GOVERNMENT OF WESTERN AUSTRALIA

GOLDFIELDS ESPERANCE DEVELOPMENT COMMISSION

GOLDFIELDS-ESPERANCE DEVELOPMENT COMMISSION ANNUAL REPORT 2018-2019








EUCLA
NORSEMAN 712 | 495 CEDUNA
KALGOORLIE 904 | 965 PT AUGUSTA
ESPERANCE 918 | 890 PT LINCOLN
PERTH 1435 | 1268 ADELAIDE
MELBOURNE 1989
SYDNEY 2522
BRISBANE 2980

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Acknowledgement of Country

The Goldfields-Esperance Development Commission acknowledges the traditional custodians throughout the Goldfields-Esperance region and their continuing connection to the land, waters and community.

We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.

We recognise their continuing connection to land, waters and community and pay our respect to them and their cultures.



Message to the Minister

To the Honourable Alannah MacTiernan MLC
Minister for Regional Development

Statement of Compliance for the year ended 30 June 2019

Dear Minister

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 Goldfields-Esperance Development Commission for the reporting period ended 30 June 2019.
The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006.

Gail Reynolds-Adamson
Chair of GEDC Board of Management
August 2019

Kris Starcevich
Acting Chief Executive Officer
August 2019



Goldfields-Esperance Region
KEY FACTS

OUTPUT:
$18.55 billion (2018)

GROSS REGIONAL PRODUCT (GRP):
$7.5 billion (2018)

GRP GROWTH RATE:
4.7% (2018)

PER CAPITA GROSS REGIONAL PRODUCT:
$136,306

PER WORKER GROSS REGIONAL PRODUCT:
$238,926

Largest Industry Sectors	Output Value	% Total Output
Mining	$10.4b	56.1%
Manufacturing	$1.5b	8.4%
Construction	$1.1b	6.3%
Rental, Hiring & Real Estate Services	$0.9b	5.3%
Transport, Postal & Warehousing	$0.6b	3.6%
Agriculture, Forestry & Fishing	$0.5b	2.9%





1.0 Overview

Welcome to our 2018-2019 Annual Report

The annual report of the Goldfields-Esperance Development Commission (Commission or the GEDC) for the 2018-2019 financial year provides an account of our operations, achievements and audited financial statements for the reporting period. The report is an important tool used to ensure transparency and accountability of the Commission to Parliament, and to assist members of the public with their understanding of our agency and the diverse operations of Government.

Online report

To reduce printing costs and environmental impact, this report is published in an electronic format. It is available to download, in PDF format, from our website www.gedc.wa.gov.au.

Accessibility

This report is available in different formats on request. If you would like a printed copy of the report, please contact our office in Kalgoorlie by telephone (08) 9080 5000 or send us an email via info@gedc.wa.gov.au.

Feedback

Making our annual report transparent, accurate and relevant is important to us, so we'd like to know what you think. To share your feedback on this report please contact us by telephone (08) 9080 5000 or send us an email via info@gedc.wa.gov.au.

1.1 EXECUTIVE SUMMARY

Message from the Chair



Gail Reynolds-Adamson
Chair of GEDC Board of Management

After four years serving as a board member of the GEDC it was an absolute privilege to be appointed by the Minister for Regional Development, the Hon. Alannah MacTiernan MLC, as Chair of the Commission in August 2018. It gives me great pleasure to present the annual report for the GEDC for the 2018-2019 financial year. This report outlines the activities and achievements of the Commission over the past 12 months, as well as providing a snapshot of the region in which we operate.

Following significant changes in our operating environment and leadership during the previous year, the GEDC has spent this year focused on ensuring the principles of rigor, accountability and transparency, inform the work we do. The Board and staff have been working hard to implement our Strategic Plan with a focus on our 2018-2019 strategic priority areas of workforce development, Aboriginal economic development, economic diversification and local content. The GEDC continue to support the implementation of the State Government's key priority areas and policy objectives.

The appointment of two new board members, Ms Kate Mills (Ministerial representative) and Mr Ryan Jones (Community Representative) was undertaken during August 2018. Both Kate and Ryan have brought with them a high degree of professionalism and energy, along with a passion for the region and I look forward to a productive and exciting year ahead with both of them as board members.

I'd like to acknowledge the service of our outgoing Deputy Chair, Mr John Bowler, who left the agency at the end of 2018. John made a significant contribution to the Commission as a board member and Deputy Chair since his appointment in March 2014. John was instrumental in setting the strategic direction of the Commission and demonstrated strong regional leadership to drive regional development outcomes for the Goldfields-Esperance region.

The GEDC team continue to work in the region, for the region – with a firm focus on social and economic development for our communities with the support of the Department of Primary Industries and Regional Development. This annual report sets out a summary of our major programs and projects, a report on our operations, performance indicators, key achievements aligned with our Strategic Plan and financial statements for the financial year 2018-2019.

Performance highlights include the appointment of a Local Content Adviser and delivery of a local content program focussed on supporting local business, delivery of a Goldfields Aboriginal Business Leadership Program and other key Aboriginal economic development initiatives, hosting an Employment Attraction event in Mirrabooka and celebrating the completion and opening of several regional infrastructure projects funded by Royalties for Regions.

Message from the Acting CEO



Kris Starcevich

Acting Chief Executive Officer of GEDC

Over the past 14 months, I have had the pleasure of acting as the Chief Executive Officer (CEO) of the GEDC – an opportunity that I am extremely grateful for. Working closely with the Chair and board, I have seen the growth of a dedicated team of regional development practitioners that are committed to delivering social and economic outcomes for the Goldfields-Esperance region within which the Board and staff live and work.

Whilst challenging, the past year has been an exciting one for the GEDC board and staff who have been focused on delivering programs and initiatives that support the Board's 2018-2019 priority focus areas of workforce development, Aboriginal economic development, economic diversification and local content.

Focusing our efforts on these strategic priority areas has enabled the GEDC to deliver a number of significant achievements during the reporting period. These include the establishment of the Ministerial Taskforce into Aboriginal economic development in the Goldfields and associated programs and initiatives; piloting a migration settlement program to address workforce issues in Kalgoorlie-Boulder; and successfully delivering the first round of the Regional Economic Development (REDs) Grants Program securing more than $900,000 in funding for the region – more than any other region in the State.

In addition, we have applied significant effort to improving our stakeholder relations, demonstrating regional leadership and advocating for and communicating the voice of the region through active participation in various local and regional groups, attendance and presentations at conferences and forums and making submissions to several regionally significant reviews and inquiries.

During the year, it was our privilege to host our Minister the Hon. Hannah MacTiernan MLC, in the region on several occasions including for the announcement of the WA State Budget in May 2019.

The GEDC continues to work closely with the Department of Primary Industries and Regional Development, both as the employing authority of the GEDC staff working under the day-to-day management of the GEDC A/CEO, and as a partner on a number of projects and programs that support the implementation of the State Government's key priorities.

I'd like to acknowledge the efforts of Ms Rose Riley in her role as Assistant Director, Business Management, who has provided immense support to the A/CEO and guided the GEDC team through a challenging year whilst continuing to deliver high quality regional development outcomes and performance, evidenced throughout this report – well done team.

The GEDC remains committed to delivering the priorities of our Minister, Board and stakeholders and we are more focused than ever, to deliver positive outcomes for the Goldfields-Esperance region.

1.2 OPERATIONAL STRUCTURE

Enabling Legislation

The Commission was established under the Regional Development Commissions Act 1993 (the Act) and is listed as a statutory authority on Schedule 1 of the Financial Management Act 2006 and is subject to the provisions of the Public Sector Management Act 1994.

The Act established Regional Development Commissions in each of Western Australia's nine regions to coordinate and promote economic development to maximise prosperity and wellbeing for the regions, and for Western Australia.

Responsible Minister

The Commission is responsible to the Minister for Regional Development, the Hon. Alannah MacTiernan MLC. The Minister has the power to direct the Commission either generally or with respect to a particular matter on the exercise and performance of its powers, functions and duties under the Act.

Our Mission and Vision

The GEDC mission statement was developed and endorsed by the Board in June 2017, as part of the GEDC's Strategic Plan.

*The **mission** for the GEDC is to:*

Retain and attract population, and increase economic development opportunities in the region.

The GEDC's vision is an aspirational statement setting out where the GEDC would like to be in the future. The vision was first developed in 2005 and remains relevant for the work of the GEDC and its strategic focus areas identified in the current Strategic Plan. The vision was also endorsed by the Board in June 2017, as part of the Strategic Plan.

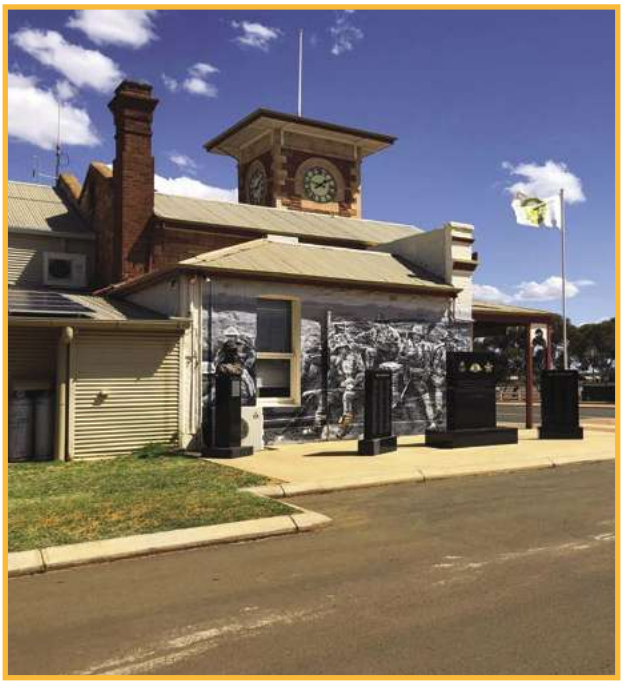
*The **vision** for the GEDC is:*

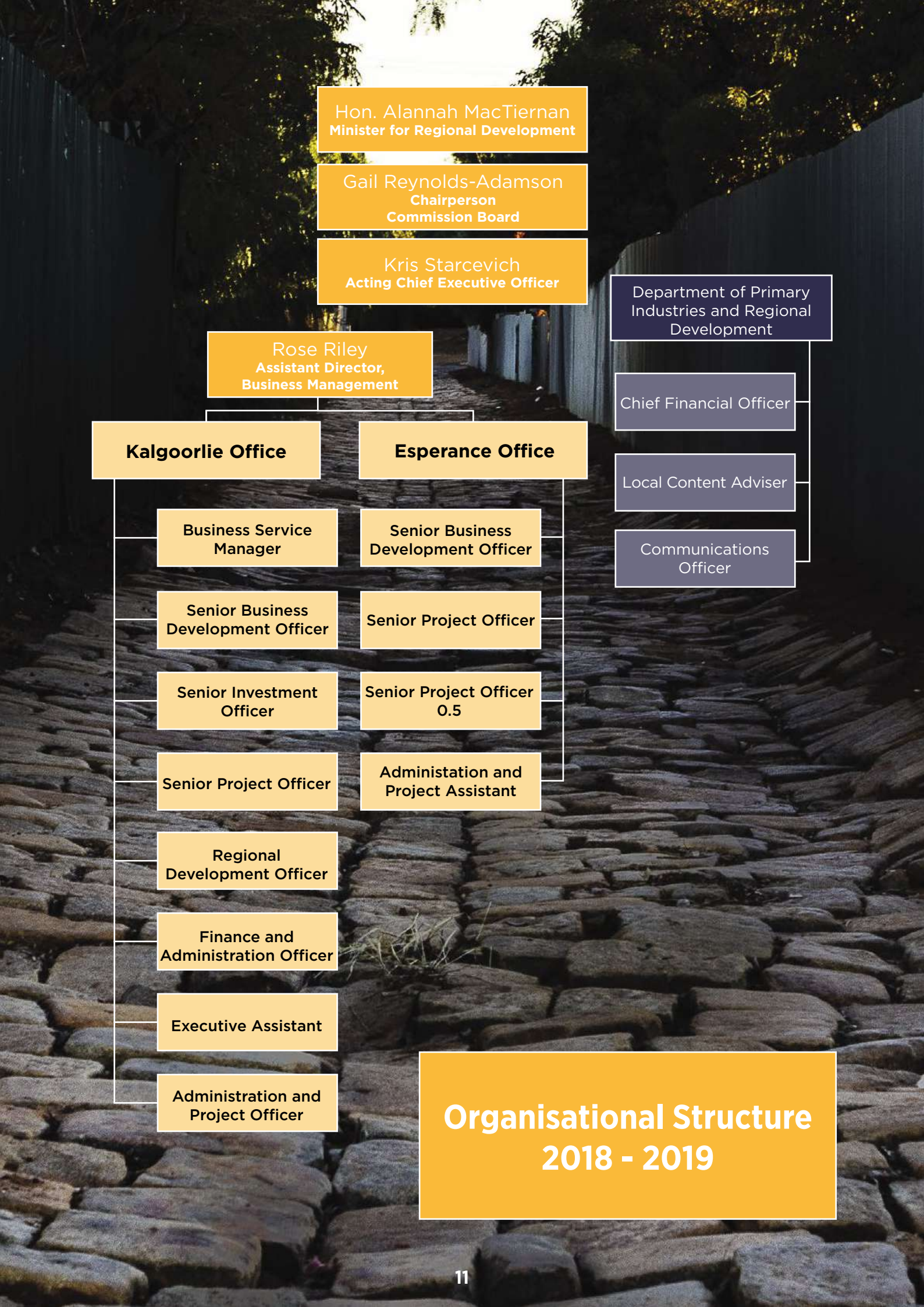
We create opportunities to build a vibrant, sustainable future for our region.

Other Key Legislation

In the performance of its functions, the Commission complies with many relevant written laws including but not limited to the ones listed below:

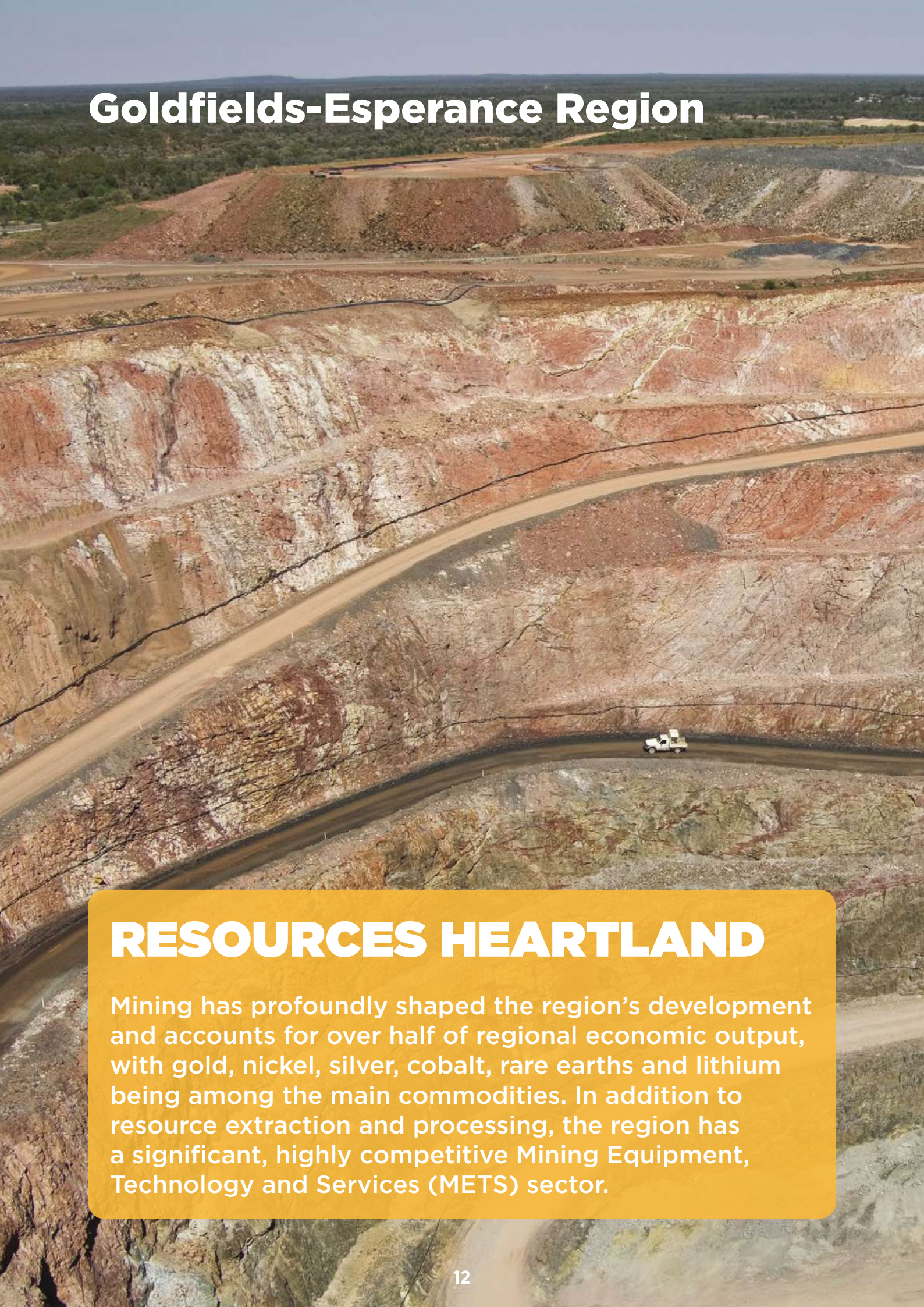
- Regional Development Commissions Act 1993;
- Auditor General Act 2006;
- Disability Services Act 1993;
- Equal Opportunity Act 1984;
- Financial Management Act 2006;
- Freedom of Information Act 1992;
- Industrial Relations Act 1979;
- Minimum Conditions of Employment Act 1993;
- Occupational Safety and Health Act 1984;
- Public Sector Management Act 1994;
- Salaries and Allowances Act 1975;
- State Records Act 2000; and
- State Supply Commission Act 1991





Organisational Structure 2018 - 2019

Goldfields-Esperance Region



RESOURCES HEARTLAND

Mining has profoundly shaped the region's development and accounts for over half of regional economic output, with gold, nickel, silver, cobalt, rare earths and lithium being among the main commodities. In addition to resource extraction and processing, the region has a significant, highly competitive Mining Equipment, Technology and Services (METS) sector.

