARC Infrastructure and Central Midlands Innovations, MWDC continued to consult on delivery of a state-wide broadband backhaul network to provide enterprise-grade broadband services in regional, rural and remote areas to enhance global competitiveness. ("WA SuperNet" - originally initiated by MWDC).
- Assisted Mid West local governments to investigate and in some cases resolve complaints from their communities regarding mobile phone tower reception and data speeds.
- All approved and funded mobile phone towers in Round 2 Mobile Black Spots (12 towers) either operational or due for completion/activation by September 2018. Of note, three towers along the longest stretch of major transport corridor in WA (Great Northern Highway) without mobile coverage (Wubin to Mount Magnet) are now under construction and due for completion by September 2018.
- Provided technical advice to DPIRD State Digital Connectivity Team regarding Statewide telecommunications and broadband projects being considered for Government funding.
- New WiFi networks now operational in local tourist caravan parks in Shires of Perenjori and Morawa.
- Participation in Industry Working Group to investigate and evaluate options for extending public telecommunications services to the Abrolhos Islands for anticipated increase in tourism and to assist fishermen with complying with catch reporting.
- Continuing to lobby Commonwealth telecommunications policy to protect Universal Service Obligation (USO) delivered terrestrial voice services. Represented WA on several National Inquiry groups considering options for improving the USO.
- Working with State Digital Connectivity Team, drafted State Government's submission to the 2018 Joint (Commonwealth) Parliamentary Committee Inquiry on the nbn, signed and submitted by the Dept of Premier and Cabinet.
- Worked 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, supported the Shire of Murchison to identify and implement a cost-effective, clean energy solution for the Murchison Settlement.
- Worked with the Shire of Three Springs and Western Power to further develop Three Springs as an energy generation hub.

Major Initiatives for 2018-19

- Continue to support the coordinated implementation of the new DPIRD, including development of a regional operating model that provides suitable resourcing in support of delivery of key regional priorities as identified in the MWDC Business Plan.
- With DPIRD and other Commissions, continue to support and participate in any 'cross portfolio' efforts to assess and develop priority regional projects for future funding opportunities.
- If successful with the Initial Application to the Federal Government Regional Growth Fund, support the Shire of Murchison to develop a full business case to complete the seal of the road between Mullewa and the Murchison Settlement and develop an interpretive centre at the Settlement.
- Launch the Mid West Transport Development Strategy, which identifies the priority projects required to optimise the region's existing transport infrastructure.
- With the support of the MWSIG, progress priority infrastructure projects by working with:
 - CGG to secure funding for the renewal and extension of the main runway of the Geraldton Regional Airport and attract international carriers to use the expanded infrastructure;
 - Western Power to progress the delivery of the Kalbarri Microgrid project;
 - 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;
 - Main Roads WA and other key government stakeholders to progress the Dongara Northampton Strategic Corridor, which will identify the upgrades required to the route to allow triple road train access;
 - Main Roads WA to pursue the upgrade of the Goldfields Highway from Meekatharra to Wiluna to provide strategic connectivity between the Goldfields-Esperance, Mid West and Pilbara regions;
- Department of Transport to develop the Revitalising Agricultural Region Freight Plan; and
- Mid West Ports Authority to complete the Mid West Port Masterplan that identifies infrastructure investment priorities and other key activities that contribute towards growing trade and the regional economy.
- Continue to work with LandCorp and other stakeholders to progress the proposed hotel and other developments on land sold as part of BCM1 redevelopment.
- Continue to work with LandCorp, CGG and other stakeholders to finalise environmental remediation works and the detailed planning for the BCM2 redevelopment.
- Develop a proposal for 'interim uses' of the BCM2 land that seeks to maximise its utilisation and value until economic conditions improve to a point where the full (permanent) plan for the site can be progressed.
- 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 SKA, Abrolhos Islands, HMAS Sydney II / Kormoran 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.

- Achieve a thorough working knowledge of the State’s transport network strategy, the Mid West’s position and contribution to the State’s transport network and the gaps within the context of the State strategy in order to:
 - Determine the status of planning for a Statewide transport network strategy;
 - Identify the gaps in key guiding documents (such as the WA Planning Commission’s State Planning Strategy 2050 and Department of Transport’s WA Regional Freight Transport Network Plan); and
 - Communicate the gaps and advocate for a WA Transport Network Strategy.
- Optimise and integrate the region’s existing transport infrastructure to underpin the strengths of the Mid West’s export industries and generate new opportunities for growth by advocating for:
 - Triple road train access to the Carnarvon-Muchea route (and bypasses of Northampton and Geraldton);
 - The sealing of the Goldfields Highway between Meekatharra and Wiluna;
 - The Geraldton Regional Airport upgrade;
 - Upgrades to the region’s strategic freight routes (including Wubin-Mullewa Road); and
 - The Murchison Infrastructure Corridor (including the Murchison Rail Corridor).
- With stakeholders around WA, completion of feasibility work for a state-wide broadband backhaul network to provide enterprise-grade broadband services in regional, rural and remote areas and enhance global competitiveness.
 - Through the deployment of Digital Farm Grant initiatives, deliver high-capacity wireless broadband Internet to virtually all agricultural areas within Northampton, Chapman Valley and North Midlands Shires.
 - 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.
 - Work with DPIRD and Community Resource Centre (CRC) executive management to deploy a (Statewide) program to upgrade the capabilities of CRCs to become regional 'Innovation Hubs' and elevate / upgrade the services offered to gradually migrate these facilities to become social enterprise / co-working centres.
 - Prepare a WA Government submission to the 2018 Regional Telecommunications Independent Review Committee Inquiry.
 - Work with Main Roads WA to deploy test sites for passive mobile phone repeaters at locations along Indian Ocean Drive to provide access to make emergency telephone calls in existing black spots, which do not qualify for mobile phone towers.



Spirit of Australia arrival, Geraldton

Access Geraldton, ATLAS



Local Projects Local Jobs program

The Commission supported the following 34 projects for funding from the State government's Local Projects Local Jobs program (LPLJ) during 2017-18. This funding was determined through 2017 State government election commitments.

Local Projects Local Jobs - funded projects for 2017-18		
Organisation	Project Name	Funding (ex GST)
Access To Leisure And Sport (ATLAS)	Access Geraldton	\$25,000
Bundiyarra Aboriginal Corporation	Bundiyarra Newsletter	\$20,000
Pollinators	Creative Hub Upgrade - Geraldton	\$30,000
Drummonds Cove Progress Association	Drummonds Foreshore Rejuvenation and Adaptation Project	\$50,000
Foodbank WA	Foodbank Geraldton Food Shortage Funding	\$40,000
Mid West Sports Federation	Geraldton Cycleway Strategy	\$90,000
Geraldton X-Ray	Geraldton Mammogram Service	\$50,000
Geraldton Surf Life Saving Club	Geraldton Surf Lifesaving Polaris	\$25,000
Geraldton Universities Centre	Geraldton University Centre Audio Integration System	\$25,000
Geraldton Street Work Aboriginal Corporation	Gunnado Farm Infrastructure Upgrade	\$50,000
NGALA Community Service	Futures Leadership	\$40,000
University of Western Australia (WA Centre for Rural Health)	Mid West School Holiday Engagement Program	\$80,000
Federation of Western Australian Police and Community Youth Centres	PCYC Streets of Dirt	\$20,000
Pollinators	Pollinators - start up assistance	\$80,000
Rangeway Uta Karra Karloo Progress Association	Rangeway Beautification Project	\$10,000
Wandina Primary School	School IT Enhancement Project (Wandina)	\$15,000
Woorree Park BMX Club	Track upgrades, Woorree Park BMX Club	\$20,000

continued...

