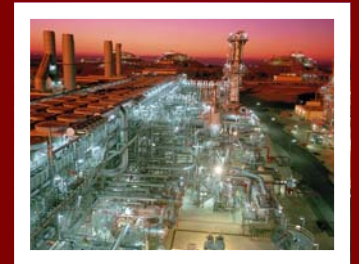
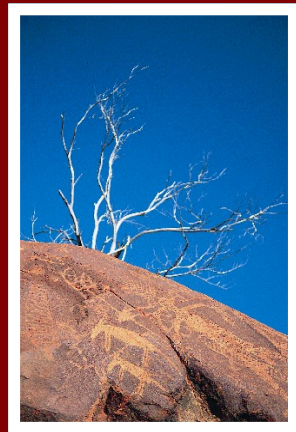
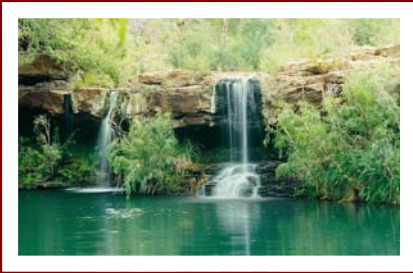


# Pilbara Development Commission Annual Report 2003 / 2004



The Pilbara  
Naturally Resourceful



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# CONTACT DETAILS

## Responsible Minister:

The Honourable Tom Stephens, BA, MLC  
Minister for Local Government and Regional Development; Heritage; the Kimberley,  
Pilbara and Gascoyne; Goldfields-Esperance.

## Accountable Authority:

Pilbara Development Commission

## Offices:

### Port Hedland

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# ANNUAL REPORT SUMMARY

This Annual Report provides a detailed and comprehensive analysis of the work undertaken by the Pilbara Development Commission during 2003/04.

Established under the Regional Development Commissions Act (1993) the role of the Pilbara Development Commission is to foster the economic development of the Pilbara region of Western Australia. In undertaking its role the Commission seeks to achieve a sustainable balance of economic, social and environmental values.

During the year the Commission has undertaken a variety of programs that are aimed at the continued and sustainable growth of the region.

The Section entitled Our Performance Provides:

- An overview of the Commission's operations during the year.
- Report on the how the Commission met the obligatory reporting requirements under the State Government's Strategic Planning Framework.

The Section entitled Performance Indicators details how the Commission's clients assessed the Commissions performance as well as demonstrating how effectively and efficiently the Commission performed.

A summary of the Commission's financial performance and end of year financial position is provided in the Financial Statements Section.

# INTRODUCTION

The Honourable Tom Stephens, BA, MLC  
Minister for Local Government and Regional Development; Heritage; the Kimberley, Pilbara and Gascoyne; Goldfields-Esperance

Sir,

In accordance with Section 66 (1) of the Financial Administration and Audit Act 1985, we hereby submit for your information and presentation to Parliament the Report of the Pilbara Development Commission for the period of 1 July 2003 to 30 June 2004.

The Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act (1985).

A handwritten signature in black ink, appearing to read 'ESM', with a long horizontal stroke extending to the right.

Ms Erica Smyth  
Chairman  
Dated: 6<sup>th</sup> August 2004

A handwritten signature in black ink, appearing to read 'Robyn M Crane', with a horizontal line underneath.

Mrs Robyn M Crane JP  
Acting Chief Executive Officer  
Dated: 6<sup>th</sup> August 2004

# STATEMENT OF COMPLIANCE

The Pilbara Development Commission was established as a statutory authority under the Regional Development Commissions Act (1993). As an agency of the State Government of Western Australia, the Commission is required to comply with a number of parliamentary Acts in the course of its business.

The Act clearly indicates the composition, appointment and remuneration of a Board of Management. It also makes provision for the disclosure of pecuniary interest by Board Members.

The functions and powers of the Commission are set down in the Act. Specifically the objectives of the Commission are to:

- ❖ Maximise job creation and improve career opportunities in the region;
- ❖ Develop and broaden the economic base of the region;
- ❖ Identify infrastructure services to promote business development within the region;
- ❖ Provide information and advice to promote business development within the region;
- ❖ Seek to ensure that the general standard of government services and access to those services in the region are comparable to that which applies in the metropolitan area; and
- ❖ Generally take steps to encourage, promote; facilitate and monitor the economic and social development of the region.