1.3 GEDC BOARD

Board Profiles

The Board is the governing body of the Goldfields-Esperance Development Commission and is responsible for setting the strategic direction of the Commission. All Board members contribute skills, experience and local knowledge that benefits the Commission and the region. The Board structure comprises of the Chair, Deputy Chair, four Board members and the Director (Chief Executive Officer).

The Minister for Regional Development is responsible for the appointment of Board members. On 16 July 2018 Cabinet approved the appointment by the Minister for Regional Development of the following members to the Commission Board, pursuant to sections 15 and 16 of the Regional Development Commissions Act 1993

- **Ms. Gail Reynolds-Adamson** as a community representative and Chairperson for a one-year term expiring on 30 June 2019;
- **Ms. Kate Mills** as a Ministerial representative for a term expiring on 30 June 2021; and
- **Mr. Ryan Jones** as a community representative for a term expiring 30 June 2020

In late November Mr. John Bowler tendered his resignation as the Deputy Chair. John made a significant contribution to the Commission as a board member and Deputy Chair over the period of March 2014 until November 2018. John was instrumental in setting the strategic direction of the Commission and demonstrated strong regional leadership to drive regional development outcomes for the Goldfields-Esperance region.

The Commission had less than the prescribed number of Board members throughout the reporting period due to vacancy. The number of appointed members does not include the Chief Executive Officer.

The Commission Chair has been working closely with the Minister to fill the two vacant positions and it is expected that new appointments will be made in the first quarter of 2019-2020.



Gail Reynolds-Adamson
CHAIR

Gail Reynolds-Adamson, Director of Kaata Tidje Pty Ltd, is a descendant from the Noongar people, from the most eastern border of the Noongar nation, the Nudju people – from the Norseman/Balladonia area – and the Mirmning people ("Whale people"), who live along the coast between Western Australia and South Australia.

Gail operates a specialist consultancy firm working with, and for, Aboriginal Australians and has experience working with individuals, industry and organisations to design and promote tools for social, economic, organisational and development change.

Gail is currently Chairperson of the Esperance Tjaltjraak Native Title Aboriginal Corporation and Chairperson of the South East Aboriginal Health Service.



John Bowler
DEPUTY CHAIR

John is the Mayor of the City of Kalgoorlie-Boulder and is committed to driving growth and sustainability throughout the Goldfields. John's background is in media and small business. He was a Member of the WA Legislative Assembly for 12 years. During that time, John served as Minister for Local Government, Regional Development; Land Information, Goldfields-Esperance, Great Southern, Resources and Employment Protection.

John is involved in many community organisations and initiatives that share his dedication to develop and promote Kalgoorlie-Boulder and the Goldfields and is passionate about supporting local businesses through buying local. John submitted his resignation in November 2018.



Ryan Jones
BOARD MEMBER

Ryan Jones is a career banker who has worked primarily in regional WA and he is currently the Senior Business Executive for the National Australia Bank, based in Kalgoorlie.

Ryan has previously held board appointments on the Geraldton Resource Centre and Regional Alliance West and numerous not-for-profit sporting organisations. His tertiary qualifications include an Advanced Diploma in Financial Planning, a Diploma in Management and a Diploma in Financial Services.

Ryan loves regional living and resides in Kalgoorlie with his wife Michelle and three children. He is excited about the opportunities for regional investment and is keen to see these opportunities maximized for the benefit of the community.



Kate Mills
BOARD MEMBER

Kate works in her local small business and has two young daughters. Living in Kalgoorlie-Boulder for over a decade and travelling extensively across the Goldfields-Esperance region over this time, Kate is well placed to articulate the challenges facing our region. With a background in community and economic development, Kate looks enjoys applying her skills and expertise to the benefit of the commission and region.

Kate has a Social Science degree in Politics and a Commerce Degree in Tourism Management from Curtin University. She is a valuable and proactive member of the Kalgoorlie-Boulder community, making significant contributions through several community groups and Boards.



Victoria Brown
BOARD MEMBER

Victoria is currently the President of the Shire of Esperance and farms a family cropping enterprise with her husband Tom, east of Esperance.

She has a BA Hons in English and Drama and a background in theatre, writing and media, and worked in commercial radio prior to raising her family and helping to run the farm business.

She is passionate about communication and commitment to community and is currently Chair of the Esperance Anglican Community School Council and the Esperance Roadwise Committee amongst others.



Board Meeting Attendance Table

A total of nine Board meetings were held in 2018-2019, including four Out of Session meetings. The table below shows meeting attendance of each Board Member during the reporting period, based on eligibility to attend.

Board meetings are held around the region to enable members to connect with government representatives, businesses and residents, providing members with valuable insight into the challenges and issues facing the region and the priorities for regional development. Each Board meeting includes a presentation to the Board, from one or more local organisations.

The Commission's Board aims to be visible in the region and accessible to local stakeholders.

Board Member	Number of Board Meetings Attended
Gail Reynolds-Adamson	8
John Bowler	1
Victoria Brown	6
Ryan Jones	9
Kate Mills	9

Chief Executive Officer	Number of Board Meetings Attended
Kris Starcevich	9

Declaration of Interests

The Board has a standing declaration of interest process included in the Board Charter. A standing agenda item at all meetings provides for the declaration and management of any potential conflicts of interest and a Board Members' Interest Register is maintained on an ongoing basis.

Independent External Advice

Individual Board members have the right to seek independent professional advice on particular matters before the Board, subject to approval by the Chair, at Goldfields-Esperance Development Commission's expense.

Committees – Risk Management and Audit Committee

To assist the Board in achieving the highest standards of corporate governance, Board members involve themselves with areas of Commission's activities through Board committees. The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the systems of internal control, the audit process and Commission's process for monitoring compliance with laws and regulations.

1.4 PERFORMANCE MANAGEMENT

As a Statutory Authority, the Commission has legal responsibilities in accordance with the *Western Australian Regional Development Commissions Act 1993* and operates in compliance with State Government policies.

The *Public Sector Management Act 1994*, the Western Australian Public Sector Code of Ethics and the Public Sector Commission's Good Governance for Western Australia Public Sector Boards and Committees, inform the Commission's high level governance approach.

The Commission operates to a Code of Conduct which identifies personal integrity, relationships with others and accountability as guiding principles in accordance with the *Public Sector Management Act 1994.* The Code of Conduct also includes specific standards that Commission employees adhere to, ensuring best practice, conduct and integrity.

Outcome Based Performance Management Framework

The Commission's activities and services contribute to the economic and social development of the region by maximising job creation and broadening the region's economic base in partnership with government and the private sector. The following table illustrates the services delivered to meet the corresponding government-desired goal.

Government Goals

There are several government goals that guide the development of policies, programs and services within Western Australian government agencies. Given the variety and diversity of public agencies in WA, not all government goals are equally applicable to all agencies.

The Commission's activities and services contribute to the economic and social development of the region by maximising job creation and broadening the region's economic base in partnership with government and the private sector. This alignment clearly articulates the relationship between the functions and responsibilities of the GEDC and its strategic plan, as well as overall government goals. The desired outcome recognises the value of the development commission is charged with ensuring the Goldfields-Esperance region is an environment which is conducive to the balanced economic and social development and competitive and sustainable over the long term.

Government Goals	Stronger focus on the regions. Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.
Desired outcome	An environment which is conducive to the balanced economic and social development of the Goldfields-Esperance region.
Service areas	1. Facilitation of the provision of appropriate infrastructure and industry services. 2. Promotion of region and its investment opportunities.
Efficiency indicator	Average cost per chargeable hour for each of the two service areas.
Effectiveness indicator	Client satisfaction with the GEDC making a positive contribution to the economic and social development of the region.

Changes to Outcome Based Performance Management

There were no changes to the Goldfields-Esperance Development Commission's outcome-based management framework during 2018-2019.

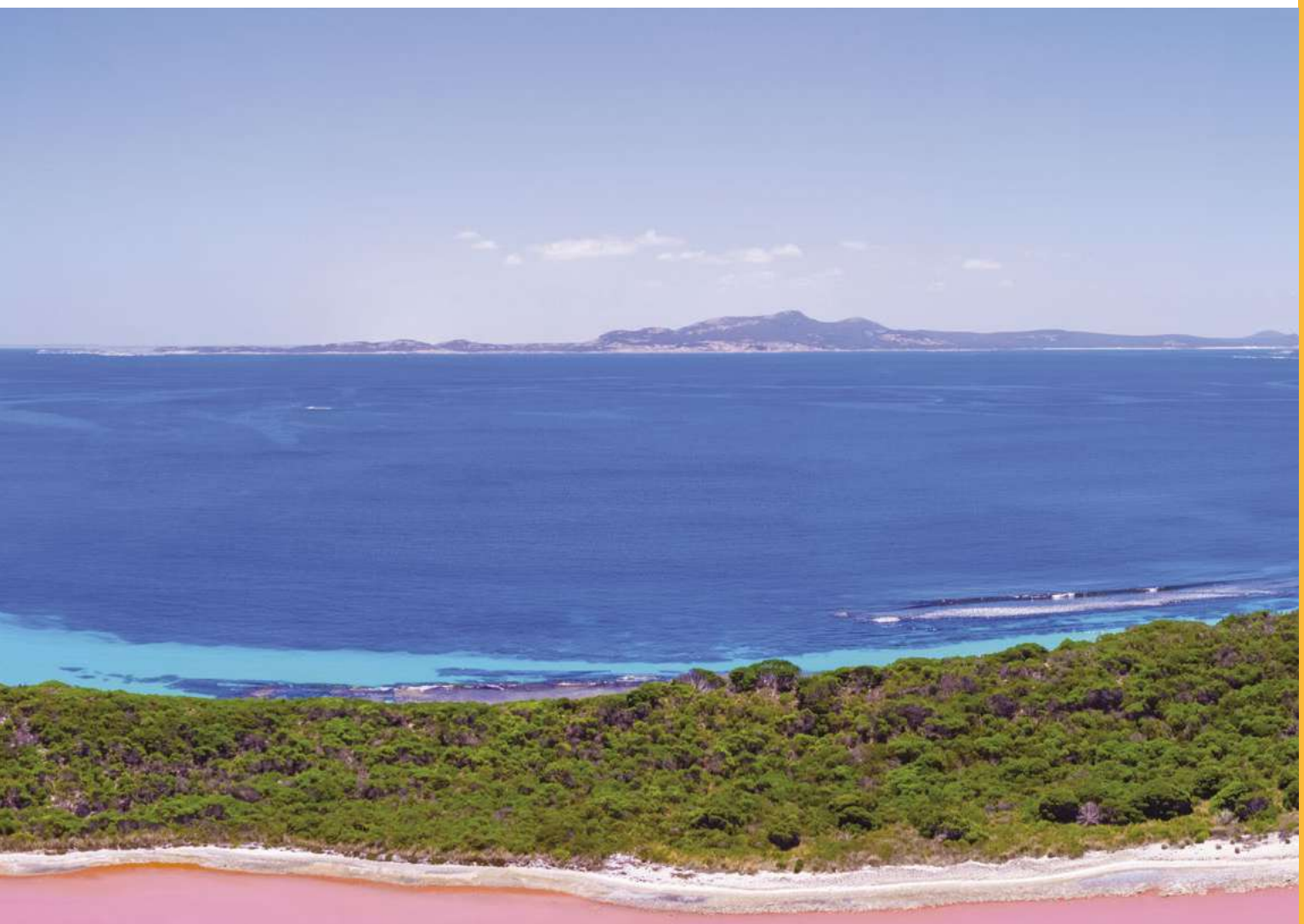
Shared Responsibilities with other Agencies

The Commission did not share any responsibilities with other agencies during 2018-2019.

GEDC Strategic Plan 2017-2020

The GEDC Board endorsed a Strategic Plan during June 2017 for the period 2017-2020.
The Strategic Plan assists the Commission to deliver economic and social outcomes for the Goldfields-Esperance region and has the following objectives:

- Inspire regional leadership;
- Encourage innovation across government, industry and community;
- Bring about effective communication and collaboration between stakeholders;
- Deliver on the objectives and functions of the Regional Development Commissions Act 1993;
- Act strategically to deliver State Government regional development programs and
- priorities, provide regional representation and be open to regional opportunities and issues; and
- Enhance excellence and integrity in public sector management and ethical decision making.



Goldfields-Esperance Region
KEY FACTS

UNEMPLOYMENT RATE:
5.5%

TOTAL EMPLOYMENT:
31,412 JOBS

Largest sectors by employment

Industry Sector	Jobs	% Total Output
Mining	10,461	33.3%
Health Care & Social Assistance	2,249	7.2%
Retail Trade	2,158	6.9%
Education & Training	2,060	6.6%
Construction	1,989	6.3%
Accommodation & Food Services	1,750	5.6%





2.0 Agency Performance

2.1.1 REPORT ON OPERATIONS

The Agency Performance section of this report provides a snapshot of the Commission's results, key outcomes and achievements against the organisation's strategic objectives and an overview of investments approved through the various funding programs administered by the Commission during the reporting period.

Since the Machinery of Government changes on 1 July 2017, the Commission's access to resources has been divided into those reported under Section 40 of the *Financial Management Act 2006* (funds allocated to cover the expenses and operations of the Board and Chief Executive Officer of the Commission including grants programs) and the Department of Primary Industries and Regional Development controlled budget covering the staff, assets and operations. These resources are provided for the day-to-day management of the Chief Executive Officer under Memorandum of Understanding agreement, with the Department's Director General.

As a result of the machinery of government changes, the Commission has been advised that it no longer requires a Resource Agreement as the resources are provided to the Commission through the Department of Primary Industries and Regional Development. To ensure compliance with Treasurer's Instructions, the Commission has maintained its key performance indicators (efficiency and effectiveness) to measure its performance and enable a comparison with previous years. The Commission's reported performance includes the contribution and hours worked by Department employees based with the Commission, as shown in the organisational structure chart (Page 11).



2.1.2 KEY ACHIEVEMENTS

The Goldfields-Esperance Development Commission promotes opportunities and investments that increase economic, social and business development outcomes for the region.

Regional Priorities

In 2018-2019, the GEDC focussed on delivering outcomes in four core areas:

1. Workforce Development
2. Aboriginal Economic Development
3. Regional Economic Diversification
4. Maximising Local Content

The GEDC is committed to maximising job creation and improving career opportunities in the region, ensuring shared prosperity for all residents of the Goldfields-Esperance region.

Workforce Development

The Goldfields-Esperance region is experiencing positive economic change, and consequently, the attraction and retention of skilled workers has become critical to addressing increased labour and skills shortages, particularly in the mining and related sectors.

The Commission is leading activities that will assist in building a strong, inclusive and capable workforce in the region including the following:

Goldfields Migration Pilot Project

In late 2018 the GEDC undertook a migration pilot project to attract Perth-based skilled and semi-skilled Safe Haven Enterprise Visa (SHEV) holders or Temporary Protection Visa (TPV) holders to the Goldfields for employment and settlement. Sixteen candidates expressed an interest in relocation, with one candidate successfully gaining employment and relocating to Kalgoorlie-Boulder in October 2018. A second candidate commenced a study program in the region in February 2019. The pilot allowed a good understanding of the opportunities and challenges of attracting and placing TPV holders in employment. It also allowed for strong relationships to be built with metropolitan and Goldfields networks in the migrant and permanent resident support sector.

Goldfields Community Legal Centre's Goldfields Migrant Employment Project

The Goldfields Community Legal Centre (GCLC) a not-for-profit organisation based in Kalgoorlie-Boulder, assisted with the GEDC's Migration Pilot Project though their part-time migrant settlement program.

Subsequently, GCLC have developed a comprehensive program to target, attract and place migrants into regional employment. Community settlement has also been considered. The GCLC has established partnerships in Perth and the Goldfields and will formally launch the project in August 2019.

The GCLC's *Goldfields Migrant Employment Project* was successful in receiving funding through the State Government's Regional Economic Development (RED) Grants program for delivery in 2019-2020.

KAL Jobs Expo

The Kalgoorlie-Boulder Chamber of Commerce and Industry's *KAL Jobs Expo*, held in East Perth in March 2019, sought to address the labour shortage in the Goldfields by promoting the region, and the diverse employment opportunities to metropolitan-based job seekers. The GEDC was an event sponsor and hosted a 'State Government of WA' branded booth, sharing employment information for State Government, vacancies in other regional organisations, and distributing community-related resources.