...continued

Local Projects Local Jobs - funded projects for 2017-18		
MEEDAC Inc	Geraldton Aboriginal Community Patrol	\$50,000
Catholic Education Office	School IT Enhancement Project (Catholic Education)	\$30,000
Geraldton Grammar School	School IT Enhancement Project (Geraldton Grammar)	\$10,000
Leaning Tree Community School	School IT Enhancement Project (Leaning Tree)	\$5,000
Strathalbyn Christian College	School IT Enhancement Project (Strathalbyn)	\$10,000
Waggrakine Primary School	School IT Enhancement Project (Waggrakine)	\$15,000
Bluff Point Primary School	School IT Enhancement Project (Bluff Point)	\$15,000
Beachlands Primary School	School IT Enhancement Project (Beachlands)	\$15,000
Geraldton Primary School	School IT Enhancement Project (Geraldton Primary)	\$15,000
Allendale Primary School	School IT Enhancement Project (Allendale)	\$15,000
Rangeway Primary School	School IT Enhancement Project (Rangeway)	\$15,000
Mount Tarcoola Primary School	School IT Enhancement Project (Mount Tarcoola)	\$15,000
Walkaway Primary School	School IT Enhancement Project (Walkaway)	\$5,000
Holland Street School	School IT Enhancement Project (Holland Street)	\$5,000
Geraldton Senior College	School IT Enhancement Project (Geraldton Senior)	\$30,000
John Willcock College	School IT Enhancement Project (John Willcock)	\$30,000
Bundiyarra Aboriginal Corporation	Bundiyarra Mugarri	\$16,000
34 PROJECTS	TOTAL	\$966,000

Actual results versus budget targets

Financial Targets

	2017-18 Target \$000	2017-18 Actual \$000	Variation \$000
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	2,793	4,085	3,005
Net cost of services (sourced from Statement of Comprehensive Income)	2,793	4,079	1,286
Total equity (sourced from Statement of Financial Position)	2,531	2,902	371
Net increase/(decrease) in cash held (sourced from Statement of Cash Flows)	(443)	125	568
Approved salary expense level	206	204	2

The variance in total cost of services primarily reflects unbudgeted services provided free of charge from Department of Primary Industry and Regional Development (DPIRD) as a result of Machinery of Government (MoG) changes, this combined with unbudgeted carryover RfR grant funding.

The variance in total equity mainly reflects the carryover of Royalties for Regions 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 Local Projects Local Jobs and Batavia Coast Marina Stage 2.

For explanation on variances please refer to page 81 of this report.

Financial Targets

	Target \$000	Actual \$000	Variance \$000
Agreed Working Cash Limit (at Budget)	0	0	N/A
Agreed Working Cash Limit (at Actuals)	143	7	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>44%</p> <p>62%</p> <p>32%</p> <p>33%</p>	<p>45%</p> <p>67%</p> <p>36%</p> <p>37%</p>	<p>1%</p> <p>5%</p> <p>4%</p> <p>4%</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>\$567</p> <p>\$111</p>	<p>\$268</p> <p>\$100</p>	<p>(\$299)</p> <p>(\$11)</p>
<p><i>Service 2: Investment Facilitation</i></p> <p>Key Efficiency Indicator:</p> <p>Average cost per project</p>	<p>\$31,000</p>	<p>\$92,564</p>	<p>\$61,564</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>\$31,000</p>	<p>\$61,085</p>	<p>\$30,085</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 310 clients that had contact with the Commission during 2017-18, with 203 completed surveys returned (response rate of 65.5%).

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 above target. This is mainly due to unbudgeted services provided free of charge costs from Department Primary Industry and Regional Development (DPIRD) as a result of Machinery of Government (MoG) changes, this combined with the timing of project expenditure.

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 development of the digital and transport strategies. The Mid West Investment Plan and Mid West Regional Grants Scheme were among other significant contributors.

Mumbida Wind Farm, Walkaway



SIGNIFICANT ISSUES IMPACTING THE AGENCY

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

- The creation of the new Department of Primary Industries and Regional Development (DPIRD) (an amalgamation of the Departments of Fisheries, Regional Development and Agriculture and Food with staff from the nine Regional Development Commissions) has created some uncertainty to Commission operations.
- Building on the significant work undertaken through the Mid West Regional Blueprint and development strategies from 2016-17, a new Commission Business Plan has been developed with a focus on driving jobs and growth in the Mid West.
- Delivery of key priorities in the Commission's Business Plan is reliant on continued resource allocation through DPIRD, which are yet to be confirmed. An increase in resource allocation to enable effective delivery of the Business Plan is a priority for the Commission and its Board.
- In 2017-18, tourism, business and industry development, agribusiness (including horticulture and aquaculture), digital communications, energy futures, innovation, economic infrastructure and local content were among the highest priorities.
- 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 Mid West economy is heavily reliant on primary commodity exports, exposing it to market fluctuations and variable weather pattern impacts. Initiatives to diversify the region's economic base include:
 - Increasing Mid West tourism product development to entice visitors into the region and realise its latent tourism potential;
 - Supporting 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 and development;
 - Unlocking and expanding the region's innovation ecosystem;
 - Identification and increasing water access for intensive horticulture expansion purpose;
 - A strategic focus on maximising local business outcomes from State government and private sector expenditure in the region, with engagement of a Principal Local Content Advisor for the Mid West; and
 - Continued focus on key economic infrastructure solutions to support primary industries and realise new growth opportunities.
- The Commission continues to strive for educational outcomes, rural and remote service delivery and the development of thriving local and subregional economies and communities. Through implementation of the Commission's Business Plan, focus remains on identifying key 'game changing' initiatives that deliver the best economic development outcomes for the region.

Abrolhos Islands tourism development, artist's impressions





Pink Lakes, Port Gregory



DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS

Certification of Financial Statements

For the year ended 30 June 2018

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 2018 and the financial position as at 30 June 2018.

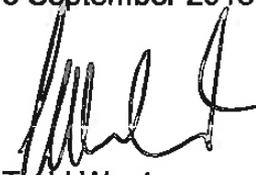
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Jacinta Wasley
Chief Finance Officer
3 September 2018



Gavin Treasure
Chief Executive Officer
3 September 2018



Todd West
Chairman
3 September 2018

Statement of Comprehensive Income
For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1	272,700	2,006,265
Supplies and services	3.3	1,879,508	479,504
Depreciation and amortisation expense	5.1, 5.2	70,014	81,623
Accommodation expenses	3.3	54,391	166,890
Grants and subsidies	3.2	1,608,644	2,711,380
Impairment loss on non-current assets	5.1	186,504	-
Other expenses	3.3	12,957	68,969
Total cost of services		4,084,718	5,514,631
Income			
<i>Revenue</i>			
Other revenue	4.2	6,000	271,749
		6,000	271,749
Total income other than income from State Government		6,000	271,749
NET COST OF SERVICES		4,078,718	5,242,882
Income from State Government			
Service Appropriation	4.1	242,000	243,000
Services received free of charge	4.1	1,291,629	9,493
Royalties for Regions Fund	4.1	2,904,764	5,308,571
Total income from State Government		4,438,393	5,561,064
SURPLUS FOR THE PERIOD		359,675	318,182
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation reserve		(354,545)	(245,455)
Total other comprehensive income (loss)		(354,545)	(245,455)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5,130	72,727

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

Statement of Financial Position
As at 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7.1	21,250	242,137
Restricted cash and cash equivalents	7.1	1,713,310	1,367,435
Receivables	6.1	28,155	92,049
Total Current Assets		1,762,715	1,701,621
Non-Current Assets			
Amounts receivable for services	6.2	153,000	153,000
Property, plant and equipment	5.1	1,897,301	2,500,773
Intangible assets	5.2	4,401	11,991
Total Non-Current Assets		2,054,702	2,665,764
TOTAL ASSETS		3,817,417	4,367,385
LIABILITIES			
Current Liabilities			
Payables	6.3	26,270	67,239
Employee related provisions	3.1	15,848	420,576
Total Current Liabilities		42,118	487,815
Non-Current Liabilities			
Amounts due to the Treasurer	6.4	960,000	960,000
Employee related provisions	3.1	47,306	156,707
Total Non-Current Liabilities		1,007,306	1,116,707
TOTAL LIABILITIES		1,049,424	1,604,522
NET ASSETS		2,767,993	2,762,863
EQUITY			
Contributed Equity	9.6	355,946	355,946
Reserves	9.6	1,145,489	1,500,034
Accumulated surplus	9.6	1,266,558	906,883
TOTAL EQUITY		2,767,993	2,762,863