For the purpose of achieving those objectives, the Commission is to:

- ❖ Promote the region;
- ❖ Facilitate the coordination between relevant statutory bodies and State Government Agencies;
- ❖ Cooperate with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community within the region;
- ❖ Identify the opportunities for investment in the region and encourage that investment;
- ❖ Identify the infrastructure of the region and encourage the provision of that infrastructure in the region; and
- ❖ Cooperate with State and Commonwealth departments, agencies, instrumentalities and statutory bodies as well as local government authorities, in order to promote equitable delivery of services within the region.

## Legislation Administered

The Regional Development Commissions Act (1993).

## Amendments to Legislation

During 2003/2004 there were no amendments to the Regional Development Commissions Act (1993).

## Compliance with written laws

The Pilbara Development Commission has complied with all relevant written laws including:

- ❖ *Regional Development Commissions Act 1993*
- ❖ *Financial Administration and Audit Act 1985*
- ❖ *Public Sector Management Act 1994*
- ❖ *Salaries and Allowances Act 1975*
- ❖ *Equal Opportunities Act 1984*
- ❖ *Government Employees Superannuation Act 1987*
- ❖ *Occupational Health, Safety and Welfare Act 1984*
- ❖ *Workers Compensation and Rehabilitation Act 1981*
- ❖ *Industrial Relations Act 1979*
- ❖ *State Supply Commission Act 1991*
- ❖ *Government Employees Housing Act 1964*
- ❖ *Freedom of Information Act 1992*
- ❖ *Disability Services Act 1993*
- ❖ *Public and Bank Holidays Act 1972*
- ❖ *Electoral Act 1907*
- ❖ *Library Board of Western Australia Act 1993*
- ❖ *Public Service General Agreement 2002*
- ❖ *Official Corruption Commission Act 1998*
- ❖ *Public Interest Disclosure Act 2003*

## Changes in written law

There were no changes in any written law that affected the Commission during the financial year.

## Compliance

In the administration of the Pilbara Development Commission, we have complied with the requirements of the Financial Administration and Audit Act 1985 and all other relevant written law and exercised controls which provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

## Legislation and Compliance

At the date of signing we are not aware of any circumstances that would render the particulars included in this statement misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'ESM', with a long horizontal stroke extending to the right.

Ms Erica Smyth  
Chairperson  
Dated: 6<sup>th</sup> August 2004

A handwritten signature in black ink, clearly legible as 'Robyn M Crane', with a horizontal line underlining the name.

Mrs Robyn M Crane, JP  
Acting Chief Executive Officer  
Dated: 6<sup>th</sup> August 2004



# OUR ORGANISATION

The Pilbara Development Commission is one of nine Regional Development Commissions established by the Regional Development Commissions Act 1993.

The Commission is a Statutory Authority managed by a Board. The composition of the Board is determined by the Regional Development Commissions Act 1993 and includes three local government representatives, three community appointments and three ministerial appointments and the Chief Executive Officer by virtue of office.

The Pilbara Development Commission and its Board are responsible to the Honourable Tom Stephens, BA, MLC, Minister Local Government and Regional Development; Heritage; the Kimberley, Pilbara and Gascoyne; Goldfields-Esperance. The Commission receives an annual appropriation from the State Government budget to carry out approved activities.

The Commission operates from three locations, with its head office in Port Hedland and offices in Karratha and Roebourne.

## Broad Objectives

- ❖ Maximise job creation and improve career opportunities in the region;
- ❖ Develop and broaden the economic base of the region;
- ❖ Identify infrastructure services to promote economic and social development within the region;
- ❖ Provide information and advice to promote business development within the region;
- ❖ Seek to ensure that the general standard of government services and access to those services in the region are comparable to that which applies to the metropolitan area; and
- ❖ Generally take steps to encourage, promote, facilitate and monitor the economic development of the region.