Nine hundred and fifty potential job seekers attended the KAL Jobs Expo, following a successful media and promotions campaign. Job seekers learnt about the unique lifestyle and attractions of the Goldfields, as well as the wide variety of employment opportunities. Eighteen people secured a position on the day, with further positions filled through contacts made at the event.

Explore Employment Opportunities in the Country

The GEDC, in collaboration with the South Sudanese Community Association of Western Australia, hosted the *Explore Employment Opportunities in the Country* event.

More than 130 people from Perth's South Sudanese and broader African community responded to the tailored networking employment and lifestyle information event, held in Mirrabooka on 28 March 2019. Businesses, employers, employment and settlement support agencies from the Goldfields and Perth area were available to meet. Seventy-eight attendees noted their interest in more information on living and working in the region.



The evening event provided a friendly and relaxed introduction to the opportunities of the Goldfields-Esperance region, and linked attendees to the Kalgoorlie-Boulder Chamber of Commerce and Industry's *Kal Jobs Expo*, held the following day in East Perth. The GEDC is continuing to support interested candidates with their relocation plans.

Labour Market Review

The Department of Training and Workforce Development's (DTWD) Labour Market Review informs region-specific lists of difficult to fill occupations, provides insights into current and future labour market trends and issues.

The GEDC has actively pursued close involvement in the development of DTWD's updated 2019 labour market review. A comprehensive database of Goldfields employers and peak stakeholders has been developed and provided to DTWD, as well as introductions to contemporary employment data, and encouragement to regional stakeholders to get involved. The review is anticipated for release in late 2019.

Aboriginal Economic Development

The GEDC is committed to support the State Government in empowering Aboriginal people to access employment and procurement opportunities and support local entrepreneurs and innovators in the Goldfields-Esperance community.

Aboriginal Business Support and Development

The Commission continues to work with Aboriginal businesses, assisting and supporting in the identification and sourcing of State and Federal funding opportunities.

An Aboriginal business register has been developed by the GEDC and circulated to State and local government, the mining industry, and businesses to promote awareness of the Aboriginal businesses in the Goldfields-Esperance region, along with media profiling. This register consists of more than 40 regionally-based Aboriginal businesses and provides government agencies and private companies the contact and capability details of each business.





Industry Speed Networking Event

The GEDC hosted a speed networking event in June 2019, giving Goldfields-Esperance Aboriginal businesses the opportunity to speak face-to-face with some of the region's biggest mining industry representatives.

The event gave 21 businesses owners an introduction to the sector and opportunity to develop new professional relationships. This event was the next step for business owners who had recently completed the Aboriginal Business Leadership Program, delivered through the GEDC and the Department of Primary Industries and Regional Development (DPIRD). The session provided a 'soft introduction' which it is hoped will lead to further business development opportunities.

Mining Industry Partnership Group

The GEDC has established a Mining Industry Partnership Group which now meets quarterly to discuss an industry-wide approach to improving Aboriginal employment and business procurement outcomes. The group is coordinated and facilitated by the GEDC and recently participated in the Aboriginal Business Speed Networking event, an initiative of the Aboriginal Economic Development Ministerial Taskforce.

Aboriginal Business Leadership Program

The Aboriginal Business Leadership Program (ABLP) was coordinated by the GEDC in 2018-2019, with support from DPIRD and was delivered by Betterlink. The ABLP was developed to enhance Aboriginal business networks, and support Aboriginal businesses to develop their skills, knowledge and confidence for a sustainable future.

Commencing in December 2018, local businesses assisted in co-designing a leadership program which included access to tailored leadership mentoring, knowledge sharing and business development expertise for participants.

Department of Primary Industries and Regional Development after strong interest from Aboriginal business owners, selected participants commenced the four-month program in March 2019, with thirteen Aboriginal business owners successfully graduating from the program in June 2019.



Capturing Economic Growth and Diversification Opportunities

The Commission has a role in identifying opportunities and investments which will broaden the economic base of the Goldfields-Esperance region. In 2018-2019, the GEDC supported a range of growth opportunities for the region:

Energy

Goldfields Solar Project - Virtual Power Plant

The Goldfields Solar Project - Virtual Power Plant (VPP) trial is an initiative that could allow exploration of VPP technology in the Goldfields and VPP impacts within the South West Interconnected System (SWIS). The trial has the potential to address a range of energy supply issues and provide additional power in the Goldfields.

The Minister for Regional Development, announced the project in mid-2018, with the concept design for a commercially delivered VPP undertaken by the DPIRD, in association with key partner agencies, including the GEDC.

The innovative nature of the project, the complexities of the Western Australia's regulatory framework, and the requirement for Synergy to underwrite the operation via a power purchase agreement, has resulted in a model whereby the VPP would be Synergy-led. This remains a complex project and a good deal of collaborative effort has been invested across multiple agencies.

Lithium and Energy Materials

Mining Industry Liaison

The GEDC continues to build and strengthen relationships with industry in the region. Furthermore, the GEDC is committed to working with local government to overcome obstacles to investment and help position the region as a premier energy materials hub. The GEDC has published an industry sector profile to attract greater investment in the region and is connected to industry and research institutions through the Future Battery Industries CRC which the GEDC supported during their 2018-2019 funding bid. The GEDC has also engaged with the Department of Jobs, Tourism, Science and Innovation to examine regional investment attraction and project facilitation opportunities in alignment with the Government's Western Australian Future Battery Industry Strategy.

Future Battery Industries Cooperative Research Centre

A research and development partnership between industry, researchers and government is supporting efforts to capture greater Australian participation in the rapidly transforming global battery value chain. The Future Battery Industries Cooperative Research Centre (FBI CRC) is set to undertake a five-year, industry-led, research and development program, with a planned consolidation phase in year six.

This program will aim to position Australia as a world leader in energy materials extraction, processing and upstream battery storage technologies. Research initiatives will be divided into three main programs: Battery Industry Development; Battery Resources, Processing and Recycling; and Battery Materials, Components, Manufacturing, Testing and Deployment. Funding through the Commonwealth Cooperative Research Centre Program was announced in April 2019, with additional funding support to be provided by State Government and industry.

In June 2019, the GEDC committed to participation in the FBI CRC as an associate participant, to support relevant projects and promote greater investment in the Goldfields-Esperance region.

Supporting Primary Industries

Aquaculture

GEDC identified and assisted a well-established aquaculture company in securing a parcel of land to undertake a feasibility pilot for a large scale, land-based abalone hatchery and grow out facility in Esperance, to supply domestic and international markets.

GEDC is also working with DPIRD to progress its South Coast Aquaculture Development Zone project which aims to develop investment ready sites for large scale aquaculture projects. A preliminary site east of Esperance has been identified and DPIRD is currently progressing the regulatory approvals.

Tradestart Initiative

The GEDC has partnered with the South West Development Commission, Great Southern Development Commission and DPIRD to offer Tradestart services to the Goldfields-Esperance region. The expanded network will provide an extension of reach for trade resources, enable more regional business a direct point of contact offering strategic links to trade opportunities, and expanding the reach of Inward Buyer delegations and co-hosted trade delegations across multiple regions.



Securing Funding for the Goldfields-Esperance

GEDC organised a regional visit from the State Natural Resource Management team to discuss land management projects with regional proponents. This collaboration resulted in several Goldfields-Esperance projects applying to the Community Stewardship Grants. In addition, collaboration between different programs including the Value Add Agribusiness Investment Attraction Fund (VAAIAF) and the Regional Economic Development (RED) Grants program resulted in a local business commence expansion and development of its agribusiness opportunities.

Tourism Development

Goldfields Tourism Network Association

The GEDC is a primary member of the Goldfields Tourism Network (GTNA) who underwent a significant review during 2018-2019. The GEDC played an important role in facilitating discussions, providing administration support and assisting with the transition and development of a new constitution. Work continues to support the GTNA as it attempts to redefine its role and structure to better support tourism and the Golden Quest Discovery Trail in 2019-2020.

Esperance Jetty Replacement Working Group

The GEDC continued to be a member of the Esperance Jetty Replacement Working Group to assist the Shire of Esperance to prepare the concept design for the replacement Jetty.

The design has now been finalised and approved by the Minister for Heritage, and the Shire of Esperance is preparing tender documents to contract out the work to build the replacement jetty.

Film Liaison

Film Friendly Program

This year, Screenwest launched its Film Friendly Program which supports regions to be prepared and open to film production in Western Australia. The program includes the development of a film liaison officer in each region to be the point of contact for interested parties. The GEDC is completing the planning to become a film-friendly region and to support local governments to maximise film opportunities.

Screenwest WARFF

The WA Regional Film Fund is a Royalties for Regions supported program that attracts films to regional areas and maximises the benefits of film projects. The GEDC has received significant interest from production companies exploring opportunities to film in the Goldfields-Esperance region.

The GEDC assisted WARFF recipient, *Aussie Gold Hunters*, organise an event in Kalgoorlie-Boulder to thank local contributors to the show. The show is the most successful series on Discovery Channel Australia and viewed on worldwide networks. The event highlighted the significant impact the show has had on the region and recognised local talent.





Maximising Local Content

The GEDC played a major role in supporting the roll out of the State Government's WA Industry Link initiative in the region, which included the appointment of a dedicated Local Content Adviser based at each of the regional development commissions. The Local Content Adviser has enhanced the Commission's efforts to support small businesses, connecting our people with local procurement opportunities.

The regional Local Content Adviser works with a range of stakeholders including government, industry groups and local businesses to tailor activities which will maximise local content opportunities.

Building Local Capability

In December 2018, GEDC worked in collaboration with the City of Kalgoorlie-Boulder to deliver a local content forum; "How to Do Business in Kalgoorlie-Boulder". Over 70 SMEs attended with presentations by the Department of Finance, Main Roads WA, City of Kalgoorlie-Boulder, Evolution Mining, Norton's Mining, the Goldfields Local Content Adviser, and Acorp Construction.

After the success of the Kalgoorlie workshop, a further workshop was conducted in Esperance in March 2019, in collaboration with the Shire of Esperance. Over 25 SMEs attended with presentations by Southern Ports, Shire of Esperance, Simes Building and the Goldfields-Esperance Local Content Adviser. The workshop was a success with many of the SMEs registering with Southern Ports Authority and being included on the preferred suppliers list for the Shire of Esperance.

Local Projects

Throughout 2018-2019, the Goldfields-Esperance Local Content Adviser, with support from the GEDC, has helped to connect a number of local businesses to local procurement opportunities on State and local government projects. Several examples have been provided below:

Kambalda Police Station Custodial Facilities

A tender was awarded in August 2018 valued at $1.2 million for upgrades to the Kambalda Police Station Custodial Facilities. The Goldfields-Esperance Local Content Adviser met regularly with the builder, with the project achieving over 75 per cent local component.



Lucky Bay Campsite
Stage Two works at the Lucky Bay Campsite in Le Grand National Park including a new ablution block and a new recreation area separate from the campground with barbecue shelters and toilets were officially opened on 6 September 2018. The works valued at over $800,000 were tendered for, won and then completed to a high specification by a local Esperance company using solely local sub-contractors and workers.

Esperance Indoor Stadium
The Shire of Esperance issued a Request for Tender for the Construction of the Esperance Indoor Sports Stadium in early 2019. The contract included the construction of a four-court stadium and all external infrastructure. The Goldfields-Esperance Local Content Adviser provided input into the local content component of the Shire of Esperance tender with a local Esperance company being awarded the tender which has proposed a local content component of over 77 per cent.

Sandalwood Collection - Aboriginal Businesses
The Forest Products Commission offered two contracts in the Goldfields region during this financial year for the collection of 50 tonnes of deadwood (sandalwood) to be collected and 200 kilograms each of seeds to be picked and planted. The Goldfields-Esperance Local Content Adviser has worked with two other Goldfields-based aboriginal businesses that may be considered for contracts worth $540,000 each over the next three years.

Regional Leadership

In addition to focusing on the above priority areas in 2018-2019, the Commission continues to actively promote and advocate on behalf of the Goldfields-Esperance region, a key function of regional development commissions. Strong regional leadership ensures adequate regional representation in government and industry activities.

Aboriginal Economic Development Ministerial Taskforce
In March 2019 a new Aboriginal Economic Development Ministerial Taskforce was established to drive job opportunities for Aboriginal people in the Goldfields. More than 35 Aboriginal leaders, industry and local government representatives met in Kalgoorlie to discuss ways to improve Aboriginal economic participation.

District Leadership Group

During 2018-2019 the GEDC recommitted to supporting the Goldfields District Leadership Group and in 2019, the A/CEO was asked to Co-Chair the DLG. The DLG has spent considerable time and effort to redefine its role and has been provided with substantial support from the Department of Communities. The DLG will continue to provide a more effective avenue to raise issues of regional significance with the State and Federal Government whilst supporting the local inter-agency group.

Governor's Visit

The Hon Kim Beazley AC, Governor of WA visited the Goldfields from 1-3 May 2019. The GEDC developed an itinerary and escorted the Governor during his visit to Kalgoorlie-Boulder. The Governor met with over 220 regional stakeholders including executives, board members and senior staff from the community and local businesses. Goldfielders had an opportunity to discuss growth in the region and highlight the achievements of their organisations.

Ministerial Visits

The GEDC engaged, liaised, and assisted in the organisation of several events at the request of the State Government throughout the year reaching numerous stakeholders across the region. This included hosting 'Meet the Minister' events, announcements, forums and official openings with a number of State Government Ministers.

Conferences and Forums

The GEDC continued to support local events through sponsorship and participation in a number of economic development forums and conferences. The A/CEO and staff also participated in and presented at and a number of regional, state and national conferences, representing the views of the Goldfields-Esperance region. These included:

What's Down the Track (WDTT)

WDTT held in Kalgoorlie-Boulder in November 2018 is a well-regarded annual forum arranged by the Kalgoorlie-Boulder Chamber of Commerce and Industry (KBCCI). The event provides an important opportunity for Goldfields stakeholders to share insights on investment activity and propositions, and new and emerging industries.

Three hundred participants from business, government and community were in attendance to hear key speakers including the Minister for Regional Development and the A/CEO of the GEDC.



The GEDC was active in promoting the region and the work of the GEDC and DPIRD hosting an exhibition booth and networking with stakeholders. A highlight for GEDC was being able to introduce Minister McTiernan to Mr Idi Banumunga who was successfully employed in Kalgoorlie-Boulder thanks to the GEDC Goldfields Migration pilot project.

Over the Horizon (OTH)

OTH is an annual business and industry forum hosted by the Esperance Chamber of Commerce and Industry (ECCI) which aims to provide insights into current and future projects and initiatives which will help grow and develop the region.

Over 80 delegates attended the event which included key note presentations from the Hon Paul Papalia MLA, Minister for Tourism; Darren West MLC, Parliamentary Secretary to the Minister for Regional Development; Agriculture and Food; and A/CEO of the GEDC, along with a host of key business, industry and local representatives.

OECD Mining Conference

In February 2019, the GEDC A/CEO presented at the 2nd Annual Organisation for Economic Co-operation and Development (OECD) Meeting of Mining Regions and Cities. The OECD Mining Regions and Cities Initiative provides a global platform to share knowledge and build evidence about implementing better public policies for regions and cities that specialise in the mining and resource sectors.

Regional Submissions

The GEDC often contributes to regional, state and national submissions to advocate for the regions. Below is a summary of some of the key submissions made in 2018-2019.

Regional Freight Plan

The Revitalising Agricultural Regional Freight Strategy identifies and prioritises specific infrastructure upgrades and suggests regulatory and policy measures that will help make freight transport in WA's agricultural regions more productive, efficient and safer.

GEDC assisted the Department of Transport with the consultation process by engaging with local stakeholders involved in the agricultural freight supply chain to understand the issues, constraints and opportunities in the Goldfields-Esperance region.

Telecommunications Review

The GEDC participated in the Federal Government's Telecommunications Independent Review in a workshop held in Kalgoorlie in July 2018. GEDC's contribution detailed local issues and the importance of reliable, high-speed communications which are now essential to both economic prosperity and social well-being for regional communities.

Blackspot Program

The GEDC continued to work closely with DPIRD to roll out the Regional Telecommunications Program across the Goldfields-Esperance region. A high percentage of black spot sites previously prioritised have been completed with either macro or micro cells built.

A further black spot identification and prioritisation assessment was undertaken by the GEDC, in consultation with the local governments and DPIRD. A further seven sites were successful in receiving funding through the Federal Mobile Black Spot Program Round 4, with leveraged funding from the State Government.

Further sites are anticipated to be supported in the Federal Mobile Black Spot Program Round 5 and 6, with the State Government also committing another $20 million to improving regional telecommunications across the State over the next two years.

Closing the Gap

The GEDC provided responses as part of the Closing the Gap Refresh - Technical Expert Submission. The response was based on the work undertaken since the Ministerial Taskforce was established and the GEDC's existing knowledge of the Goldfields-Esperance region.

Regional Airfares Workshop

The implementation of the State Government's response to the recommendations from the Parliamentary Inquiry into Regional Airfares in WA is continuing in 2019. As part of this process, the Department of Transport facilitated regional workshops between March and May 2019 in towns and cities relevant to the unregulated regular passenger transport (RPT) air routes.

The Kalgoorlie-Boulder workshop was held on 14 March and attended by a GEDC representative.

The GEDC will continue to support initiatives aimed at improving air travel affordability, and feedback provided at the workshop will help to inform the review of the State Aviation Strategy in 2019-2020.