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 2018

	Note	Contributed equity \$	Reserves \$	Accumulated surplus / (deficit) \$	Total equity \$
Balance at 1 July 2016		355,946	1,745,489	588,701	2,690,136
Surplus		-	-	318,182	318,182
Other comprehensive income	9.6	-	(245,455)	-	(245,455)
Total comprehensive income for the period		-	(245,455)	318,182	72,727
Transactions with owners in their capacity as owners:					
	9.6				
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
Balance at 1 July 2017		355,946	1,500,034	906,883	2,762,863
Surplus		-	-	359,675	359,675
Other comprehensive income	9.6	-	(354,545)	-	(354,545)
Total comprehensive income for the period		-	(354,545)	359,675	5,130
Transactions with owners in their capacity as owners:					
	9.6				
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2018		355,946	1,145,489	1,266,558	2,767,993

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 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		242,000	243,000
Royalties for Regions Fund		2,888,764	5,308,571
Net cash provided by State Government		3,130,764	5,551,571
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(794,029)	(1,988,218)
Supplies and services		(621,651)	(437,289)
Accommodation		(54,391)	(166,890)
GST payments on purchases		(192,982)	(321,331)
GST payments to taxation authority		(2,863)	(26,305)
Grants and subsidies		(1,608,644)	(2,711,380)
Other payments		(12,957)	(110,036)
Receipts			
GST receipts on sales		1,823	27,309
GST receipts from taxation authority		272,647	268,349
Other receipts		7,271	270,478
Net cash used in operating activities	7.1	(3,005,776)	(5,195,313)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		-	-
Net cash used in investing activities		-	-
Net increase/(decrease) in cash and cash equivalents		124,988	356,258
Cash and cash equivalents at the beginning of the period		1,609,572	1,253,314
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.1	1,734,560	1,609,572

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 2018

Note 1. Basis of preparation

The Commission is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

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

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 3 September 2018.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The Treasurer's Instructions (**the Instructions or TI**)
- 3) Australian Accounting Standards (**AAS**) including applicable interpretations
- 4) Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

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

Basis of preparation

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

Judgements and estimates

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

Contributed equity

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

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.

2. Agency outputs

How the Commission operates

This section includes information regarding the nature of funding the Commission receives and how this funding is utilised to achieve the Commission's objectives. This note also provides the distinction between controlled funding and administered funding:

	Note
Agency objectives	2.1
Schedule of Income and Expenses by Service	2.2

2.1 Agency objectives

Mission

The Commission's mission is to have the Mid West region recognised as a preferred region in which to live, work, study and invest.

The Commission is predominantly funded by Royalties for Regions.

Services

The Agency provides the following services:

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.

**2.2 Schedule of Income and expenses by service
For the year ended 30 June 2018**

	Information & advice		Investment facilitation		Infrastructure & services Development in the Mid West		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
COST OF SERVICES								
<u>Expenses</u>								
Employee benefits expense	99,559	528,551	85,766	961,253	87,375	516,461	272,700	2,006,265
Supplies and services	571,143	172,020	830,606	239,001	477,760	68,483	1,879,509	479,504
Depreciation and amortisation expense	23,338	27,208	23,338	27,207	23,338	27,208	70,014	81,623
Accommodation expenses	18,131	55,630	18,131	55,630	18,129	55,630	54,391	166,890
Grants and subsidies	7,000	78,750	45,470	763,834	1,556,174	1,868,796	1,608,644	2,711,380
Impairment loss on non-current assets	62,168	-	62,168	-	-	-	186,504	-
Other expenses	11,598	20,262	(1,802)	25,361	3,161	23,346	12,957	68,969
Total cost of services	792,937	882,421	1,063,677	2,072,286	2,228,105	2,559,924	4,084,719	5,514,631
<u>Income</u>								
Other revenue	2,000	14,981	2,000	251,787	2,000	4,981	6,000	271,749
Total income other than income from State Government	2,000	14,981	2,000	251,787	2,000	4,981	6,000	271,749
NET COST OF SERVICES	790,937	867,440	1,061,677	1,820,499	2,226,105	2,554,943	4,078,719	5,242,882
<u>Income from State Government</u>								
Service Appropriation	80,667	81,000	80,667	81,000	80,666	81,000	242,000	243,000
Resources received free of charge	430,543	3,165	430,543	3,164	430,543	3,164	1,291,629	9,493
Royalties for Regions Fund	282,396	930,081	385,535	1,741,921	2,236,834	2,636,569	2,904,765	5,308,571
Total income from State Government	793,606	1,014,246	896,745	1,826,085	2,748,043	2,720,733	4,438,394	5,561,064
SURPLUS/(DEFICIT) FOR THE PERIOD	2,669	146,806	(164,932)	5,586	521,938	165,790	359,675	318,182

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

**Notes to the Financial Statements
For the year ended 30 June 2018**

Note 3. Use of our funding

Expenses incurred in the delivery of services

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

	Notes	2018 \$	2017 \$
Employee benefits expenses	3.1(a)	272,700	2,006,265
Employee benefits provisions	3.1(b)	63,154	577,283
Grants and subsidies	3.2	1,608,644	2,711,380
Other expenses		1,946,856	715,363

3.1(a) Employee benefits expenses

	2018 \$	2017 \$
Wages and Salaries	198,844	1,749,299
Superannuation - defined contribution plans ^(a)	27,767	194,600
Other related expenses	46,089	62,366
Total employee benefits expenses	272,700	2,006,265

(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

Wages and salaries: Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Commission is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

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

The Commission does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. 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 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.

3.1(b) Employee benefits provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2018 \$	2017 \$
Current		
<u>Employee benefits provisions</u>		
Annual leave ^(a)	13,618	198,430
Long service leave ^(b)	-	211,082
Deferred salary scheme ^(c)	1,919	1,919
	15,537	411,431
<u>Other provisions</u>		
Employment on-costs ^(d)	311	9,145
Total current employee benefits provisions	15,848	420,576
Non-current		
<u>Employee benefits provisions</u>		
Long service leave ^(b)	46,254	153,211
<u>Other provisions</u>		
Employment on-costs ^(d)	1,052	3,496
Total non-current employee benefits provisions	47,306	156,707
Total employee benefits provisions	63,154	577,283

(a) **Annual leave liabilities:** 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:

Within 12 months of the end of the reporting period
More than 12 months after the end of the reporting period

2018 \$
13,618
-
13,618

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) **Long service leave liabilities:** 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 the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period
More than 12 months after the end of the reporting period

2018 \$
-
46,254
46,254

The components of the long service leave liabilities are calculated at present value as the Commission does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, 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.

(c) **Deferred salary scheme liabilities:** 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 the liabilities is expected to occur as follows:

	2018
	\$
Within 12 months of the end of the reporting period	1,919
More than 12 months after the end of the reporting period	-
	1,919

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

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, Note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Commission's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'

	2018	2017
	\$	\$
<u>Employment on-cost provision</u>		
Carrying amount at start of period	12,641	12,235
Additional/(reversals of) provisions recognised	(11,693)	(4,342)
Payments/other sacrifices of economic benefits	415	4,748
Unwinding of the discount	-	-
Carrying amount at start of period	1,363	12,641

Key sources of estimation uncertainty – long service leave

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

Several estimates and assumptions are used in calculating the Commission's long service leave provision. These 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.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

3.2 Grants and subsidies

	2018	2017
	\$	\$
<u>Recurrent</u>		
Regional and Remote Renewable Energy Power Solutions Community Benefits Fund	-	-
Royalties for Regions Fund	1,608,644	2,711,380
Total grants and subsidies	1,608,644	2,711,380

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

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

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

Other expenses

	2018	2017
	\$	\$
Supplies and services		
Board Fees	79,843	94,008
Communications	3,293	18,596
Consultants and contractors	446,042	245,529
Consumables	8,800	20,735
Equipment repairs and maintenance	2,127	16,420
Labour hire	-	-
Operating leases - vehicles	9,245	17,548
Travel	32,006	35,204
Other	6,523	31,464
Support Services provided by DPIRD	1,291,629	-
Total supplies and services expenses	1,879,508	479,504
Accommodation expenses		
Lease rentals	47,977	139,357
Electricity	4,044	12,301
Cleaning	2,370	15,232
Total accommodation expenses	54,391	166,890
Other expenditures		
Audit fees	1,395	42,895
Employment on-costs	-	8,271
Other expenses	11,562	17,803
Refund of revenue	-	-
Total other expenditures	12,957	68,969
Total other expenses	1,946,856	715,363

Supplies and services:

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

Support Services provided by DPIRD ^(b) to support the Commission's in the fulfilment of its statutory functions and obligations under the Regional Development Commission Act 1993. See note 4.1 Income from State Government.

Accommodation expenses:

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. [AASB 117.33]

Electricity and cleaning costs are recognised as expenses as incurred.

Other:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Employee on-cost includes workers' compensation insurance and other employment on-costs. The on costs liability associated with the recognition of annual and long service leave liabilities is included at Note 3.1(b) Employee benefit provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

4. Our funding sources**How we obtain our funding**

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

4.1 Income from State Government

	2018 \$	2017 \$
Appropriation received during the period:		
Service appropriation ^(a)	242,000	243,000
	242,000	243,000
Services received free of charge ^(b)		
Determined on the basis of the following estimates provided by agencies:		
Department of Finance	-	9,493
Department of Primary Industry and Regional Development	1,291,629	-
	1,291,629	9,493
Royalties for Regions Fund:		
Regional Infrastructure and Headwork Account ^(c)	-	557,230
Regional Community Services Account ^(c)	2,391,014	2,756,341
Regional & Statewide Initiative ^(a)	513,750	1,995,000
	2,904,764	5,308,571
	4,438,393	5,561,064

(a) **Service appropriations, and, Regional and Statewide Initiative** received from the Department of Treasury fund the net cost of services delivered. Appropriation revenue comprises a cash component only.

(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. The Commission received support services from Department of Primary Industries and Regional Development.

(c) **The Regional Infrastructure and Headworks Account, and, Regional Community Services Accounts** are sub-funds within the over-arching 'Royalties for Regions Fund'. The recurrent fund are committed to projects and programs in WA regional areas and are recognised as revenue when the Commission gains control on receipt of the funds.

4.2 Other revenue

	2018 \$	2017 \$
Department of Agriculture & Food	-	10,000
Department of Planning	-	8,896
Yellow Tail King Fish Grow-out Trial #2 - Fish Proceeds	-	246,806
Other revenue	6,000	6,047
	6,000	271,749

4.3 Gains

	2018 \$	2017 \$
<u>Net proceeds from disposal of non-current assets</u>		
Computer hardware	-	-
Furniture, fixture and fittings	-	-
<u>Carrying amount of non-current assets disposed</u>		
Computer hardware	-	-
Furniture, fixture and fittings	-	-
Net gain/(loss)	-	-
Total other income	6,000	271,749

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

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

Selling expenses (e.g. sales commissions netted from agency receipts) are ordinarily immaterial. Where the amounts are material, additional disclosure is warranted.

Insured non-current assets written-off as a result of an insurable event should be treated as other expenses (write-off of assets destroyed by fire/storm/earthquake etc.). The subsequent insurance recovery is to be treated as other income when it is received or receivable.

5. Key assets

Assets the Commission utilises for economic benefit or service potential

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

	Notes	2018 \$	2017 \$
Property, plant and equipment	5.1	1,897,301	2,500,773
Intangibles	5.2	4,401	11,991
Total key assets		1,901,702	2,512,764

5.1 Property, plant and equipment

Year ended 30 June 2017	Office equipment \$	Communications \$	Computer hardware \$	Furniture fixture and 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)	(60,901)	-	(72,628)
Carrying amount at end of year	-	-	5,802	274,064	2,220,909	2,500,774
Year ended 30 June 2018						
2018						
Carrying amount at start of year	-	-	5,802	274,064	2,220,909	2,500,774
Additions	-	-	-	-	-	-
Impairment losses(a)	-	-	-	(186,504)	-	(186,504)
Revaluation increments/(decrements)	-	-	-	-	(354,545)	(354,545)
Depreciation	-	-	(5,802)	(56,622)	-	(62,424)
Carrying amount at end of year	-	-	-	30,938	1,866,364	1,897,301

(a) Impairment losses are recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. Information on fair value measurements is provided in Note 8.3.

Initial recognition

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

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 (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land was revalued as at 1 July 2017 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2018 and recognised at 30 June 2018. In undertaking the revaluation, fair value was determined by reference to market values for land: \$1,866,364 (2017; \$2,220,909). 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.

5.1.1 Depreciation and impairment

Change for the period

	2018	2017
	\$	\$
Depreciation		
Office equipment	-	3,013
Communications equipment	-	-
Computer hardware	5,801	8,714
Furniture fixture and fittings	56,623	60,902
Total depreciation for the period	62,424	72,629
	2018	2017
	\$	\$
Impairment		
Office equipment	-	-
Communications equipment	-	-
Computer hardware	-	-
Furniture fixture and fittings	186,504	-
Total impairment for the period	186,504	-

As at 30 June 2018 there was an impairment to furniture fixture and fittings. The Commission relocated premises, fixtures and fittings that could not be relocated remain at the existing premises.

All surplus assets at 30 June 2018 have either been classified as assets held for sale or have been written-off.

Please refer to note 5.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

Finite useful lives

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

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

Asset	Useful life: years
Plant and equipment	10 to 15 years
Office equipment	5 years
Software ^(a)	3 to 5 years

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

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

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

Impairment

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

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

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

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

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

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

5.2 Intangibles

Year ended 30 June 2017	Computer Software \$	Website \$	Total \$
2017			
Carrying amount at start of year	6,996	13,989	20,985
Additions	-	-	-
Disposals (written down value)	-	-	-
Revaluation increments/(decrements)	-	-	-
Amortisation	(4,200)	(4,794)	(8,994)
Carrying amount at end of year	2,796	9,195	11,991

Year ended 30 June 2018

2018			
Carrying amount at start of year	2,796	9,195	11,991
Additions	-	-	-
Disposals (written down value)	-	-	-
Revaluation increments/(decrements)	-	-	-
Amortisation	(2,796)	(4,794)	(7,590)
Carrying amount at end of year	-	4,401	4,401

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

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.

Subsequent measurement

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

5.2.1 Amortisation and impairment

Charge for the period

	2018 \$	2017 \$
Computer software	2,796	4,200
Website costs	4,794	4,794
Total amortisation for the period	7,590	8,994

As at 30 June 2018 there were no indications of impairment to intangible assets.

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.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Commission have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated 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

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

6. Other assets and liabilities

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

	Notes	2018 \$	2017 \$
Receivables	6.1	28,155	92,049
Amounts receivable for services (Holding Account)	6.2	153,000	153,000
Payables	6.3	26,270	67,239
Amounts due to Treasurer	6.4	960,000	960,000

6.1 Receivables

	2018 \$	2017 \$
<u>Current</u>		
GST Receivable	12,155	90,778
Receivables	16,000	1,271
Total current	28,155	92,049

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

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

6.2 Amounts receivable for services (Holding Account)

	2018 \$	2017 \$
Current	-	-
Non-Current	153,000	153,000
Balance at end of period	153,000	153,000

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

6.3 Payables

	2018 \$	2017 \$
<u>Current</u>		
Accrued salaries	1,053	6,719
Accrued expenses	13,589	52,947
Trade payables	11,628	7,573
Total current	26,270	67,239
Balance at end of period	26,270	67,239

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

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 7.1.1 'Restricted cash and cash equivalents') consists of amounts paid annually, from agency appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

6.4 Amounts due to Treasurer

	2018 \$	2017 \$
<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 Coast Marina to Landcorp. If this occurs the Commission's associated borrowing from Treasury (\$960,000) will be repaid by the project.