Governance and Business Services

Lonnie Awards

In March 2019 the GEDC, and other Regional Development Commissions, were recognised as one of the 2018 best practice entities for financial reporting and controls at the Institute of Public Administration Australia WA (IPAA WA) Annual W.S Lonnie Awards.

Investment Management and Funding

The GEDC with DPIRD is responsible for the management and monitoring of State Government-funded projects in the Goldfields-Esperance region. The Commission works closely with proponents to ensure successful project delivery in line with the agreed milestones, timeframes and budgets.

During 2018-2019 the GEDC managed the delivery of the first round of the Regional Economic Development (RED) grant program, a State Government initiative that invests in community driven project to stimulate job creation and economic growth in regional Western Australia. The program will provide the Goldfields-Esperance region with over $3.2 million across the five-year program. In the first round, five projects from across the region received over $922,000.

In addition to the RED grant program, the GEDC continued to manage the delivery of 25 projects across four existing State Government funding streams, including the Community Chest Fund (CCF), Regional Grants Scheme (RGS), Local Projects Local Jobs (LPLJ) and the Goldfields-Esperance Revitalisation (GER) Fund. These projects range from small grants for not-for-profit, community organisations to complex infrastructure developments. The GEDC returned unallocated RfR funds to Treasury during 2018-2019, to be redirected to other RfR programs including the Regional Economic Development (RED) grants, as outlined in the explanatory notes in the Financial Statements (page 77).

Funding and grants provided through the State Government are vital to the ongoing economic viability and growth of the Goldfields-Esperance region, having an impact on workforce attraction, retention and liveability.

Goldfields-Esperance Revitalisation (GER) Fund

The Goldfields Esperance Revitalisation Fund was established to fund projects that assist in building the social and infrastructure platform for economic development, and to drive growth and new investment in the region.

Kalgoorlie City Centre Economic Transformation – Royalties for Regions (RfR) funding $8 million

The Economic Transformation of Kalgoorlie City Centre Project will transform major city precincts into vibrant, economically strong and diverse centres, replacing tired and outdated infrastructure with a fresh new approach, based on best practice placemaking and urban design principles.

The project has progressed significantly during 2018-2019 with the execution of a new State Government Funding Agreement. This aligned with the State Government's requirement for the project to deliver Aboriginal economic development outcomes and build local business capacity and a revised project scope. The City of Kalgoorlie-Boulder undertook extensive consultation to explore community ideas and improvement suggestions, which were collated in the draft Detailed Master Plan.

The City will move to the detailed designs stage in late 2019, and the GEDC will work closely with the City to implement Aboriginal capacity building, training and employment opportunities through the project.

Norseman Airfield Upgrade – RfR funding $1.45 million

The Shire of Dundas has upgraded the Norseman Airfield to an all-weather airstrip with increased capacity for larger aircraft, ensuring year-round access for Royal Flying Doctors Services and air support for the local mining sector.

The GEDC worked with the Shire of Dundas to finalise the Norseman Airfield project during the financial year. This included assistance with the official opening of the Norseman Airfield upgrades held on 22 February 2019, by the Minister for Regional Development and Federal Member for O'Connor, Mr Rick Wilson.

Killarney Retirement Living – RfR funding $9.8 million

The Masonic Homes Inc Project in Kalgoorlie-Boulder delivered a 49-unit village (Pringle Village) to cater for increased demand for accommodation options in the Goldfields region. The project achieved significant local engagement and employment with the use of a local building company, suppliers and subcontractors.

The GEDC provided ongoing assistance to Masonic Homes to ensure that the project milestones were successfully met. This included regular site visits to monitor the progression of the project, as well as facilitating engagement with external stakeholders such as visiting Ministers. Pringle Village was officially opened on 31 May 2019 by the Minister for Regional Development.

Essential Expansion of Aged Care for the Esperance Community – RfR funding $3 million

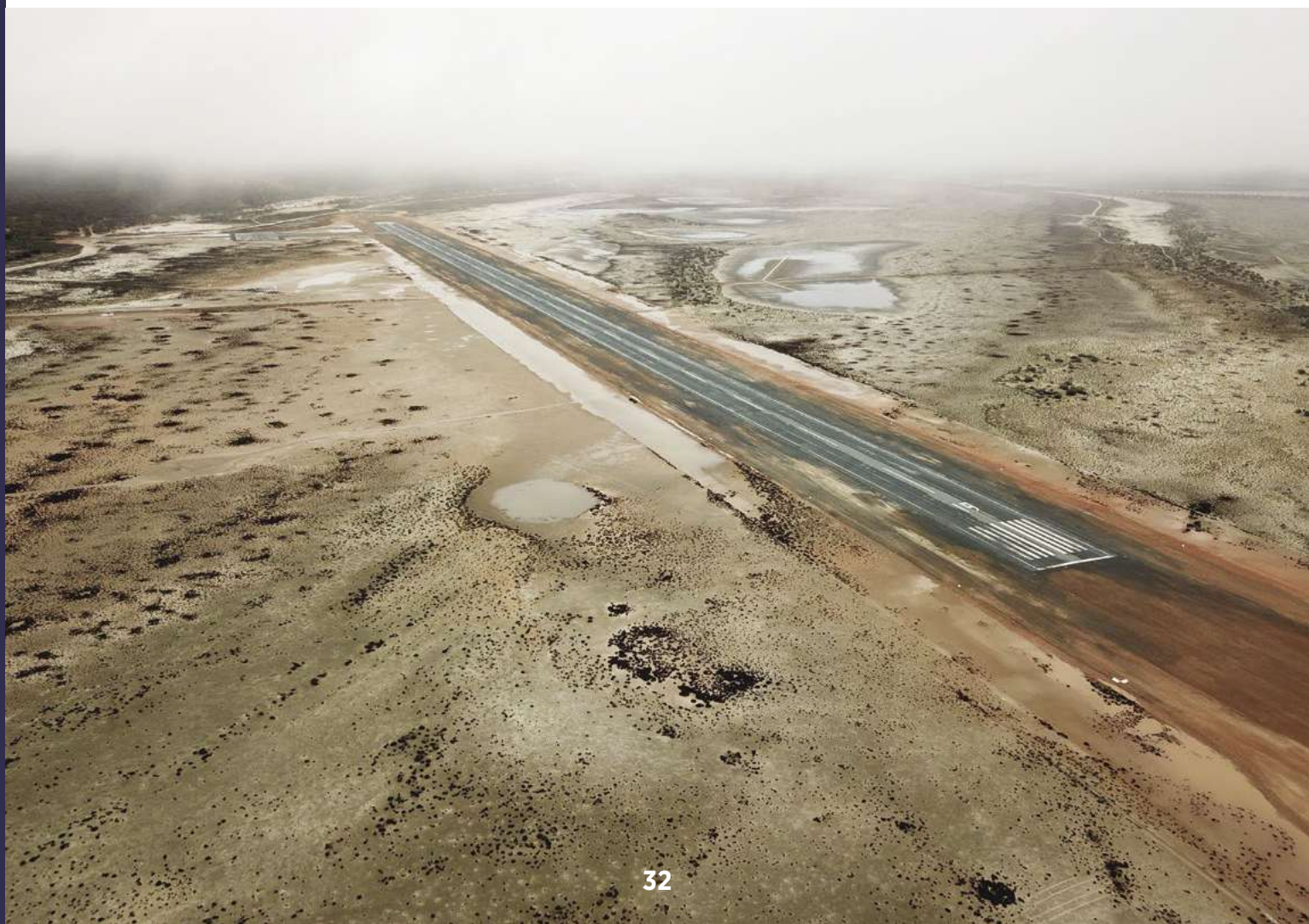
The Esperance Aged Care Facility project delivered additional aged care beds to cater for the needs of Esperance and surrounding communities. A new 34 bed wing consisting of 17 general residential beds and 17 secure residential beds for people living with dementia was constructed.

The project addresses the growing aged care needs for the region and the shortage of residential aged care places. It also provides much needed day and overnight respite services for local carers.

GEDC staff worked with the Esperance Aged Care Facility to ensure that all project milestones and deliverables were met, including assisting them in their long-term workforce planning to support the expanded operations of the facility.
The project was officially opened by Hon Ken Wyatt AM MP, Federal Minister for Aged Care and the A/CEO of the GEDC, representing the Minister for Regional Development, on 18 March 2019.

Esperance Indoor Sports Stadium – RfR funding $4.06 million

The Shire of Esperance will deliver a new four court indoor sports stadium for the community, including kiosk, kitchen and change room facilities. The facility will act as a multi-use community sporting venue and space to host regional and State events, as well as Esperance Agricultural Show.





The project will also see the redevelopment of the Noel White Pavilion to provide additional community meeting rooms, office space for the agriculture society and club/function facilities. Construction commenced in May 2019 and is due for completion in October 2020. GEDC staff met with the Shire of Esperance and the construction company on a fortnightly basis to ensure the successful delivery of the project. The GEDC also worked with the Shire through the construction tender phase and continue to maximise local content outcomes.

Laverton Community Hub
– RfR funding $4 million

The Shire of Laverton received funding for the complete replacement of the Laverton swimming pool, kiosk and change rooms, and the refurbishment of the town hall. The project replaces the existing swimming pool infrastructure which was more than 50 years old and provides modern vital recreational facilities for Laverton and surrounding communities.

GEDC staff undertook a number of site visits during the financial year and have worked with the Shire to ensure delivery of the project. The project is near completion with the opening planned for the later in 2019.

Norseman Cultural, Community and Visitor Centre
– RfR funding $1.6 million

The Shire of Dundas received funding to refurbish an existing building into the new Woodlands Visitor Centre which will encourage visitors to stop and stay in Norseman. The project will utilise interpretive elements to showcase Ngadju culture, Great Western Woodlands and Norseman's mining history.

The Centre will include the community art gallery and working space, visitor centre information and the Community Resource Centre to create a hub for both the community and visitors.

GEDC staff and the Local Content Adviser worked closely with the Shire during the construction tender stage to assist in securing local content considerations. The GEDC is also an ex-officio member on the Woodlands Advisory Group which meets monthly to monitor the project progress.

Works commenced in May 2019 with completion scheduled for the end of 2019.



Goldfields Arts and Culture Trail

In 2018-2019, ArtGold Inc received a $300,000 as part of a State Government election commitment, over three years. In addition, they secured $298,000 funding through the Royalties for Regions Regional Grants Scheme. The project aims to celebrate arts, culture and creativity in the Goldfields-Esperance through the development of a website and accompanying app. These will provide a resource for visitors and locals to discover and access arts and culture opportunities from across the region.

The project, 'Our GEMS (Goldfields-Esperance Must See)' has progressed with the release of the GEMS Strategic and Marketing Plan, Branding Style Guide and flyers. Curation of the must-see attractions and sites is continuing, through the online Attraction Register, available on the Our GEMS WA website. Development of the final website has commenced and is due for completion by the end of 2019.

Regional Economic Development (RED) Grants program

The GEDC manages the Regional Economic Development (RED) Grants program which is a State Government initiative that invests in community-driven projects to create jobs and boost economic growth. The RED grants program will deliver over $3.2 million in funding across five rounds into the Goldfields-Esperance region.

Goldfields-Esperance funding for Round One was announced in February 2019 with five successful projects across the region. Following the announcement of successful projects by the Minister for Regional Development, the GEDC worked with each proponent to draft and execute the Financial Assistance Agreements (FAA) which map out the project's milestones, timeframes and deliverables. All agreements were executed by 30 June 2019 and projects are now well underway.

Australian Aboriginal Mining Academy - $166,980
Carey Mining secured funding to undertake a Demand Study for the Australian Aboriginal Mining Academy which will engage with Aboriginal people and the mining and resources sector to identify the education and training needs of the Goldfields resources sector. The study will explore the most appropriate approach to provide meaningful training and employment opportunities for the establishment of the Academy.

Lucky Bay Brewing Relocation - $198,442
Funding was secured by Lucky Bay Brewing for the relocation and expansion of their Esperance-based brewery. The project includes the construction of new and expanded brewery and cellar door operations at Bandy Creek Road, Esperance. The new site will act as an all-year food and beverage tourism offering which will promote locally grown and made produce.

Lucky Bay Brewing has undertaken consultation with the required stakeholders to secure all approvals needed to commence brewery construction at the new site.

Goldfields Community Legal Service Migration Employment Project - $249,960
The Goldfields Migrant Employment Project aims to alleviate the labour and skills shortage in the Kalgoorlie-Boulder area by engaging with migrant communities based in metropolitan WA and assisting employment seekers with access to Goldfields-based job opportunities and settlement support services.

The GEDC has worked closely with the Goldfields Community Legal Service (GCLS) to further develop the project plan, and GCLS has employed the services of a recruitment specialist to progress the project.

Shire of Laverton Airport Expansion - $186,330
The Laverton Airport Expansion project will establish an additional apron and taxiway to increase the capacity of the airport to benefit the local government area and the surrounding industry. The project aims to attract investment to region, facilitate mining productivity, develop complementary transport infrastructure and attract population for the shire.

NPY Women's Council Tjanpi Desert Weavers Capacity building - $120,950
The Building the Capacity of the Tjanpi Desert Weavers project will expand the service delivery of the social enterprise into Wingellina and Jameson by creating satellite offices and trained local assistants. The expansion of this service will allow long-term sustainable growth for the program and increase the economic outcomes for women in the Ngaanyatjarra lands.

The NPY Women's Council has established the Satellite office in Wingellina and have recruited the Arts and Culture Assistant who has been employed through the NPY Women's Council Indigenous Employment Strategy.



Regional Grants Scheme (RGS) and Community Chest Fund (CCF)

CCF Round 1, 2 and 3

All projects from rounds 1, 2 and 3 have now been successfully acquitted; GEDC has acquitted CCF Round 1 & 2 with the Department. All round 3 projects are completed and acquitted; One (1) project was terminated.

Project	Recipient	Funding Amount	Total Project Cost	Status
RGS Round 4 - Complete				
All projects from round four (4) have been successfully acquitted and confirmation letters sent to proponents; GEDC has now acquitted RGS Round four (4)				
RGS Round 5 – In Progress				
Ten (10) projects funded; Eight (8) projects completed and fully acquitted; One (1) project completed, acquittal pending and One (1) projects are in progress				
Kambalda Sub-Centre Upgrade	St John Ambulance Kambalda Sub-Centre	$130,932.00	$142,472.00	Acquitted
Gwalia Headframe Restoration	Shire of Leonora	$300,000.00	$1,276,600.00	Acquitted
Streetscape street art project	Ravensthorpe Progress Association	$ 87,423.36	$91,863.36	Acquitted
Eco-education centre for Karlkurla Bushland Park	Kalgoorlie-Boulder Urban Landcare	$108,939.78	$223,989.78	Acquitted
Replacement of Volunteer Sea Search & Rescue Vessel	Esperance Volunteer Sea Search and Rescue	$300,000.00	$1,126,414.00	Acquitted
Aero Medical equipment	Royal Flying Doctor Service	$101,980.86	$274,840.00	Acquitted
Return to Country	Life Without Barriers	$77,620.00	$110,800.00	Acquitted
Heartwalk: Art in the heart of the CBD	Arts and Culture Goldfields Association (Artgold)	$120,000.00	$363,797.20	Acquitted
Positive behaviour support for people disability	GIFSA	$135,000.00	$242,956.00	Active
Wilurarra Social Enterprise Salon	Wilurarra Creative, Warburton Community	$266,600.00	$524,120.00	Complete
RGS Round 6 – In Progress				
Six (6) projects funded. Three (3) project have successfully acquitted with two (2) projects completed and awaiting acquittal. One (1) project is in progress				
Kalgoorlie PCYC Gymnastics Equipment upgrade	The Federation of Western Australian Police & Community Youth Centre Inc	$56,416.36	$56,416.36	Acquitted
Goldfields Esperance Arts and Culture Trail	Arts and Culture Goldfields Association	$298,870.00	$838,685.00	Active
Optimising lime for agricultural sustainability in SoE and SoR.	South Coast Natural Resource Management Inc	$121,972.37	$215,406.37	Complete
Esperance artificial reef and community monitoring program	WA Recreational & Sportfishing Council	$295,000.00	$676,600.00	Complete

Bariatric Ambulance	St John Ambulance Western Australia Ltd.	$98,783.76	$198,867.52	Acquitted
Credo Aboriginal Ranger Program	Goldfields Land and Sea Council Aboriginal Corporation	$149,816.40	$282,102.40	Acquitted

Local Projects Local Jobs (LPLJ) Initiative				
Project	**Recipient**	**Funding Amount**	**Total Project Cost**	**Status**
Fourteen (14) agreements have been executed. Thirteen (13) projects are complete and acquitted. One (1) projects is complete and awaiting acquittal.				
Shade Sails Children Playground	Shire of Leonora	$25,000.00	$25,000.00	Acquitted
Shade Sails	Kalgoorlie Occasional Child Care Centre	$40,000.00	$60,000.00	Acquitted
New signage at Niagara Dam	Shire of Menzies	$35,000.00	$35,000.00	Acquitted
Soft Fall for Children's Playground	Shire of Menzies	$10,000.00	$100,000.00	Acquitted
Park Upgrade	Shire of Coolgardie	$50,000.00	$150,000.00	Acquitted
Dentist Facilities for Aged Care Homes	Southern Cross Care	$125,000.00	$125,000.00	Acquitted
Dentist Facilities for Aged Care Homes	Amana Living	$125,000.00	$125,000.00	Acquitted
Shopfront facades-heritage murals for main street ($37k) and dirt bins ($6k)	Shire of Dundas	$43,000.00	$43,500.00	Acquitted
Goldfields Touring Circuit Total	WAM	$25,000.00	$60,000.00	Acquitted
Music Recording in the Northern Goldfields	WAM	$20,000.00	$50,000.00	Acquitted
Solar Lighting to Footpath between town and Wongatha Village	Shire of Laverton	$40,000.00		Complete
Upgrade of filtration system at Kambalda Pool	Shire of Coolgardie	$40,000.00	$80,000.00	Acquitted
Relocation of playground and skate park to Community Hub	Shire of Laverton	$50,000.00	$150,000.00	Acquitted
Loopline Tram	Golden Mile Loopline Railway Society	$100,000.00	$100,000.00	Acquitted

2.1.3 CASE STUDIES

Aboriginal Business Leadership Program

Building Success

The State Government, through the Goldfields-Esperance Development Commission, is working to improve economic development, business and employment opportunities for Aboriginal people in the Goldfields.