7. Financing

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

	Notes
Cash and cash equivalents	7.1
Reconciliation of cash	7.1.1
Reconciliation of operating activities	7.1.2
Commitments	7.2
Non-cancellable operating lease commitments	7.2.1
Other expenditure commitments	7.2.2

7.1 Cash and cash equivalents

7.1.1 Reconciliation of cash

	Note	2018 \$	2017 \$
Cash and cash equivalents		21,250	242,137
Restricted cash and cash equivalents	8.1		
- Batavia Coast Marina Redevelopment		475,534	475,534
- Food Industry Innovation		-	10,000
- Gascoyne Murchison Outback Pathways Project		1,435	1,435
- Geraldton Foreshore Redevelopment		-	-
- Midwest Digital Economy Strategy		2,558	6,916
- Midwest Science Forum		-	-
- Murchison IT Training & Support Project		-	-
- Pacific Flora 2004		3,091	3,091
- Regional Development Scheme		-	-
- Regional and Remote Renewable Energy Power Solutions Community Benefits Func		92,846	101,962
- Royalties for Regions Fund		1,049,287	525,938
- Treasury		-	4,000
- Yellow Tail Kingfish Grow-out Trial		-	214
- Yellow Tail Kingfish Grow-out Trial # 2		88,559	238,345
Balance at end of period		1,734,560	1,609,572

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand.

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

	Note	2018 \$	2017 \$
Net cost of services		(4,078,718)	(5,242,882)
Non-cash items			
Depreciation and amortisation expense	5.1, 5.2	70,014	81,623
Services received free of charge	4.1	1,291,629	9,493
Impairment furniture fixture and fittings	5.1	186,504	-
Adjustment for other non-cash items			
(Increase)/decrease in assets			
Current receivables ^(a)		(14,729)	(1,271)
Exclude Receivables movements relating to:			
- Revenues from State Government		16,000	
Other current assets		-	-
Non-current receivables		-	-
Increase/(decrease) in liabilities			
Current payables ^(a)		(40,969)	(3,532)
Current provisions		(404,731)	(43,357)
Non-current provisions		(109,401)	56,592
Other non-current liabilities			
Net GST receipts/(payments) ^(b)		78,625	(52,021)
Change in GST in receivables/payables ^(c)		-	42
Net cash provided by/(used in) operating activities		(3,005,776)	(5,195,313)

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

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

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

The mandatory application of AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 imposed disclosure impacts only. The Commission is not exposed to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

7.2 Commitments

7.2.1 Non-cancellable operating lease commitments

	2018 \$	2017 \$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	10,452	221,333
Later than 1 year and not later than 5 years	-	601,591
Later than 5 years	-	-
	10,452	822,924

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.

7.2.2 Other expenditure commitments

	2018	2017
	\$	\$
Other expenditure commitments contracted for at the end of the reporting period but not		
Within 1 year	938,251	523,671
Later than 1 year and not later than 5 years	-	-
	938,251	523,671

Judgements made by management in applying accounting policies - operating lease commitments

The Commission has entered into a building lease for office accommodation. This lease relates to a building of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as an operating lease.

8. Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of the Commission.

	Note
Financial risk management	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2
Fair value measurements	8.3

8.1 Financial risk management

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.

(a) Summary of risks and risk management

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 8.1 (c) 'Ageing analysis of financial assets' and Note 6.1 'Receivables'.

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

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due.

The Commission is exposed to liquidity risk through its trading in the normal course of business.

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

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of financial instruments

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

	2018	2017
	\$	\$
Financial Assets		
Cash and cash equivalents	21,250	242,137
Restricted cash and cash equivalents	1,713,310	1,367,435
Loans and receivables ^(a)	169,000	154,271
Total financial assets	1,903,560	1,763,843
Financial Liabilities		
Financial liabilities measured at amortised cost	986,270	1,027,239
Total financial liability	986,270	1,027,239

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

**Notes to the Financial Statements
For the year ended 30 June 2018**

(c) Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired					More than 5 years	Impaired financial assets
			Up to 3 months	3-12 months	1-2 years	2-5 years			
	\$	\$	\$	\$	\$	\$	\$	\$	
2018									
Cash and cash equivalents	21,250	21,250	-	-	-	-	-	-	
Restricted cash and cash equivalents	1,713,310	1,713,310	-	-	-	-	-	-	
Receivables ^(a)	16,000	16,000	-	-	-	-	-	-	
Amounts receivable for services	153,000	153,000	-	-	-	-	-	-	
	1,903,560	1,903,560	-	-	-	-	-	-	
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	-	-	-	-	-	-	

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

(d) 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 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	
2018												
Financial Assets												
Cash and cash equivalents	-	21,250	-	-	21,250	21,250	21,250	-	-	-	-	-
Restricted cash and cash equivalents	-	1,713,310	-	-	1,713,310	1,713,310	1,713,310	-	-	-	-	-
Receivables (a)	-	16,000	-	-	16,000	16,000	16,000	-	-	-	-	-
Amounts receivable for services	-	153,000	-	-	153,000	153,000	-	-	153,000	-	-	-
		1,903,560			1,903,560	1,903,560	1,750,560		153,000			
Financial Liabilities												
Payables	-	26,270	-	-	26,270	26,270	26,270	-	-	-	-	-
Amounts due to the Treasurer	-	960,000	-	-	960,000	960,000	-	-	-	960,000	-	-
		986,270			986,270	986,270	26,270			960,000		

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

(d) Liquidity Risk and Interest Rate Exposure (cont.)

	Interest rate exposure and maturity analysis of financial assets and financial liabilities										
	Interest rate exposure					Maturity Dates					
	Weighted average 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											
Financial Assets											
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	-	-
Financial Liabilities											
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).

(e) 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.

**Notes to the Financial Statements
For the year ended 30 June 2018**

8.2 Contingent assets and liabilities

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

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

8.2.1 Contingent assets

There are no contingent assets to disclose.

8.2.2 Contingent liabilities

There are no contingent liabilities to disclose.

8.3 Fair value measurements

Assets measured at fair value: 2018	Level 1	Level 2	Level 3	Fair Value at end of period
	\$	\$	\$	\$
Land (Note 5.1)	-	1,866,364	-	1,866,364
	-	1,866,364	-	1,866,364

Assets measured at fair value: 2017	Level 1	Level 2	Level 3	Fair Value at end of period
	\$	\$	\$	\$
Land (Note 5.1)	-	2,220,909	-	2,220,909
	-	2,220,909	-	2,220,909

There were no transfers between Levels 1, 2 or 3 during the current and previous periods.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Land has been derived using the market approach. Market evidence of sales prices of comparable land in close proximity is used to determine price.

9. Other disclosures

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

	Notes
Events occurring after the end of the reporting period	9.1
Future impact of Australian standards issued not yet operative	9.2
Key management personnel	9.3
Related parties	9.4
Remuneration of auditors	9.5
Equity	9.6

9.1 Events occurring after the end of the reporting period

No events, matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Commission, the results of those operations, or the state of affairs of the Commission in future financial years.

9.2 Future impact of Australian standards issued not yet operative

The Agency 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. Where applicable, the agency plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The 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>.</p> <p>The Commission has assessed that recognition of expected credit losses will increase the amount of impairment losses recognised as Other expenses in the Statement of Comprehensive Income by \$Nil, and thus have no adverse impact on the agency's Surplus/(Deficit) for the period.</p>	1 Jan 2018
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the agency 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 mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.</p> <p>[The Commission's income is principally derived from appropriations which will be measured under AASB 1058 and will be unaffected by this change. However, the agency 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 agency has discharged its performance obligations.]</p>	1 Jan 2019
AASB 16	<p><i>Leases</i></p> <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 Commission currently has commitments for \$10,452 worth of non-cancellable operating leases which will mostly be brought onto the statement of financial position. Interest and amortisation expense will increase and rental expense will decrease.]</p>	1 Jan 2019
AASB 1058	<p><i>Income of Not-for-Profit Entities</i></p> <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 other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. <i>[The agency anticipates that the application will not materially impact appropriation or untied grant revenues.]</i></p>	1 Jan 2019

AASB 1059	<i>Service Concession Arrangements: Grantors</i>	1 Jan 2019
	<p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. <i>[The Commission has not identified any public private partnerships within scope of the Standard.]</i></p>	
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.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. <i>[Other than the exposures to AASB 9 noted above, the Commission is only insignificantly impacted by the application of the Standard.]</i></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. <i>[These changes have no impact as Appendix E has been superseded and the Commission was not permitted to early adopt AASB 9].</i></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. <i>[The Commission has not yet determined the application or the potential impact of the Standard.]</i></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). <i>[The Commission has not yet determined the application or the potential impact of the Standard.]</i></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. <i>[The Commission has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019].</i></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>	

9.3 Key management personnel

The Commission has determined key management personnel to include the Director General, senior officers of the agency and the Minister that the agency assists. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the agency for the reporting period are presented within the following bands:

Compensation band (\$)	2018	2017
0 - 10,000	5	6
10,001 - 20,000	1	1
60,001 - 70,000	1	1
70,001 - 80,000	-	-
Compensation of senior officers (\$)		
250,001 - 260,000	-	-
260,001 - 270,000	1	-
280,001 - 290,000	-	1
300,001 - 310,000	-	-
	2018	2017
	\$	\$
Short term employee benefits	288,906	371,455
Post employment benefits	27,377	42,053
Other long term benefits	2,611	7,985
Termination benefits	-	-
Total compensation of key management personnel	318,894	421,493

Total compensation includes the superannuation expense incurred by the Commission in respect of senior officers.

9.4 Related parties

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 agency include:

- all senior officers and their close family members, and their controlled or jointly controlled entities;
- all cabinet ministers and their close family members, and their controlled or jointly controlled entities; and
- 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).

All related party transactions have been entered into on an arm's length basis.

Significant transactions with Government-related entities

Significant transactions include:

- staff housing payments to the Department Communities (Housing) (Note 3.1);
- superannuation payments to GESB (Note 3.1(a));
- lease rental payments to Department of Finance (Note 3.3);
- contribution for the Harvard Economic Complexity Study to the Department of Primary Industry and Regional Development (Note 3.3);
- service appropriations (Note 4.1);
- services received free of charge from Department Primary Industry and Regional Development (Note 4.1);
- Royalties for Regions Fund (Note 4.1);
- land valuation services provided by Western Australian Land Information Authority (Note 5.1);
- amounts due to the Treasurer (Note 6.4);
- commitments for future lease payments to the Department of Finance (State Fleet) (Note 7.2.1);
- remuneration for services provided by the Auditor General (Note 9.6); and
- transfer of leave liability of \$471,135 to the Department of Primary Industry and Regional Development.

Significant transactions with other related entities

No significant transactions were conducted with other related entities.

9.5 Remuneration of auditors

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

	2018 \$	2017 \$
Auditing the accounts, financial statements controls, and key performance indicators	26,665	26,400

9.6 Equity

Contributed equity

Balance at start of period

Contributions by owners
Capital appropriation

Other contributions by owners

Royalties for Regions Fund – Regional Infrastructure and Headworks Account

Royalties for Regions Fund – Regional Community Services Account

Total contributions by owners

Balance at end of period

	2018 \$	2017 \$
Balance at start of period	355,946	355,946
Capital appropriation	-	-
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	-	-
Royalties for Regions Fund – Regional Community Services Account	-	-
Total contributions by owners	355,946	355,946
Balance at end of period	355,946	355,946

Asset revaluation surplus

Balance at start of period

Net revaluation increments/(decrements)

Land

Balance at end of period

	2018 \$	2017 \$
Balance at start of period	1,500,034	1,745,489
Net revaluation increments/(decrements)	(354,545)	(245,455)
Balance at end of period	1,145,489	1,500,034

Accumulated surplus/(deficit)

Balance at start of period

Result for the period

Balance at end of period

	2018 \$	2017 \$
Balance at start of period	906,883	588,701
Result for the period	359,675	318,182
Balance at end of period	1,266,558	906,883

Total Equity at end of period

Total Equity at end of period	2,767,993	2,762,863
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Note 9.7 Explanatory statement

Significant variances between estimates and actual results for 2018 and between the actual results for 2018 and 2017 are shown below. Significant variances in the Statement of Comprehensive Income and Statement of Cashflows are considered to be those greater than 5% and \$55,860. Significant variances in the Statement of Financial Position is considered to be those greater than 5% and \$70,820.

	Variance Note	Original Budget 2018 \$	Actual 2018 \$	Actual 2017 \$	Variance between estimate and actual \$	Variance between actual results for 2018 and 2017 \$
Statement of Comprehensive Income						
Employee benefits expense	A	294,000	272,700	2,006,265	(21,300)	(1,733,565)
Supplies and services	1, B	141,000	1,879,508	479,504	1,738,508	1,400,004
Depreciation and amortisation expense	2	-	70,014	81,623	70,014	(11,609)
Accommodation expenses	C	-	54,391	166,890	54,391	(112,499)
Grants and subsidies	3, D	2,358,000	1,608,644	2,711,380	(749,356)	(1,102,736)
Loss on disposal of non-current assets	4, E	-	186,504	-	186,504	186,504
Other expenses	F	-	12,957	68,969	12,957	(56,012)
Total cost of services		2,793,000	4,084,718	5,514,631	1,291,718	(1,429,913)
Income						
Other revenue	G	-	6,000	271,749	6,000	(265,749)
Total Revenue		-	6,000	271,749	6,000	(265,749)
Total income other than income from State Government		2,793,000	4,078,718	5,242,882	1,285,718	(1,164,164)
NET COST OF SERVICES						
Income from State Government						
Service appropriation		242,000	242,000	243,000	-	(1,000)
Services received free of charge	5, H	-	1,291,629	9,493	1,291,629	1,282,136
Royalties for Regions Fund	6, I	2,551,000	2,904,764	5,308,571	353,764	(2,403,807)
Total income from State Government		2,793,000	4,438,393	5,561,064	1,645,393	(1,122,671)
SURPLUS/(DEFICIT) FOR THE PERIOD		-	359,675	318,182	359,675	41,493
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus	7	-	(354,545)	(245,455)	(354,545)	(109,090)
Total other comprehensive income		-	(354,545)	(245,455)	(354,545)	(109,090)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	5,130	72,727	5,130	(67,597)
Statement of Financial Position						
ASSETS						
Current Assets						
Cash and cash equivalents	J	-	21,250	242,137	21,250	(220,887)
Restricted cash and cash equivalents	8, K	1,167,000	1,713,310	1,367,435	546,310	345,875
Receivables		-	28,155	92,049	28,155	(63,894)
Amounts receivable for services		-	-	-	-	-
Other current assets		-	-	-	-	-
Total Current Assets		1,167,000	1,762,715	1,701,621	595,715	61,094

Note 9.7 Explanatory statement (continued)

	Variance	Original Budget	Actual	Actual	Variance between	Variance between
Note	2018	2018	2017	2018	estimate and	actual results for
	\$	\$	\$	\$	actual	2018 and 2017
					\$	\$
Non Current Assets						
Amounts receivable for services		153,000	153,000	-	-	-
Property, plant and equipment		2,221,000	1,897,301	2,500,773	(323,699)	(603,472)
Intangible assets		-	4,401	11,991	4,401	(7,590)
Other non-current assets		-	-	-	-	-
Total Non-Current Assets		2,374,000	2,054,702	2,665,764	(319,298)	(611,062)
TOTAL ASSETS		3,541,000	3,817,417	4,367,385	276,417	(549,968)
LIABILITIES						
Current Liabilities						
Payables		-	26,270	67,239	26,270	(40,969)
Provisions		15,000	15,848	420,576	848	(404,728)
Total Current Liabilities		15,000	42,118	487,815	27,118	(445,697)
Non-Current Liabilities						
Amounts due to the Treasurer		960,000	960,000	960,000	-	-
Provisions		35,000	47,306	156,707	12,306	(109,401)
Total Non-Current Liabilities		995,000	1,007,306	1,116,707	12,306	(109,401)
TOTAL LIABILITIES		1,010,000	1,049,424	1,604,522	39,424	(555,098)
NET ASSETS		2,531,000	2,767,993	2,762,863	236,993	5,130
EQUITY						
Contributed Equity		124,000	355,946	355,946	231,946	-
Reserves		1,500,000	1,145,489	1,500,034	(354,511)	(354,545)
Accumulated surplus		907,000	1,266,558	906,883	359,558	359,675
TOTAL EQUITY		2,531,000	2,767,993	2,762,863	236,993	5,130