The Aboriginal Business Leadership Program is intended to develop and enhance Aboriginal business networks, and support Aboriginal businesses to develop their skills, knowledge and confidence for a sustainable future. Commencing in December 2018, local businesses assisted in co-designing a leadership program which includes access to tailored leadership mentoring, knowledge sharing and business development expertise for participants.

After strong interest from Aboriginal business owners, selected participants commenced the four-month program in March 2019, with thirteen Aboriginal business owners successfully graduating from the program in June 2019. Graduates Rowena Leslie and Katrina Stubbs said the course had helped them learn how to market their contracting business, which they have run since 2013. The business owners said visits from the GEDC had given them useful feedback on their business, and the program had helped them meet other Aboriginal business people.

The Minister for Regional Development and the Chair of the GEDC had the great pleasure of meeting the program participants and presenting them with their graduation certificate in Kalgoorlie on the 31 May 2019.

The 2019 Aboriginal Business Leadership Program was successfully delivered by the GEDC, in partnership with Aboriginal community leaders, and with support from the Department of Primary Industries and Regional Development.



Mining Industry Partnership Group

Mining companies brought together to deliver Aboriginal economic outcomes

In late 2018, the GEDC identified the need for collaboration to increase Aboriginal employment and procurement across the mining sector. Through stakeholder consultation conducted by GEDC staff, a number of companies expressed a keen interest in an industry-wide approach, and it was identified that significant outcomes could be achieved as a collective.

GEDC staff liaised with a number of mining company representatives and the Mining Industry Partnership Group was established in early 2019. The Partnership Group is coordinated and chaired by the GEDC, and aligns to the priorities of the Aboriginal Economic Development Ministerial Taskforce which works to progress Aboriginal economic development initiatives in the Goldfields region.

The first meeting of the Mining Industry Partnership Group was held in February 2019 and was attended by 11 representatives from eight mining companies across the Goldfields region. The focus was to identify barriers and opportunities for Aboriginal employment and business procurement in the mining sector. Following the meeting, the GEDC received significant interest from additional mining and support service companies, resulting in 16 companies being included.

In June 2019, the group undertook an interactive workshop to develop an Action Plan across four priority areas, relating to increasing Aboriginal business procurement and overcoming the barriers to employment.

In addition to the June meeting, mining representatives also took part in an Aboriginal Business Speed Networking event which provided 21 Goldfields business owners with a 'soft introduction' to the industry which it is hoped, will lead to further business development opportunities.

Many of the businesses who participated in the networking event recently completed the Aboriginal Business Leadership Program (ABLP) delivered through the GEDC and DPIRD, providing mentoring and training on a range of topics to grow and develop their businesses.





Dirt Music Regional Production

First major international film production in the Esperance region

In November 2018, Esperance served as a filming location for *Dirt Music*, the film adaptation of Tim Winton's 2001 novel. As the first major international film production in the Esperance region, *Dirt Music* generated significant community interest and offered local residents and businesses an opportunity to be involved in the film industry in various capacities.

The GEDC facilitated a reference group of key regional stakeholders and the production team to assist in the development of a close working relationship between *Dirt Music* producers and key regional stakeholders. The reference group was able to assist in meeting the needs of the production, connecting the production team with local suppliers and talent, and optimising the economic and cultural value of the project to the region.

GEDC also facilitated a special 'Meet the Filmmakers' event, which included a Q&A and screening of a film made by one of the film's key creatives, director Gregor Jordan.

The *Dirt Music* production team employed over 120 Esperance locals, including official cast and crew, and 60 local extras for various scenes. The team also offered 15 internships, giving Esperance residents the opportunity to work with experienced film makers in areas such as the art department, costume, sound, camera and production. Local school students were invited for set visits during filming.

Local workers and professionals were also employed in a variety of roles, including local skippers, cast drivers, location assistants, unit casuals/swing drivers, art department runners, construction, nurses, security, traffic controllers, makeup and hair assistants, costume assistants, Indigenous advisors, stand-ins and drone operators. Overall, the GEDC estimates that the production stage of the film generated nearly $1 million dollars in direct spend on goods and services in the Esperance region.

The international release of *Dirt Music* in late 2019 will provide further opportunities to promote the region by boosting the profile of Esperance and the south coast, attracting further visitors and investment, and positioning the region as an attractive destination for future film and media productions.

The project received funding support through the Western Australian Regional Film Fund (WARFF), a State Government Royalties for Regions funded initiative committed to encouraging regional film industry activity.



Local Content – Pringle Village Development

Great local content result for the construction of Pringle Village

There is high demand for independent living options for seniors in the Goldfields-Esperance region, and the availability of age-friendly accommodation options can have significant impact on a town's ability to attract and retain a strong workforce and ensure a sustainable regional economy.

The GEDC worked closely with the Goldfields Masonic Homes (GMH) on the construction of Pringle Village, a 49-unit retirement living project. The construction tender was awarded to a local building company, Zelnor Developments.

The GEDC team, and Goldfields-Esperance Local Content Adviser, visited the site regularly, and worked closely with representatives of the GMH to meet local contractors. Zelnor Developments were able to engage over 20 local contractors and source over 90 per cent of their materials from local suppliers. This meant the majority of the $9.8 million State Government investment remained in the local Kalgoorlie economy.

The new units incorporate age-friendly design, and are arranged in clusters, with common areas including community barbeques, raised garden beds, giant chess and a mini golf green, to facilitate a strong sense of community. There has been an overwhelmingly positive response from new residents who say that the village provides age-appropriate amenities which encourage a sense of belonging and active living. In fact, the GMH have indicated that they still have a lengthy waiting list.

Pringle Village was completed in February 2019 with the last resident moving in March 2019. The Minister for Regional Development officially opened Pringle Village on 31 May 2019.

GMH received $9.8 million from the Regional Infrastructure and Headworks Fund, through Royalties for Regions, for the construction of a 45-unit (ultimately, 49-unit) independent living village in Kalgoorlie-Boulder.

Attracting a New Regional Workforce

South Sudanese explore the employment and lifestyle of the Goldfields

Labour and skill shortages are a major challenge for the Goldfields region, with strong growth in resources-based activity over the eighteen months to Christmas 2018 contributing to significant labour deficits primarily in the mining industry but also in trades, mining services, healthcare and other sectors.

In December 2018, the Perth-based South Sudanese community, took the initiative and reached out directly to the Minister for Regional Development to express their interest in learning about living and working in Kalgoorlie-Boulder.

The President of the South Sudan Community Association of Western Australia Inc, Mr John Aciek, proposed that the GEDC could assist with a unique, Perth based event for his people. The event could showcase the employment opportunities and a new and rewarding life in Kalgoorlie-Boulder.

According to Mr Aciek, the Perth-based South Sudanese community are mainly permanent residents, well-educated and under-employed. Over 70 per cent are under the age of thirty; and almost half hold a post-secondary qualification. Members of the community have experienced difficulties in gaining employment, particularly in their field of expertise, and find it difficult to gain relevant work experience in the competitive Perth labour market.

On 28 March 2019, the GEDC brought the Goldfields to the city, with the *Explore Employment Opportunities in the Country Event* held in Mirrabooka. Around 130 attendees had the opportunity to engage with exhibitors from Kalgoorlie-Boulder and Perth including employment services, employers, recruiters, and business and settlement supporters.

Seventy-eight attendees sought follow up information from the event, and nineteen are actively seeking employment with support from the GEDC. Further support for attendees will be provided by the Goldfields Community Legal Centre's *Goldfields Migration Employment Program*. This program provides dedicated resources to employment match, and settle, Perth candidates and their families in the Goldfields. This will include the South Sudanese, and other African communities.

The Goldfields Community Legal Centre's *Goldfields Migration Employment Program* receives funding through one of GEDC's Regional Economic Development grants, with support from the Department of Primary Industries and Regional Development.







2.2 FINANCIAL TARGETS

Each year, the Commission is required to meet a number of targets set by the State Government. These targets relate to Government – desired outcomes, services to be delivered and performance targets to be achieved. The targets are a way for the State Government to monitor the operational performance of the Commission. The information below sets out the GEDC financial targets and working cash targets and should be read in conjunction with the audited financial statements.

	2018/19 Target (1) $000	2018/19 Actual $000	Variation (2) $000
Total Cost of Services (expense limit) (sourced from Statement of Comprehensive Income)	**472**	**3,065**	**2,593 (a)**
Net Cost of Services (sourced from Statement of Comprehensive Income)	**472**	**3,062**	**2,590**
Total Equity (sourced from Statement of Financial Position)	**934**	**853**	**(80) (b)**
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)		**(818)**	**(818)**
Approved salary expense level	**214**	**194**	**(20)**

Explanatory Notes to Variations against Revised Targets

1. As specified in the GEDC Financial Statements. The budget excluded the value of resources provided free of charge by DPIRD.
2. Further explanations are contained in 2.2, 2.3, 3.1, 7.5 in the 'Explanatory statement' to the financial statements.

(a) The variation is mainly due to only RDC direct expenses being included in the reported targets whereas the actuals include $1.94 million of Resources provided Free of Charge by DPIRD.

(b) The variation in total equity as at 30 June 2019 is due to a higher than expected loss for the period. This is predominantly due to the return of $0.56 million to Treasury, in relation to the Regional Grant Scheme project, which is recognised as other expenses in the Income Statement.

	2018/19 Agreed Limit $000	2018/19 Target (1) / Actual (2) $000	Variation (2) $000
Agreed Working Cash Limit (at Budget)	**23**	**23**	
Agreed Working Cash Limit (at Actuals)	**61**	**488 (c)**	**426 (d)**

Explanatory Notes to Variations against Revised Targets

(c) The actual operating cash held totals $0.49 million. Specific purpose monies of $0.18 million were also held by the Commission.

(d) The variation of $0.43 million is predominantly due to specific purpose monies of $0.39 million and $0.10 million unspent RfR funds held by the Commission.

2.3 KEY PERFORMANCE INDICATORS

Each year, the effectiveness of the Commission's performance is evaluated through a stakeholder satisfaction survey. In 2018-2019, research consultants Perth Market Research were engaged to ask stakeholders to rate the agency's effectiveness and the quality of the Commission's service. A total of 151 surveys were completed by stakeholders.

The following table illustrates the results achieved and the annual comparison.

Survey respondents were asked express their agreement or disagreement with the following statements:

Key statement responses	2018-19 result	% change
The Goldfields-Esperance Development Commission makes a positive contribution to the economic and social development in the Region	**86.2% "at least" agree**	**2.7% ^**
The Goldfields-Esperance Development Commission's support to industry and enterprise makes a positive contribution to regional development	**92.8% "at least" agree**	**11.2% ^**
The Goldfields-Esperance Development Commission staff provide professional, timely and helpful services	**92.7% "at least" agree**	**5.4% ^**
I am clear about the role and purpose of the Goldfields-Esperance Development Commission	**78.1% "at least" agree**	**1.2% ^**

When respondents were asked to indicate which of the Commission's services, they have used during the past 12 months the most common responses were:

- Provision of data and statistics relating to the Goldfield's region
- Provision of general information on what's happening in the region
- Facilitating partnerships and co-ordination between agencies and organisations

When respondents were asked what they valued most about the Commission's service the most common responses were:

- Professional, knowledgeable or helpful staff
- Provide an excellent service for the region
- Development of local projects/knowledge

35.1% of respondents did not supply a response to this question.

When respondents were asked what the Commission could do better in the future the most common responses were:

- More provision of funding for projects/infrastructure
- Need more staff/resources
- Actively support economic and social development

32.5% of respondents did not supply a response to this question.

Key effectiveness Indicators

The GEDC measures its performance in providing a regional development service that contributes to sustainable development within the Goldfields-Esperance region through the provision of information, advice and support together with marketing and promotion of the region.

To evaluate their overall performance the GEDC utilises performance indicators that are measured on an annual basis.

The three key areas for assessment are effectiveness, timeliness and quality of service, score out of 5 or 80%.

	2017	2018	2019	% score	% change
Effectiveness of the GEDC	**3.9**	**4.0**	**4.1**	**82%**	**2.5%**
Timeliness of the GEDC	**4.1**	**4.0**	**4.3**	**86%**	**7.5%**
Quality of service provided by the GEDC	**4.4**	**4.3**	**4.4**	**88%**	**2.3%**
Overall effectiveness score				**85.3%**	

Key efficiency Indicators

To monitor the efficiency of delivering services, the Commission measures the average cost per chargeable hour for each for our two service areas, which is evaluated against annual targets. The results from 2018-2019 are listed in the table below.

	Efficiency Indicator		
	Target	Adjusted Target	Actual
1. Facilitation of the provision of appropriate infrastructure and industry services.	**$104**	**$146**	**$132(a)**
2. Promotion of region and its investment opportunities	**$102**	**$143**	**$128(b)**

(a) The KEI calculation methodology was changed during the year to provide easier comparison between different Development Commissions. The GEDC achieved an actual cost per hour of $132 per hour compared to an adjusted target of $146 per hour and a prior year adjusted actual of $132 (using the new calculation methodology). The Prior year value was re-cast to the new methodology from a previous value of $99 per hour.

b) The Commission's actual average cost per chargeable hour of $128 per hour compared favourably to an adjusted target of $143 per hour and a prior year adjusted actual of $130 (using the new calculation methodology). The Prior year value was re-cast to the new methodology from a previous value of $96 per hour.

Detailed Key Performance Indicators are included in the Disclosures and Legal Compliances section of this report.

The Goldfields-Esperance Region



Largest region in **WA**, three times the size of Victoria

Esperance Port is the **deepest** port in the **southern hemisphere**

Exported **11,349,934 tonnes** in 2018

Between **14** and **16** distinct Aboriginal languages in the region

Hosts the **only** regionally-based WA School of Mines



Home of the Great Western Woodlands, the **largest** Mediterranean climate woodland remaining on Earth

Kalgoorlie Super Pit - Australia's **largest** open goldmine





Boasts some of the **whitest beaches** in Australia



Kalgoorlie-Boulder is Australia's **largest** Outback city



Total Area **770, 500 km²**



Most commonly spoken languages at home after English **Ngaanyatjarra, Afrikaans**



Nine Local Government Areas
Shires of Coolgardie, Dundas Esperance, Menzies, Ngaanyatjarraku, Laverton, Leonora, Ravensthorpe, City of Kalgoorlie-Boulder



Major Population Centres
Kalgoorlie-Boulder and Esperance



Total Regional Population **55,121 (2018)**

Population Growth Rate



Median Age

34
YEARS



Labour Force Participation Rate **49.47%**



Home Ownership Rate **59.1%**



Top reported ancestries **English, Australian, Irish**



Indigenous population

9.57%



Volunteer rate **9.57%**



Home to **dozens** of **ghost towns** dating back to 19th century gold rushes



3.0 Significant Issues Affecting Agency

The Goldfields-Esperance region continues to experience positive economic change; however the attraction and retention of skilled workers remains a key regional issue. A contemporary approach to workforce development is needed for planning, recruitment and provision of lifestyle support. Unemployment amongst the region's Aboriginal population is also high and the Commission has a range of initiatives underway through the Ministerial Taskforce into Aboriginal economic development in the Goldfields to assist with changing this over coming years

Fast, reliable and cost-effective telecommunications continue to be an issue for the region where lack of connectivity limits productivity, innovation and social amenity. Digital readiness also remains an issue with relatively low levels of local employment in the technology industry. However, there has been a gradual increase in community activities and industry led transformation in this space.

Diversify and expanding the region's economic base to optimise local job creation and improve career opportunities throughout the Goldfields-Esperance region, is also a key issue particularly with the rise of automation and technology which has the potential to displace people from more traditional roles.

With global battery consumption predicted to increase five-fold over the next decade, the Goldfields-Esperance region has an opportunity to attract significant investment based on its comparative advantages which include accessible, high-grade deposits of lithium and other energy materials, a sophisticated geoscience and extractive metallurgy capability, skilled workforce, developable industrial land and access to all modes of transportation. Ensuring the region is well prepared and capable of meeting the needs of this growth sector is critical to the regions longer term success.

Energy security is a significant issue for the Goldfields given the reliance on the South West Interconnected System (SWIS) and concerns about the reliability of energy supply. Long term and short-term energy security is essential for economic development and renewable energy solutions are being explored as technologies advance and costs become more viable.

Due to the diversity of the regional communities varying levels of service quality and access exist, with differences between education, employment, health and wellbeing outcomes for all community residents depending on location. The GEDC will continue to advocate for levels of service that are comparable to that to that of metropolitan locations.