Note 9.7 Explanatory statement (continued)

Variance Note	Original Budget		Actual		Variance between estimate and actual	Variance between actual results for 2018 and 2017
	2018	2018	2017	2018		
	\$	\$	\$	\$	\$	\$
Statement of Cash Flows						
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		242,000	243,000		(1,000)	
Capital appropriation	-	-	-	-	-	-
Holding account drawdowns	-	-	-	-	-	-
Royalties for Regions Fund		2,888,764	5,308,571	340,764	(2,419,807)	
State Government grants and subsidies	-	-	-	-	-	-
Net cash provided by State Government	2,790,000	3,130,764	5,551,571	340,764	(2,420,807)	
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	(294,000)	(794,029)	(1,988,218)	(500,029)	1,194,189	
Supplies and services	(205,000)	(621,651)	(437,289)	(416,651)	(184,362)	
Accommodation	-	(54,391)	(166,890)	(54,391)	112,499	
GST payments on purchases	(256,000)	(192,982)	(321,331)	63,018	128,349	
GST payments to taxation authority	-	(2,863)	(26,305)	(2,863)	23,442	
Grants and subsidies	(2,358,000)	(1,608,644)	(2,711,380)	749,356	1,102,736	
Other payments	-	(12,957)	(110,036)	(12,957)	97,079	
Receipts						
GST receipts on sales	-	1,823	27,309	1,823	(25,486)	
GST receipts from taxation authority	348,000	272,647	268,349	(75,353)	4,298	
Other receipts	-	7,271	270,478	7,271	(263,207)	
Net cash used in operating activities	(2,765,000)	(3,005,776)	(5,195,313)	(240,776)	2,189,537	
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Other proceeds	(468,000)	-	-	468,000	-	
Net cash used in investing activities	(468,000)	-	-	468,000	-	
Net increase/(decrease) in cash and cash equivalents		(443,000)	356,258	567,988	(231,270)	
Cash and cash equivalents at the beginning of the period		1,610,000	1,253,314	(428)	356,258	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,167,000	1,734,560	1,609,572	567,560	124,988	

Note 9.7 Explanatory statement (continued)

Major Variance Narratives (Controlled Operations)

From the 1st of July as part of the recent Machinery of Government (MoG) changes, all Regional Development Commissions (RDCs) employees were transferred to DPIRD except for the Chief Executive Officers (CEOs). Under this new arrangement DPIRD provides the Commission with the necessary supplies and services to support the Accountable Authority of the Commission in the fulfilment of its statutory functions and obligations under the *Regional Development Commissions Act 1993*.

For 2017/18 the Commission's Section 40 budget was set to only reflect board related costs, CEO salaries and travel costs, legacy projects and grants. In practise due to the timing difference of transferring supplier invoicing arrangements from the Commission to DPIRD, from the 1st of July MoG change, variances to budgets have occurred against actual expenditure.

A further budget variance is the result of not accounting for the value of services provided free of charge by DPIRD in the Commission's original budget. This support service is recognised as expenditure incurred by the Commission representing full cost of service by the Statutory Authority.

Variances between estimate and actual

- 1) Supplies and services expense variance of \$1.7M is a result of not accounting for services provided free of charge by DPIRD to support the Commission in the 2017-18 year.
- 2) Depreciation and amortisation expense variance of \$70K is a result of not accounting for depreciation in the 2017-18 budget.
- 3) Grants and subsidies expense variance \$749k reflects the timing of payments for Regional Grants Scheme funding during the 2017-18 financial year.
- 4) Loss on disposal of non-current assets exceed budget by \$186k due to office fitout costs (WDV) being transferred to the Education Department when the Commission relocated to government owned premises.
- 5) Resources received free of charge variance of \$1.3M is a result of not accounting for this item in the 2017-18 budget.
- 6) Royalties for Regions (RFR) Fund exceeded estimates by \$354k due to the additional disbursement of RFR funding from within DPIRD budget to support the Commission's MoG transition of suppliers to DPIRD.
- 7) Changes in asset revaluation surplus by \$355k due to budget assuming no change in fair value.
- 8) Restricted cash and cash equivalent exceeded estimates by \$560k due principally to carry over of Regional Grants Scheme funding to 2018-19.
- 9) Property, plant and equipment is below budget by \$324k due to office fitout costs (WDV) being transferred to the Education Department when the Commission relocated to government owned premises.
- 10) Reserves variance of \$355k is due to the budget assuming no change in the fair value of land.
- 11) Royalties for Regions (RFR) Fund receipts increased by \$341k due to the timing difference of transferring RFR operational disbursements from the Commission to DPIRD.
- 12) Employee benefits payments variance of \$500k is the result of payment of leave entitlements to DPIRD.
- 13) Supplies and services expense variance to budget of \$417k is due to MoG transition of suppliers.
- 14) GST payments on purchases variance of \$63k is due to lower taxable invoice payments than was anticipated.
- 15) Grants and subsidies payments variance of \$749k reflects the timing of payments for Regional Grants Scheme funding during the 2017-18 financial year.
- 16) GST receipts from taxation authority variance of \$75k is due to lower than expected actual GST receipts.

Variances between actual results for 2018 and 2017

- A) Employee benefits expense decreased by \$1.7M due to Machinery of Government (MoG) changes and the transfer of the Commission's employees to DPIRD as of 1st July 2017.
- B) Supplies and services increased by \$1.4M due to services provided free of charge from DPIRD in the 2017-18 financial year.
- C) Accommodation expenses decreased by \$112k due to the new funding arrangement from the MoG changes and the Transfer of lease from the Commission to DPIRD.
- D) Grants and subsidies expense decreased by \$1.1M primarily reflecting the timing of payments for Regional Grants Scheme funding round.
- E) Loss on disposal of non-current assets increased by \$186k due to office fitout costs (WDV) being transferred to the Education Department when the Commission relocated to government owned premises.
- F) Other expenses decreased by \$56k due mainly to audit fees not being reflected the Commission's expenses.
- G) Other revenue decreased by \$266k due to proceeds from YTK#2 Grow-out Trial being finalised in 2017 financial year.
- H) Resources received free of charge increased by \$1.3M due to the MoG changes and the support services provided from DPIRD.
- I) Royalties for Regions (RfR) decreased by \$2.4M due to new funding arrangements from the MoG changes and the transfer of RfR Operational funding to DPIRD in 2017-18 financial year.
- J) Cash and Cash equivalents decreased by \$234k due to the timing and specific needs of the Commission.
- K) Restricted cash and cash equivalent increased by \$360k due to higher carry over of Royalties for Regions projects in 2017-18 financial year.
- L) Property, plant and equipment decreased by \$603k due to changes in fair value of land, combined with office fitout costs being transferred to Education Department at WDV.
- M) Provisions decreased by \$405k due to transfer of leave entitlements to DPIRD.
- N) Provisions decreased by \$109k due to transfer of leave entitlements to DPIRD.
- O) Reserves decreased by \$356k due to change in fair value of land.
- P) Royalties for Regions Fund revenue decreased by \$2.4M due to the Machinery of Government (MoG) changes and the transfer of the Commission's employees to DPIRD as of 1st July 2017.
- Q) Employee benefits expense decreased by \$1.2M (60%) due to the recent Machinery of Government (MoG) changes, the Commission's employees were transferred to DPIRD.
- R) Supplies and services increased by \$184k due in part to the timing and specific needs of individual projects varying.
- S) Accommodation expense decreased by \$112k due to the new funding arrangement from the MoG changes and the transfer of lease from the Commission to DPIRD.
- T) GST payments of purchases decreased by \$128k due to the MoG transition taxable invoices payments transferred from the Commission to DPIRD.
- U) Grants and subsidies decreased by \$1.1M primarily reflecting the timing of payments for Regional Grants Scheme funding round.
- V) Other payments decreased by \$97k mainly due to the transfer of payments to DPIRD.
- W) Other revenue decreased by \$263k due to proceeds from YTK#2 Grow-out Trial being finalised in 2017 financial year.