4.0 Disclosures and Legal Compliance

The following pages contain the Goldfields-Esperance Development Commission's audited financial statements including:

- Auditor's Opinion
- Certification of Financial Statements
- Audited Financial Statements
- Certification of Key Performance Indicators and detailed notes on Performance Indicators



4.1 INDEPENDENT AUDITOR REPORT



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

GOLDFIELDS-ESPERANCE DEVELOPMENT COMMISSION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Goldfields-Esperance Development Commission, which comprise the Statement of Financial Position as at 30 June 2019, 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 Goldfields-Esperance Development Commission for the year ended 30 June 2019 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 Goldfields-Esperance 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 Goldfields-Esperance 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 2019.

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 Goldfields-Esperance Development Commission for the year ended 30 June 2019. 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 Goldfields-Esperance 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 2019.

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 Goldfields-Esperance Development Commission for the year ended 30 June 2019 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
2 September 2019

4.2 FINANCIAL STATEMENTS

Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the reporting period ended 30 June 2019

The accompanying financial statements of the Goldfields Esperance 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 2019 and the financial position as at 30 June 2019.

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.

Cameron Patterson
Chief Finance Officer
30 August 2019

Kris Paul Starcevich
A/Chief Executive Officer
30 August 2019

Gail Reynolds-Adamson
Chair
30 August 2019

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Statement of comprehensive income
For the reporting period ended 30 June 2019

	Notes	2019 $	2018 $
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1	256,392	338,782
Supplies and services	2.3	2,140,096	1,745,427
Depreciation and amortisation expense	4.1, 4.2	-	4,808
Accommodation expenses	2.3	900	45,727
Grants and subsidies	2.2	98,870	2,022,347
Other expenses	2.3	569,047	2,300
Total cost of services		3,065,305	4,159,391
Income			
Revenue			
Other revenue	3.2	2,563	-
Total Revenue		2,563	-
Total income other than income from State Government		2,563	-
NET COST OF SERVICES		3,062,742	4,159,391
Income from State Government			
Service Appropriation	3.1	234,000	234,000
Grants received from Other State Agencies	3.1	128,611	-
Royalties for Regions Fund	3.1	-	3,291,665
Services received free of charge	3.1	1,939,883	1,465,871
Total income from State Government		2,302,494	4,991,536
SURPLUS / (DEFICIT) FOR THE PERIOD		(760,248)	832,145
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(760,248)	832,145

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



Statement of financial position
As at 30 June 2019

	Notes	2019 $	2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	390,024	390,023
Restricted cash and cash equivalents	6.1	272,436	1,091,334
Receivables	5.1	3,760	69,502
Total Current Assets		**666,220**	**1,550,859**
Non-Current Assets			
Restricted cash and cash equivalents	6.1	6,331	6,331
Amounts receivable for services	5.2	195,000	195,000
Property, plant and equipment	4.1	-	-
Intangible assets	4.2	-	-
Total Non-Current Assets		**201,331**	**201,331**
TOTAL ASSETS		**867,551**	**1,752,190**
LIABILITIES			
Current Liabilities			
Payables	5.3	13,922	138,313
Provisions	2.1	-	-
Total Current Liabilities		**13,922**	**138,313**
Non-Current Liabilities			
Provisions	2.1	-	-
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		**13,922**	**138,313**
NET ASSETS		**853,629**	**1,613,877**
EQUITY			
Contributed Equity	8.9	54,000	54,000
Accumulated surplus	8.9	799,629	1,559,877
TOTAL EQUITY		**853,629**	**1,613,877**

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



Statement of changes in equity
For the reporting period ended 30 June 2019

	Notes	Contributed equity $	Reserves $	Accumulated surplus / (deficit) $	Total equity $
Balance at 1 July 2017		54,000	-	727,732	781,732
Surplus		-	-	832,145	832,145
Total comprehensive income for the period	8.9	-	-	832,145	832,145
Balance at 30 June 2018		54,000	-	1,559,877	1,613,877
Balance at 1 July 2018		54,000	-	1,559,877	1,613,877
Surplus		-	-	(760,248)	(760,248)
Total comprehensive income for the period	8.9	-	-	(760,248)	(760,248)
Balance at 30 June 2019		54,000	-	799,629	853,629

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

Statement of cash flows
For the reporting period ended 30 June 2019

	Notes	2019 $	2018 $
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		234,000	234,000
Royalties for Regions Fund		-	3,291,665
Income received from Other State Agencies		128,611	-
Net cash provided by State Government		362,611	3,525,665
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(255,615)	(575,089)
Supplies and services		(314,356)	(145,053)
Grants and subsidies		(98,870)	(2,022,347)
Other expenses		(569,047)	(2,300)
GST payments on purchases		(34,951)	(190,561)
Accommodation		(900)	(45,727)
Receipts			
GST receipts on sales		256	1,648
GST receipts from taxation authority		89,412	212,594
Other receipts		2,563	1,931
Net cash used in operating activities		(1,181,508)	(2,764,904)
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		(818,897)	760,761
Cash and cash equivalents at the beginning of the period		1,487,688	726,927
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.1	668,791	1,487,688

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

Notes to the Financial Statements
For the reporting period ended 30 June 2019

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 30 August 2019.

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 **(AASs)**- Reduced Disclosure Requirements
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. 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	2019 $	2018 $
Employee benefits expenses	2.1(a)	256,392	338,782
Employee related provisions	2.1(b)	-	-
Grants and subsidies	2.2	98,870	2,022,347
Other expenses	2.3	2,710,043	1,793,454

2.1(a) Employee benefits expenses

	2019 $	2018 $
Wages and Salaries	218,737	225,957
Termination benefits	-	80,726
Superannuation - defined contribution plans [a]	25,715	25,079
Government Regional Officers Housing expense	11,940	7,020
Total employee benefits expenses	256,392	338,782

[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.

2.1(b) Employee related 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.*

	2019 $	2018 $
Current		
Employee benefits provisions		
Annual leave [(a)]	-	-
Long service leave [(b)]	-	-
	-	-
Other provisions		
Employment on-costs [(c)]	-	-
Total current employee benefits provisions	-	-
Non-current		
Employee benefits provisions		
Long service leave [(b)]	-	-
Other provisions		
Employment on-costs [(c)]	-	-
Total non-current employee benefits provisions	-	-
Total employee related provisions	-	-

[(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.

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.

The provision 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) **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 2.3 (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'.

	2019	2018
Employment on-cost provision	$	$
Carrying amount at start of period	-	3,038
Additional/(reversals of) provisions recognised	-	(3,038)
Carrying amount at start of period	-	-

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.

2.2 Grants and subsidies

	2019	2,018
	$	$
Recurrent		
Regional Grants	98,870	1,469,974
Community Chest	-	485,891
Local Projects Local Jobs	-	66,482
Total grants and subsidies	98,870	2,022,347

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

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

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

2.3 Other expenses

	2019 $	2018 $
Supplies and services		
Communications	244	12,043
Consultants and contractors	126,841	198,083
Consumables	8,320	8,206
Travel	54,776	39,144
Maintenance	548	-
Employee related expenses	706	27
Other	8,778	22,053
Support Services provided by DPIRD[a]	1,939,883	1,465,871
Total supplies and services expenses	**2,140,096**	**1,745,427**
Accommodation expenses		
Lease rentals	-	39,659
Repairs and Maintenance	900	4,855
Power and Water	-	1,213
Total accommodation expenses	**900**	**45,727**
Other expenditures		
Other expenses	501	2,300
Refund of revenue	568,546	-
Total other expenses	**569,047**	**2,300**
Total other expenditure	**2,710,043**	**1,793,454**

[a] Support Services provided by Department of Primary Industries and Regional Development to support the Commission in the fulfilment of its statutory functions and obligations under the Regional Development Commission Act 1993. See note 3.1 Income from State Government

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.

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]

Power and Water costs are recognised as expenses as incurred.

Other expenses:
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 2.1(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.

3. Our funding sources

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

	Notes	2019 $	2018 $
Income from State Government	3.1	2,302,494	4,991,536
Other Revenue	3.2	2,563	-

3.1 Income from State Government

	2019 $	2,018 $
Appropriation received during the period:		
Service appropriation [a]	234,000	234,000
	234,000	234,000

Income received from Other State Agencies	128,611	-
	128,611	-
Services received free of charge[b]		
Government Accommodation-Leasing		-
Department of Primary Industries and Regional Development - Support Services provided[c]	1,939,883	1,465,871
	1,939,883	1,465,871
Royalties for Regions Fund:		
Regional Community Services Account [d]	-	2,777,778
Regional & Statewide Initiative [d]	-	513,887
Total Royalties for Regions Fund	-	3,291,665
Total Income from State Government	2,302,494	4,991,536

[a] **Service appropriations** are accrual amounts reflecting the net cost services delivered. The appropiations revenue compromises a cash component only.

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

[c] **Support Services provided by Department of Primary Industries and Regional Development (DPIRD)** to support the Commission in the fulfilment of its statutory functions and obligations under the Regional Development Act 1993.

[d] **The Regional Community Services Account, and, Regional and Statewide Initiative** 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 contol on receipt of the funds.

3.2 Other revenue

	2019 $	2018 $
Other revenue- Other	2,563	-
	2,563	-

4. Key assets

Assets the Commission utilises for economic benefit or service potential

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

	Notes	2019 $	2018 $
Property, plant and equipment	4.1	-	-
Intangible assets	4.2	-	-
Total key assets		-	-

4.1 Property, plant and equipment

Year ended 30 June 2019

1 July 2018						
Gross carrying amount	14,644	-	64,609	30,491	-	109,744
Accumulated depreciation	(14,644)	-	(64,609)	(30,491)	-	(109,744)
Accumulated impairment loss	-	-	-	-	-	-
Carrying amount at start of year	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals (written down value)	-	-	-	-	-	-
Carrying amount at 30 June 2019	-	-	-	-	-	-
Gross carrying amount	14,644	-	64,609	30,491	-	109,744
Accumulated depreciation	(14,644)	-	(64,609)	(30,491)	-	(109,744)
	-	-	-	-	-	-

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

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

4.1.1 Depreciation and impairment

Change for the period

	2019 $	2018 $
Depreciation		
Office equipment	-	-
Computer hardware	-	3,658
Total depreciation for the period	-	3,658

As at 30 June 2019 there were no indications of impairment to property, plant and equipment.

Please refer to note 4.2.1 for guidance in relation to the impairment assessment that has been performed for intangible assets.

Finite useful lives

All 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

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.

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.

4.2 Intangible assets

Year ended 30 June 2019	Computer Software	Total
	$	$
1 July 2018		
Gross carrying amount	20,307	20,307
Accumulated depreciation	(20,307)	(20,307)
Accumulated impairment loss		
Carrying amount at start of year	-	-
Additions	-	-
Disposals (written down value)	-	-
Amortisation	-	-
Carrying amount at 30 June 2019	-	-
Gross carrying amount	20,307	20,307
Accumulated depreciation	(20,307)	(20,307)
Accumulated impairment loss	-	-

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.

4.2.1 Amortisation and impairment

Charge for the period

	2019	2018
	$	$
Intangible assets	-	1,150
Total amortisation for the period	-	1,150

As at 30 June 2019 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:

Asset	Useful life: years
Computer Software [(a)]	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 4.1.1.

5. Other assets and liabilities

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

	Notes	2019	2018
		$	$
Receivables	5.1	3,760	69,502
Amounts receivable for services	5.2	195,000	195,000
Payables	5.3	13,922	138,313

5.1 Receivables

	2019	2018
	$	$
Current		
Other Debtors	13	13
GST Receivable	3,747	69,489
Total current	3,760	69,502

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.

5.2 Amounts receivable for services (Holding Account)

	2019	2018
	$	$
Non-Current	195,000	195,000
Balance at end of period	195,000	195,000

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.

5.3 Payables

	2019 $	2018 $
Current		
Accrued salaries	777	-
Accrued expenses	1,640	128,490
Trade payables	11,505	9,823
Total current	13,922	138,313
Balance at end of period	13,922	138,313

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 6.1. 'Restricted cash and cash equivalents') consists of amounts paid annually, from commission 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. Financing

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

	Notes
Cash and cash equivalents	6.1
Commitments	6.2
Non-cancellable operating lease commitments	6.2.1

6.1 Cash and cash equivalents

	Note	2019 $	2018 $
Cash and cash equivalents	6.1	390,024	390,023
Restricted cash and cash equivalents		278,767	1,097,665
- Restricted - Royalties for Regions (RfR) [a]		207,346	999,218
- Restricted - Non RfR-GER		65,090	92,116
		272,436	1,091,334
Accrued salaries suspense account [b]		6,331	6,331
Balance at end of period		668,791	1,487,688

[a] These unspent funds are committed to projects and programs in the region.

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

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

6.2 Commitments

6.2.1 Non-cancellable operating lease commitments

	2019 $	2018 $
Commitments for minimum lease payments are payable as follows:		
Within 1 year	12,003	880
Later than 1 year and not later than 5 years	19,327	-
	31,330	880

The Commission had entered into a property lease which is a non-cancellable lease with a five year term, with rent payable monthly in advance. The lease committments have been transferred to DPIRD as part of the Machinery of Government.

7. Financial Instruments and Contingencies

	Note
Financial Instruments	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2

7.1 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:

	2019 $	2018 $
Financial Assets		
Cash and cash equivalents	390,024	390,023
Restricted cash and cash equivalents	278,767	1,097,665
Receivables[(a)]	13	13
Amounts receivable for services	195,000	195,000
Total financial assets	863,804	1,682,701
Financial Liabilities		
Financial liabilities measured at amortised cost	13,922	138,313
Total financial liability	13,922	138,313

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

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

7.2.1 Contingent assets

There are no contingent assets as at the end of June 2019

7.2.2 Contingent liabilities

There are no contingent liabilities as at the end of June 2019

8. 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	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related parties transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Remuneration of auditors	8.8
Equity	8.9
Supplementary financial information	8.10
Explanatory statement	8.11

8.1 Events occurring after the end of the reporting period

No 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.

8.2 Initial application of Australian Accounting Standards

AASB 9 ***Financial Instruments***

AASB 9 Financial Instruments replaces AASB 139 Financial instruments: Recognition and Measurement for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Commission applied AASB 9 prospectively, with an initial application date of 1 July 2018. Although the adoption of AASB 9 has resulted in changes in accounting policies, there are no adjustments to the amounts recognised in the financial statements. The transition to AASB 9 has therefore no impact on the opening balance of retained earnings. In accordance with AASB 9.7.2.15, the Commission has not restated the comparative information which continues to be reported under AASB 139

Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Commission's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Commission's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have any impact to the Commission.

8.2 Initial application of Australian Accounting Standards (continued)

Impairment

The adoption of AASB 9 has fundamentally changed the Commission's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Commission to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

The Commission has determined that the application of AASB 9's impairment requirements at 1 July 2018 results in no allowance for impairment.

8.3 Key management personnel

The Commisson has determined key management personnel to include Chief Executive Officer, members of the accountable authority, senior officers of the Commission and the Minister that the Commission 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 key management personnel, comprising members and senior officers of the Commission for the reporting period are presented within the following bands:

Compensation band of members of the accountable authority ($)	**2019**	**2018**
0 - 10,000	4	5
50,001 - 60,000	1	1
Compensation of senior officers ($)		
90,001 - 100,000	-	1
150,001-160,000	1	-
230,001 - 240,000	1	-
260,001 -270,000	-	1
	2019	**2,018**
	$	**$**
Short term employee benefits	387,748	257,692
Post employment benefits	39,495	74,420
Other long term benefits	37,356	19,047
Termination benefits	-	80,726
Total compensation of key management personnel	**464,599**	**431,885**

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

As of the 1st of July 2017, all Commission's staff were transferred to the Department of Primary Industries and Regional Development (DPIRD), except for the Chief Executive Officer. The disclosure for senior officers compensation represents both the CEO's employee benefits met by the Commission and all other senior officer's employee benefits now met by DPIRD.

8.4 Related parties transactions

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

Related parties of the commission include:

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

Material transactions with other related entities

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

8.5 Related bodies

The Commission had no related bodies during the reporting period.

8.6 Affiliated bodies

The Commission had no affiliated bodies during the reporting period.

8.7 Special purpose accounts

The Commission had no special purpose accounts during the reporting period.

8.8 Remuneration of auditors

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

	2019 $	2018 $
Auditing the accounts, financial statements controls, and key performance indicators	25,000	33,140

8.9 Equity

	2019 $	2,018 $
Contributed equity		
Balance at start of period	54,000	54,000
Contributions by owners		
Capital appropriation	-	-
Total contributions by owners	-	-
Balance at end of period	54,000	54,000

Accumulated surplus/(deficit)	2019 $	2018 $
Balance at start of period	1,559,877	727,732
Result for the period	(760,248)	832,145
Balance at end of period	799,629	1,559,877
Total equity at end of period	853,629	1,613,877

8.10 Suplementary financial information

(a) Write-offs
There were no write-off of debts during the financial year.

(b) Losses through theft, defaults and other causes
There have been no losses through theft, defaults or from other causes.

(c) Gifts of public property
There has been no gifts of public property provided by the Commission in this financial year.

8.11 Explanatory statement

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key variations selected from observed major varaInces, which are generally greater than:

5% and $9,440 for the Statement of Statements of Comprehensive Income and Cash Flows
2% and $19,780 for the Statement of Financial Position.

	Variance note	Estimate 2019	Actual 2019	Actual 2018	Variance between estimated and actual	Variance between actual results for 2019 and 2018
8.11.1 Statement of Comprehensive Income						
Income Variances						
Expenses						
Employee benefits expense	1, A	298,000	256,392	338,782	(41,608)	(82,390)
Supplies and services	2, B	150,000	2,140,096	1,745,427	1,990,096	394,669
Depreciation and amortisation expense		-	-	4,808	-	(4,808)
Accommodation expenses	C	-	900	45,727	900	(44,827)
Grants and subsidies	3, D	-	98,870	2,022,347	98,870	(1,923,477)
Other expenses	4, E	24,000	569,047	2,300	545,047	566,747
Total cost of services		472,000	3,065,305	4,159,391	2,593,305	(1,094,086)
Income						
Revenue						
Other revenue		-	2,563	-	2,563	2,563
Total Revenue		-	2,563	-	2,563	2,563
Total income other than income from State Government		-	2,563	-	2,563	2,563
NET COST OF SERVICES		472,000	3,062,742	4,159,391	2,590,742	(1,096,649)
Income from State Government						
Service appropriation		234,000	234,000	234,000	-	-
Grants and contributions from government agencies	5, F	-	128,611	-	128,611	128,611
Royalties for Regions Fund	6, G	238,000	-	3,291,665	(238,000)	(3,291,665)
Resources received free of charge	7, H		1,939,883	1,465,871	1,939,883	474,012
Total Income from State Government		472,000	2,302,494	4,991,536	1,830,494	(2,689,042)
SURPLUS/(DEFICIT) FOR THE PERIOD		-	(760,248)	832,145	(760,248)	(1,592,393)
Other Comprehensive Income						
Total Comprehenisve Income for the period		-	(760,248)	832,145	(760,248)	(1,592,393)

8.11.2 Statement of Financial Position Variances	Variance Note	Estimate 2019 $	Actual 2019 $	Actual 2018 $	Variance between estimated and actual $	Variance between actual results for 2019 and 2018 $
Assets						
Current Assets						
Cash and cash equivalents		390,000	390,024	390,023	24	1
Restricted cash and cash equivalents	8, I	544,000	272,438	1,091,334	(271,564)	(818,898)
Receivables	J	-	3,760	69,502	3,760	(65,742)
Total Current Assets		934,000	666,220	1,550,859	(267,780)	(884,639)
Non-Current Assets						
Restricted cash and cash equivalents		-	6,331	6,331	6,331	-
Amount receivable for services	9	55,000	195,000	195,000	140,000	-
Property, Plant and equipment		-	-	-	-	-
Intangible Assets		-	-	-	-	-
Total Non-Current Assets		55,000	201,331	201,331	146,331	-
TOTAL ASSETS		989,000	867,551	1,752,190	(121,449)	(884,639)
LIABILITIES						
Current Liabilities						
Payables	K	-	13,922	138,313	13,922	(124,391)
Provisions	10	22,000	-	-	(22,000)	-
Total Current Liabilities		22,000	13,922	138,313	(8,078)	(124,391)
Non-Current Liabilities						
Provisions	11	32,000	-	-	(32,000)	-
Total Non-Current Liabilities		32,000	-	-	(32,000)	-
TOTAL LIABILITIES		54,000	13,922	138,313	(40,078)	(124,391)
NET ASSETS		935,000	853,629	1,613,877	(81,371)	(760,248)
EQUITY						
Contributed Equity	12	-	54,000	54,000	54,000	-
Accumulated surplus/(deficit)	13, L	934,000	799,629	1,559,877	(134,371)	(760,248)
TOTAL EQUITY		934,000	853,629	1,613,877	(80,371)	(760,248)

8.11.3 Statement of Cash Flows Variances	Variance Note	Estimate 2019 $	Actual 2019 $	Actual 2018 $	Variance between estimated and actual $	Variance between actual results for 2019 and 2018 $
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		234,000	234,000	234,000	-	-
Income received from Other State Agencies	14, M	-	128,611	-	128,611	128,611
Royalties for Regions Fund	15, N	238,000	-	3,291,665	(238,000)	(3,291,665)
Net cash provided by State Government		472,000	362,611	3,525,665	(109,389)	(3,163,054)
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	16, O	(298,000)	(255,615)	(575,089)	42,385	319,474
Supplies and services	17, P	(150,000)	(314,356)	(145,053)	(164,356)	(169,303)
Accommodation	Q	-	(900)	(45,727)	(900)	44,827
Grants and subsidies	18, R	-	(98,870)	(2,022,347)	(98,870)	1,923,477
GST payments on purchases	19, S		(34,951)	(190,561)	(34,951)	155,610
Other expenses	20, T	(24,000)	(569,047)	(2,300)	(545,047)	(566,747)
				-		
Receipts				-		
GST receipts on sales		-	256	1,648	256	(1,392)
GST receipts from taxation authority	21, U	-	89,412	212,594	89,412	(123,182)
Other receipts		-	2,563	1,931	2,563	632
Net cash provided by/(used in) operating activities		(472,000)	(1,181,508)	(2,764,904)	(709,508)	1,583,396
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current physical assets		-	-	-	-	-
Net cash provided by/(used in) investing activities		-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents		-	(818,897)	760,761	(818,897)	(1,579,658)
Cash and cash equivalents at the beginning of the period		934,000	1,487,688	726,927	553,688	760,761
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		934,000	668,791	1,487,688	(265,209)	(818,897)

From the 1st of July 2017 as part of the recent Machinery of Government (MoG) changes, all Regional Development Commissions (RDCs) employees were transferred to Department of Primary Industries and Regional Development (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 the 2018/19 the Commission's Section 40 budget was set to only reflect board related costs, CEO salaries and travel costs, legacy projects and grants. This has resulted in a budget variance by 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.

Major Estimates and Actuals (2019) Variance Narratives

1 Employee benefits expenses variance of $41,608 is due to travel budgeted for as employee benefits and actual travel expenses being costed to supplies and services.

2 Supplies and services expense variance of $1,990,172 is a result of the Commission's Section 40 budget not accounting for services provided free of charge by DPIRD in the 2018-19 financial year.

3 Grants and subsidies expense variance of $98,870 is due to increases in grants expenditure related to approved carry over funds from 2017-18 financial year.

4 Other expenses variance of $545,047 is due to a return of funds for Regional Grant Scheme and Community Chest Funds projects to Treasury in 2018-19 financial year.

5 Grants and contributions from government agencies variance of $128,611 is due to funding to support the Commission's operational activity budgeted for as RfR fund where as actual revenue have been receipted to Grants and contributions from government agencies.

6 Royalties for Regions (RfR) Fund variance of $238,000 is due to the fundings to support the Commission's operational activity now being budgeted and receipted as Grants and contributions from government agencies.

7 Resources received free of charge variance of $1,939,883 is a result of the Commission's Section 40 budget not accounting for services provided free of charge by DPIRD in the 2018-19 financial year.

8 Restricted cash and cash equivalents variance of $271,564 is due to lower RfR project carry over funds at the end of 2018-19 financial year.

9 Amounts receivable for services variance of $140,000 is a result of Section 40 budget for 2018-19 being understated.

10 Provisions - current variance of $22,000 is due to the current acting CEO's leave entitlements for 2018-19 being accrued by home agency (DPIRD).

11 Provisions - non current variance of $32,000 is due to the current acting CEO's leave entitlements for 2018-19 being accrued by home agency (DPIRD).

12 Contributed equity budget variance of $54,000 is a result of not accounting for this item in the 2018-19 Section 40 budget.

13 Accumulated surplus variance of $134,371 is a result of the budget not taking into account the Retained cash funds held from previous years.

14 Income received from Other State Agencies variance of $128,611 is due to funding to support the Commission's operational activities originally budgeted for as RfR fund and now receipted as Income received from Other State Agencies.

15 Royalties for Regions (RfR) Fund variance of $238,000 is due to funding to support the Commission's operational activity budgeted for as RfR fund where as actual revenue have been receipted to Income received from Other State Agencies.

16 Employee benefits variance of $42,385 due to travel budgeted for as employee benefits and actual travel expenses being costed to supplies and services.

17 Supplies and services exceeded estimate by $164,432 due to higher trades payable at the end of 2017-18 financial year.

18 Grants and subsidies exceeded estimates by $98,870 due to increases in grants expenditure relating to approved carry over RfR funds from 2017-18 financial year.

19 GST payments on purchases increased by $34,951 is a result of not accounting for this item in the 2018-19 Section 40 budget.

20 Other payments exceeded estimates by $545,047 is due a return of RfR funds for Regional Grant Scheme and Community Chest Funds projects to Treasury in 2018-19 financial year.

21 GST receipts from the taxation authority exceeded estimates by $89,412 is a result of not accounting for this item in the 2018-19 Section 40 budget.

Major Actuals (2019) and Comparative (2018) Variance Narratives

A Employee benefits expense decreased by $82,390 is due to the final payment ($80,726) on termination of the former CEO in 2017-18 financial year.

B Supplies and services increased by $394,669 due to higher services provided free of charge from DPIRD in 2018-19 financial year.

C Accommodation expenses decreased by $44,827 due to funding arrangement from the MoG changes and the transfer of lease from the Commission to DPIRD in 2017-18.

D Grants and subsidies expense decreased by $1,923,477 due to the completion stage of RfR legacy projects in 2017-18 financial year.

E Other expenses increased by $566,747 is due to a return of ($568,546) RfR funds for Regional Grant Scheme and Community Chest Funds projects to Treasury in 2018-19 financial year.

F Grants and contributions from government agencies increased by $128,611 due to funding received from DPIRD to support the Commission's operational activity in 2018-19 financial year.

G Royalties for Regions (RfR) Fund decreased by $3,291,665 due to the completion of fundings for RfR legacy projects in 2017-18 financial year.

H Resources received free of charge increased by $474,012 due to higher services provided free of charge from DPIRD in 2018-19 financial year.

I Restricted cash and cash equivalents decreased by $818,898 due to return of funds ($568,546) to Treasury and utilising approved carryover funds from 2017-18 financial year.

J Receivable decreased by $65,742 due to higher trade debtors at the end of 2017-18 financial year.

K Payables decreased by $124,391 due to higher supplier invoices relating to grants payment at the end of 2017-18 financial year.

L Accumulated surplus decreased by $760,248 due to utilisation of carry over funds from previous financial year and less revenue received in 2018-19 financial year.

M Income received from Other State Agencies increased by $128,611 due to fundings received from DPIRD to support the Commission's operational activity in 2018-19 financial year.

N Royalties for Regions (RfR) funds decreased by $3,291,665 is due to the completion of fundings for RfR legacy projects in 2017-18 financial year.

O Employee benefits decreased by $319,474 due to the cash transfer of leave liability in 2017-18 to DPIRD.

P Supplies and services increased by $169,303 due to higher unpaid supplier invoices at the end of 2017-18 financial year.

Q Accommodation decreased by $44,827 due to funding arrangement from the MoG changes and the transfer of lease in 2017-18 from the Commission to DPIRD.

R Grants and subsidies decreased by $1,923,477 due to the completion stage of legacy projects in 2017-18 financial year.

S GST payments on purchases decreased by $155,610 due to the MoG changes and taxable invoices payments transferred from the Commission to DPIRD in 2017-18 financial year.

T Other expenses increased by $566,747 is due to a return of ($568,546) RfR funds for Regional Grant Scheme and Community Chest Funds projects to Treasury in 2018-19 financial year.

U GST receipts from taxation authority decreased by $123,182 due to lower taxable purchases in 2018-19 financial year.

4.3 KEY PERFORMANCE INDICATORS

GOLDFIELDS-ESPERANCE DEVELOPMENT COMMISSION

CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Goldfields-Esperance Development Commission's performance, and fairly represent the performance of the Commission for the financial year ended 30 June 2019.



Gail Reynolds-Adamson
Chair
30 August 2019



Kris Starcevich
A/Chief Executive Officer
30 August 2019

DETAILED INFORMATION IN SUPPORT OF KEY PERFORMANCE INDICATORS

Relationship to Government Goals
The Commission is the primary referral point in assisting people and groups working on projects, and business or industry to develop products/services that will benefit the whole of Goldfields-Esperance Community.

Our desired outcome is to encourage and promote opportunities to build, increase investment, attract, and to retain population to the Goldfields-Esperance region.

Performance measures are defined and monitored for the Commission's strategic goals through the Western Australian Government Budget Statements.

Government Goal	Desired Outcome	Services
Stronger focus on the Regions: Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.	An environment which is conducive to the balanced economic and social development of the Goldfields-Esperance region.	1. Facilitation of the Provision of Appropriate Infrastructure and Industry Services 2. Promotion of Region and Its Investment Opportunities.

KEY EFFECTIVENESS INDICATORS

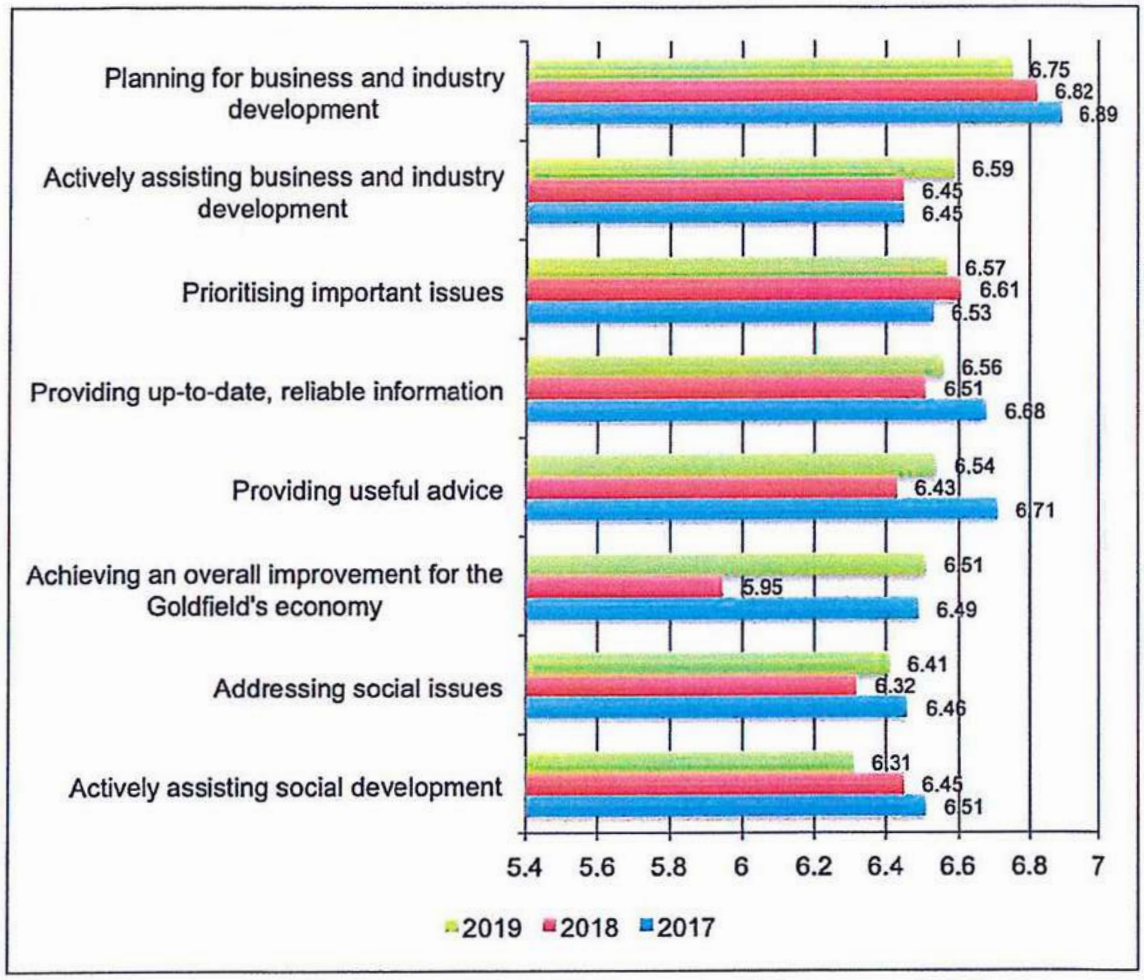
The key effectiveness indicators measure the extent to which performance contributes to improved client satisfaction.

In 2018/2019, an independent market research consultant conducted the Goldfields Esperance Development Commission Client Survey. A total of 151 completed surveys were obtained, the analysis of which forms the body of this report. The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of key clients within a possible sampling error of +/- 5.0% at the 95% confidence level.

Contact with clients and key stakeholders assists in providing opportunities to develop business and employment opportunities, to reduce obstacles to economic growth and increase trade activity. Success in these areas demonstrates the GEDC has achieved its stated outcome – an environment conducive to the balanced economic and social development of the Goldfields-Esperance region.

Overall, all scores reflected an above-average assessment of the GEDC reflecting well on the effectiveness of the organisation.
A score close to 10 reflects 'excellent' performance, a score close to 1 implies 'very poor' performance and a score at 5 reflects average performance.

The graph shown overleaf, shows the individual scores as well as compares activity performance across all activities. All scores are in the 6 range, which reflects an assessment of more than average performance.



The GEDC will continue to work towards maintaining these effectiveness targets. A comparison with previous years is summarised in the following table.

Effectiveness Indicator	2015	2016	2017	2018	2019	Target
Client satisfaction with the GEDC making a positive contribution to the economic and social development of the region	75.5%	81.5%	84.4%	83.5%	86.2%	77%

The report is available in full from our web site.