Annual Estimates

In accordance with Treasurer's Instruction 953, the annual estimates for the 2019 year are hereby included in the 2018 Annual Report. These estimates do not form part of the 2018 financial statements and are not subject to audit.

S40 Submission

Statement of Comprehensive Income

	2019
	Estimate
	\$
COST OF SERVICES	
Expenses	
Employee benefits expense	316,000
Supplies and services	205,000
Depreciation and amortisation expense	78,000
Grants and subsidies	90,000
Total Cost of Services	<u>689,000</u>
Income	
INCOME FROM STATE GOVERNMENT	
Service Appropriation	242,000
Royalties for regions fund	194,000
Total income from State Government	<u>436,000</u>
SURPLUS (DEFICIT) FOR THE PERIOD	<u><u>(253,000)</u></u>

Statement of Financial Position

ASSETS

Current Assets

Restricted cash and cash equivalents

577,000

Total Current Assets

577,000

Non-Current Assets

Receivables

54,000

Property, plant and equipment

2,435,000

Total Non-Current Assets

2,489,000

TOTAL ASSETS

3,066,000

LIABILITIES

Current Liabilities

Amounts due to the Treasurer

960,000

Provisions

13,000

Total Current Liabilities

973,000

Non-Current liabilities

Borrowings

960,000

Provisions

41,000

Total Non-Current Liabilities

1,001,000

TOTAL LIABILITIES

1,974,000

NET ASSETS

1,092,000

EQUITY

Contributed Equity

356,000

Reserves

1,500,000

Accumulated surplus/(deficiency)

(764,000)

TOTAL EQUITY

1,092,000

CASH FLOWS FROM STATE GOVERNMENT	
Service appropriation	242,000
Royalties for Regions Fund	194,000
Net cash provided by State Government	<u>436,000</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee benefits	(316,000)
Supplies and services	(120,000)
Grants and subsidies	(90,000)
Receipts	
Other receipts	-
Net cash provided by/(used in) operating activities	<u>(526,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts	
Other proceeds	-
Net cash provided by/(used in) financing activities	<u>-</u>
Net increase/(decrease) in cash held and cash equivalents	<u>(90,000)</u>
Cash and cash equivalents at the beginning of the period	667,000
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>577,000</u></u>



Wreath flowers, Pindar

Cruise Ship arrival, Geraldton port



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 2018.



TODD WEST
CHAIRMAN

3 September 2018



GAVIN TREASURE
CHIEF EXECUTIVE OFFICER

3 September 2018

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

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 310 randomly selected clients that had contact with the Commission in the previous 12 months. Two hundred and three (203) completed surveys were received, achieving a response rate of 65.5%. 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 90.1% 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 2014-15	Actual 2015-16	Actual 2016-17	Target 2017-18	Actual 2017-18
Reduced obstacles to growth	43%	44%	47%	44%	45%
Developed new business opportunities	59%	57%	63%	62%	67%
More trade activity	30%	28%	33%	32%	36%
Retention of staff / expansion of employment opportunities	32%	30%	34%	33%	37%

Comments

Results in three of the four of the criteria were higher in 2017-18 than 2016-17. This is most likely due to the Commission's high level of engagement from the digital and transport 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 2014-15	Actual 2015-16	Actual 2016-17	Target 2017-18	Actual 2017-18
Total cost of Service ⁽¹⁾ ⁽²⁾	\$906,795	\$898,205	\$803,671	\$930,000	\$785,937
Client contacts (inquiries)	5,132	5,336	4,920	4,200	3,943
Cost per client inquiry	\$88	\$84	\$82	\$111	\$100
Client visits	1,489	1,068	1,215	820	1,469
Cost per client visit	\$304	\$421	\$331	\$567	\$268

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 2017-18 differs to target mainly due to unbudgeted services provided free of charge from DPIRD as a result of Machinery of Government (MoG) changes, this combined with the timing of project expenditure.

The 2017-18 number of client inquiries was 6.1% below target. Reasons include absence of competitive RfR funding scheme, combined with MoG changes. 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 2017-18 was 79.1% above target, reflecting the Commission's high level of engagement with clients throughout the region. Reasons for the increase correlate with the development of digital and transport strategies.

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 2014-15	Actual 2015-16	Actual 2016-17	Target 2017-18	Actual 2017-18
Total cost of Service (1)	\$1,402,673	\$1,616,128	\$1,308,452	\$930,000	\$1,018,207
Projects relating to investment facilitation undertaken	15.5	16	16	15	11
Average cost per project	\$90,795	\$101,008	\$81,778	\$31,000	\$92,564

Note:

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

Comments

Total costs for 2017-18 were above target. This is mainly due to unbudgeted services provided free of charge from DPIRD as a result of Machinery of Government (MoG) changes, combined with the timing of project expenditure. The lower number of projects contributes to an increase 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 2014-15	Actual 2015-16	Actual 2016-17	Target 2017-18	Actual 2017-18
Total cost of Service (1)	\$732,620	\$843,165	\$691,128	\$930,000	\$671,931
Projects undertaken relating to Infrastructure and Services development in the Mid West	15	15	15	15	11
Average cost per project	\$48,841	\$56,211	\$46,075	\$31,000	\$61,085

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 2017-18 was below target due to the deferral in budgeted RfR 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 2018, 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 2018 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 2018.

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 2018. 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 2018.

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 2018 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
6 September 2018

Wheat crop, Mingenew



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 2017-18.

Capital projects complete

The Commission did not complete any capital works projects during 2017-18.

Employment and industrial relations

Staff profile

Due to Machinery of Government changes, the Commission's employees excluding the Chief Executive Officer were transferred to DPIRD effective 1 July 2017. The Commission by way of 'Resources received free of charge' were provided with resources to deliver the 2017-18 Business Plan. Employees transferred to DPIRD are included in the DPIRD annual report for 2017-18. The Commission relocated to government owned premises in May 2018.

	2017-18	2016-17
Full-time permanent	1.0	10.0
Full-time contract	0	3.9
Part-time measured on an FTE basis	0	0.0
On secondment	0	0.7
	1.0	14.6

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 2017-18.

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, one employee 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.

	2017-18 \$
Aggregate amount of personal use expenditure for the reporting period	80
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)	80
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 2017-18.

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2017-18 financial year
Chair	Hon Murray Criddle	Stipend	Ceased 30 June 2017	\$264
Chair	Mr Todd West	Stipend	12 months	\$69,386
Member	Cr Kirrilee Warr	Stipend and sitting fee	12 months	\$11,446
Member	Ms Michelle Allen	Sitting fee	12 months	\$3,607
Member	Mr Shane Van Styn	Sitting fee	12 months	\$681
Member	Cr Michelle Bagley	Sitting fee	2 months	\$4,528
			Total	\$89,912

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

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 2017-18 was \$8,387.

Expenditure was incurred in the following areas:

Class of expenditure		Organisation	Total expenditure 2016-17 (inc GST)
Advertising agencies	\$3,404	Rev Design	\$197 ⁽¹⁾
		Adcorp Australia Ltd	\$3,207
Market research agencies	\$4,983	Perth Market Research	\$4,983
Polling organisations	Nil		
Direct mailing organisations	Nil		

1. Web hosting and other Internet services.

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 2017-18 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.
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) Disability Services Commission information circulated to staff when issued and employee / Board member inductions cover awareness of MWDC 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

3 September 2018

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 2009-23: 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 2017-18 against the following indicators:

Indicator	Target 2017-18	Actual 2017-18
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



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