KEY EFFICIENCY INDICATORS

The key efficiency performance indicators measure the overall efficiency in achieving the desired outcomes. These outcomes are linked to Government goals.

The following efficiency indicators are based on the average cost per chargeable hour for each of the GEDC's two service areas.

Service 1 – Facilitation of the Provision of Appropriate Infrastructure and Industry Services

Service Description: To coordinate the identification of appropriate infrastructure, industries and enterprise services to the region so as to ensure that they are provided effectively and efficiently to meet the expanding needs of the region.

Efficiency Indicator	2018	2019	2019 Target
Ave Cost per chargeable hour	*$134*	**$132**	**$104**

The KPI calculation methodology was changed during the year to provide easier comparison between different Development Commissions. GEDC achieved an actual cost per hour of $132 per hour compared to an adjusted target of $146 per hour and a prior year adjusted actual of $134 (using the new calculation methodology). The Prior year value was re-cast to the new methodology from a previous value of $99 per hour.

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Service 2 – Promotion of Region and Its Investment Opportunities

Service Description: To promote the region's advantages and attractions by way of appropriate policies, strategies and plans, so as to encourage investment that will contribute to economic growth, employment and an increased population base in the region.

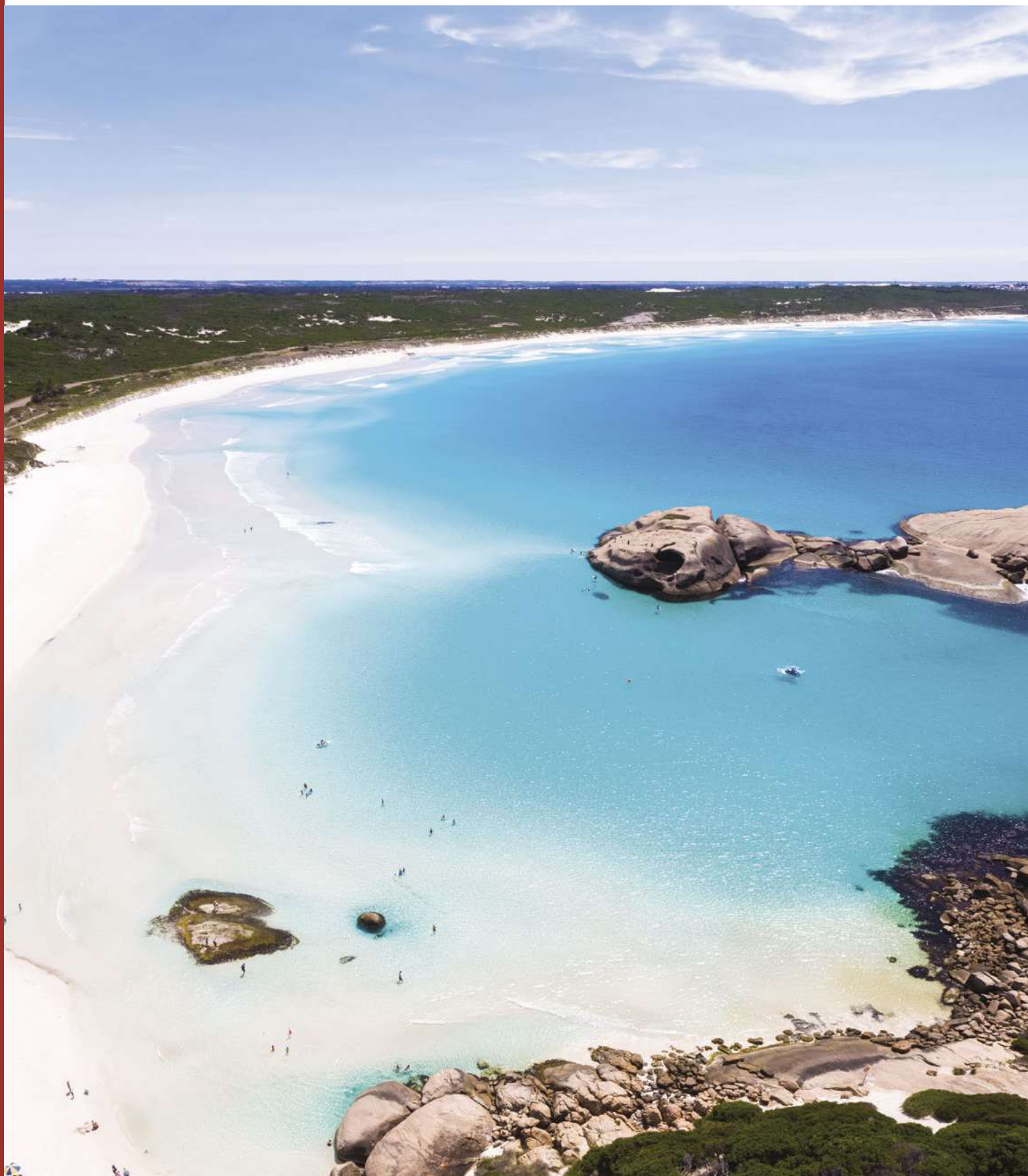
Efficiency Indicator	2018	2019	2019 Target
Average cost per chargeable hour	$130	**$128**	**$102**

The Commission's actual average cost per chargeable hour of $128 per hour compared favourably to an adjusted target of $143 per hour and a prior year adjusted actual of $130 (using the new calculation methodology).The Prior year value was re-cast to the new methodology from a previous value of $96 per hour.

4.4 MINISTERIAL DIRECTIVE

Section 25 (2) of the Regional Development Commission Act 1993 requires that the text of any written direction from the Minister is to be recorded in the annual report.

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



4.5 OTHER FINANCIAL DISCLOSURES

Capital Works

The Commission did not complete or commence any capital projects during the reporting period.

Employment & Industrial Relations

Employees of the GEDC	At June 2018	At June 2019
Full time permanent	0	0
Full time contract	**1**	**1**
Part time (FTE basis)	0	0
On secondment	0	0
Temporary	0	0
Total FTE Employed	**1**	**1**
Total Employees	**1**	**1**

Due to the Machinery of Government changes, the Chief Executive Officer is the only employee of the Goldfields-Esperance Development Commission. Resources, including staff, are provided by the Department of Primary Industries and Regional Development to enable the Commission to meet its legislative objectives.

The Commission is committed to the continuous development of staff working for the Commission with the aim of building a highly skilled and professional team with the ability to adapt to a changing economic and social environment.

Our People

As a result of Machinery of Government changes effective from 1 July 2017, DPIRD became the employing authority of GEDC personnel. The Department provides personnel to the GEDC to undertake operational activities under the day-to-day direction of the A/CEO. As at June 2019, the Department provided a compliment of 12 employees, an allocation of 11.4 full time equivalent (FTE's) assigned to the GEDC. Of these employees, 67 per cent are female and 33 per cent male.

	June 2017-18		June 2018-19	
	Male	Female	Male	Female
Level 6 and above	**2**	**1**	**3**	**3**
Level 6 and above %	**67%**	**33%**	**50%**	**50%**
Total agency staff	**2**	**8**	**4**	**8**
Total agency %	**20%**	**80%**	**33%**	**67%**

Staff Development

The Commission and the Department are committed to the continuous development of staff working for the Commission with the aim of a highly skilled and professional team with the ability to adapt to a changing economic and social environment. The Department provides human resource services to the GEDC and has supported staff development through various initiatives:

- Staff training including:
  - o Central Regional TAFE - Project Management
  - o Medilife - Operate as part of emergency control organisation
  - o St Johns Provide First Aid Training
  - o Smartygrants training regarding the application and management of an online grant management program.
  - o Institute of Public Administration Australia (IPAA) – Writing Ministerial letters and briefing workshops
- DPIRD provided the following onsite training to support staff and assist through structural changes
  - o Building resilience and effective communication
  - o Job Readiness training
  - o Procurement training
- As the lead of the Regional Heads State Government Agency (RHSGA) group the GEDC organised training delivered by the Public Sector Commission staff for local State Government agencies in *PSC Management Essentials Managing People*
- Women in Leadership was celebrated with a Kalgoorlie-Boulder Chamber of Commerce and Industry event – Women's Leadership Forum on Friday 13th July 2018, attended by women in leadership sharing their inspiring stories. Three Staff and a Board member attended this forum
- The GEDC Chair, Board members, A/CEO and Staff have presented and attended various regional, state and national conference relating to economic development during the year.

Additionally, the GEDC Board with support from DPIRD and the Public Sector Commission provided A/CEO the opportunity to complete the Australian Institute of Company Directors (AICD) Company Directors Course in August 2018, in Perth.

The Board also supported Ms. Kate Mills, Board member, to attend and complete this course in May 2019.

Harvard Economic Complexity

In June 2018, the Regional Development Council (RDCo) agreed, in principal, that each Regional Development Commission would contribute towards the Harvard Economic Complexity work proposed by the Western Australian Regional Development Trust and supported by the Department. The nine RDCs together with the Trust and DPIRD made a financial contribution to commence the development of this Framework.

The GEDC supported the work of the Trust to explore and implement the *Harvard Economic Complexity Framework* (Framework) as a potential tool to drive economic diversification and jobs growth in Western Australia.

In March 2019, the GEDC A/CEO was selected by Expression of Interest, to represent the WA Regional Development Alliance at the Executive Education Program with other senior executives from across the State Government.

In May 2019 a delegation of six (6) senior public sector executives from across State Government, led by the Director General of DPIRD, were nominated to attend the five-day Executive Education Program in Boston, USA to:

1. Participate in the Harvard University (Harvard) – Executive Education Program: Leading Economic Growth, an intensive five day executive program examining approaches to economic growth and development, with a focus on methodologies and strategies that promote economic diversification;

2. At the end of the program, engage in a full day workshop specifically designed for WA participants and facilitated by the Centre for International Development (CID) at Harvard.

3. Understand the potential for the Economic Complexity Framework to contribute to the State's economic agenda to stimulate economic diversification and jobs.

The GEDC believe that it is vital that Commissions are at the forefront of this economic complexity work to support its implementation across Government, to demonstrate our value in representing and seeking outcomes for regional WA and for building strong relationships with the executive of other economic focused Departments.

GEDC's involvement in this program is considered critical for highlighting the Goldfields-Esperance region in the global economic conversation, with the opportunity to put forward our regional centres as possible trial towns or regions for the Framework to be tested within Western Australia.



4.6 GOVERNANCE DISCLOSURES

Shares in another body

Goldfields-Esperance Development Commission does not have shares in another body.

Unauthorised Use of Credit Card

The Acting Chief Executive Officer and the Administration and Project Assistant holds a corporate credit card where their functions warrant usage of this facility. No unauthorised use or personal use expenditure of this facility was recorded in the financial year.

Senior Officer Interests

During the year, Goldfields-Esperance Development Commission did not incur expenditure with an entity in which a senior officer is also a Director, Partner or member of the Executive.

Board Renumeration

Chair	**$47,250 per annum**
Deputy Chair	**$5,000 per annum and sitting fee of $790 per day or $513 per half day**
Members	**Full Day $622 or Half Day $403**

Remuneration of the Board of Goldfields-Esperance Development Commission in 2018-2019 was as follows:

Position	Name	Period of Membership	Remuneration
Chair	**Gail Reynolds-Adamson**	**18 August 2014 – 30 June 2019**	**$46,917.85**
Deputy Chair	**John Bowler**	**10 March 2014 – 29 November 2018**	**$2,813.28**
Board Member	**Victoria Brown**	**5 September 2016 – 30 June 2019**	**$2,856**
Board Member	**Ryan Jones**	**16 July 2018 – 30 June 2019**	**$5,563**
Board Member	**Kate Mills**	**16 July 2018 – 30 June 2019**	**$5,344**
Acting/ Chief Executive Officer	**Kris Starcevich**	**1 May 2018 – 30 June 2019**	**N/A**

Annual Estimates 2019-2020

In accordance with Treasurer's Instruction 953, the annual estimates for the 2019-2020 reporting period are hereby included in the 2018-2019 Annual Report. These estimates do not form part of the 2018-2019 financial statements and are not subject to audit.

Goldfields-Esperance Development Commission
Annual Estimates 2019/2020

In accordance with Treasurers Instruction 953, the annual estimates for the 2019/2020 year are hereby included in the 2018/2019 Annual Report.
These estimates do not form part of the 2018/2019 financial statements and are not subject to audit.

Statement of Comprehensive Income	FOT 2018-19 $'000s	Budget 2018-19 $'000s	Budget 2019-20 $'000s
EXPENSES			
Employee benefits	275	298	320
Supplies and services	133	150	187
Services received free of charge	1,848	-	1,986
Depreciation and amortisation	-	-	-
Accommodation	-	-	-
Grants and subsidies	92	-	-
Other expenses	8	24	23
TOTAL COST OF SERVICES	**2,355**	**472**	**2,516**
INCOME			
Other revenue	-		-
TOTAL INCOME	**-**	**-**	**-**
NET COST OF SERVICES	**2,355**	**472**	**2,516**
INCOME FROM STATE GOVERNMENT			
Service appropriation	**243**	**234**	**243**
Income received from other state agencies	**129**	**238**	**287**
Services received free of charge	**1,848**	**-**	**1,986**
TOTAL INCOME FROM STATE GOVERNMENT	**2,219**	**472**	**2,516**
SURPLUS/(DEFICIT)	**(135)**	**-**	**-**

Statement of Financial Position	FOT 2018-19 $'000s	Budget 2018-19 $'000s	Budget 2019-20 $'000s
Current Assets			
Cash and cash equivalents	390	390	390
Restricted cash and cash equivalents	962	543	962
Receivables	70	-	70
Non-Current Assets			
Amounts receivable for services	195	55	195
Property, plant and equipment	-		
Intangible assets	-		
TOTAL ASSETS	**1,616**	**988**	**1,616**
LIABILITIES			
Current Liabilities			
Payables	138		138
Provisions	-	22	
Non-Current Liabilities			
Provisions	-	32	
TOTAL LIABILITIES	**138**	**54**	**138**
NET ASSETS	**1,478**	**934**	**1,478**
EQUITY			
Contributed equity	54	-	54
Reserves	-	-	
Accumulated surplus/(deficiency)	1,424	934	1,424
TOTAL EQUITY	**1,478**	**934**	**1,478**

Statement of Cash Flow	FOT 2018-19 $'000s	Budget 2018-19 $'000s	Budget 2019-20 $'000s
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation	243	234	243
Capital appropriation	-	-	
Income received from other state agencies	129	238	287
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits	(275)	(298)	(320)
Supplies and services	(133)	(150)	(187)
Accommodation	-	-	
Grants and subsidies	(92)	-	-
Other payments	(8)	(24)	(23)
Receipts			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets	-		-
Net increase/(decrease) in cash held and cash equivalents	**(135)**	**-**	**-**
Cash and cash equivalents at the beginning of the period	**1,488**	**934**	**1,353**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,353**	**934**	**1,353**

4.7 OTHER LEGAL REQUIREMENTS

Expenditure on Advertising, Market Research, Polling and Direct Mail

In accordance with Section 175ZE of the Electoral Act 1907, the Commission incurred the following expenditure on advertising, market research, polling, direct mail and media advertising.

Total expenditure for 2018-2019 was $7,141.58

Expenditure		Detail	Amount
(a)	**Advertising agencies**		**nil**
(b)	**Market research organisations**		**nil**
	Perth Market Research	GEDC Client Survey 2017-18	**$3,483.70**
	Perth Market Research	GEDC Client Survey 2018-19	**$3,657.88**
(c)	**Polling organisations**		**nil**
(d)	**Direct mail organisations**		**nil**
(e)	**Media advertising organisations**		**nil**

DAIP Outcomes

A Disability Access and Inclusion Plan 2016 – 2020 (DAIP) has been implemented by Goldfields-Esperance Development Commission, and includes all outcomes required under the legislation. The outcomes in the DAIP are supported by strategies to address the gaps identified in meeting the legislative requirements.

Standards and Ethical Coded

The GEDC has had no compliance issues during the financial year regarding the Public Sector Standards, the WA Code of Ethics or the internal Code of Conduct.

Record Keeping Plan

The State Records Act 2000 requires the GEDC to have a record-keeping plan and to comment in the annual report on compliance with the plan. The Commission's current record-keeping plan, along with the record retention and disposal authority and record-keeping policies, has been approved by the State Records Commission. The Commission staff receive induction and ongoing training in relation to the agency's record-keeping policies, practices and procedures.

Under Section 28 of the State Records Act 2000, no more than five years must elapse between the record-keeping plan and its review. The current record-keeping plan applies until late 2019 and work is progressing to develop and implement a new plan.



4.8 GOVERNMENT POLICY REQUIREMENTS

OH&S and Injury Management

The Commission acknowledges its responsibilities under the Occupational Safety and Health Act 1984 and commitment to provide and maintain a safe and healthy environment and exercise a duty of care to ensure employees, clients and visitors to the Commission's workplaces, as far as practical, are not exposed to hazards.

Occupational Health and Safety (OH&S) is a standing item on quarterly staff meetings and regularly discussed at weekly team meetings. A compliance officer is responsible for regular inspections and compliance register.

Workers Compensation

There have been no worker's compensation claims during the reporting period.

The Commission has nil to report against fatalities, lost time injury and/or disease incidence rate, percentage of injured workers returned to work and the A/CEO is trained in occupational safety, health and injury management responsibilities.





Photos supplied by:

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GOVERNMENT OF WESTERN AUSTRALIA

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