## Pilbara Development Commission Outputs

### *Business and Industry Development*

- ❖ Economic Diversification
- ❖ Development Assistance
- ❖ Aboriginal Economic Development
- ❖ Address Impediments to Development

### *Infrastructure Service Identification and Coordination*

- ❖ Communications Enhancement
- ❖ Social Service Enhancement
- ❖ Planning Coordination

### *Regional Promotion and Information Services*

- ❖ Information Provision
- ❖ Regional Promotion
- ❖ Corporate Promotion

## **Our Role**

The Pilbara Development Commission's role is to coordinate, facilitate and promote the sustainable development of the Pilbara. To achieve this, the Commission undertakes projects that deliver services within the region to Pilbara people, industry, business and community groups.

In performing its duties, the Commission seeks to work in close partnership with the region's local government authorities, State and Commonwealth agencies, industry, businesses, community organisations and residents.

The Commission is keen to support local people as well as encourage investors wishing to participate in the region's economic and social growth.

The Commission has the experience, research skills and a wealth of regional information and contacts to support individuals and organisations with development proposals.

# THE 2003/2004 YEAR AT A GLANCE

Some of the major achievements of the Commission during 2003/04 were:

- Following consultation with State, Federal and local government agencies and community groups and organisations developed the Pilbara Regional Priority Plan for Cabinet Standing Committee on Regional Policy. The Plan outlines the key issues identified as those that need to be addressed to ensure the continued development of the region.
- Established the Port Hedland Enhancement Scheme Steering Committee to oversee the development of the Scheme and commenced planning and design work for Stage I Foreshore Development.
- Made a submission to the Inquiry into the Local Government Rating System and Distribution of Funds regarding the return of mining royalties to the region.
- Commenced the establishment of the Central Pilbara Coordinating Taskforce to coordinate economic and social development opportunities that arise from the expansion of inland ironore towns.
- Hosted a Government Inter-Agency forum to bring the three tiers of Government together to inform them of major initiatives in the region that may affect strategic planning and direction of agencies.
- Assisted with the coordination of a Regional Investment Tour of the Pilbara, in line with the Government's initiative of promoting regional investment.
- Worked with stakeholders to achieve the completion of stage one of the Pilbara Internet Portal - [www.thepilbara.com](http://www.thepilbara.com). The community portal is designed to expand business opportunities for Pilbara small businesses.
- Promoted and administered the Pilbara Regional Development Scheme within the region. During the year the Commission funded 22 projects with a total value of more than \$363,000.
- Worked with the TAFE colleges and Curtin University to develop mechanisms by which a range of university courses could be offered in the Pilbara.
- In conjunction with Pilbara ethnic communities and Ethnic Communities Council of Western Australia, established a database of information for ethnic communities and individuals living in the region and provided the information via the web.
- Continued to chair the Nickol Bay Accommodation and Associated Issues Taskforce to ensure accommodation issues associated with the development of the Burrup Peninsula were appropriately managed.
- Utilised Networking the Nation Funding to improve telecommunications infrastructure of remote Aboriginal communities in the Western Desert.
- Worked towards the completion of an infrastructure audit of the Pilbara in conjunction with local government authorities in the region.
- Continued work on the Roebourne Enhancement Scheme and in particular the planning and community consultation for the Youth Precinct and Harding River Precinct components of the Scheme.

# OUR REGION

## OVERVIEW

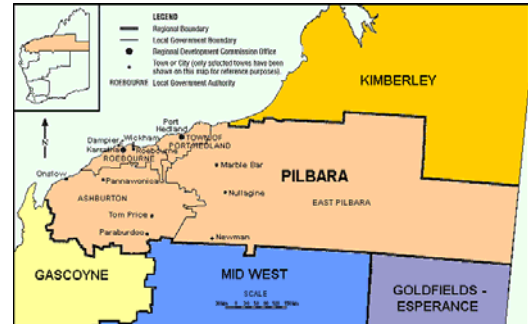
The Pilbara is part of Australia's exciting North West. The region is a mix of inland communities, remote Indigenous communities and coastal towns.

The region is known for its natural resources, which were first commercially recognised in the 1960's when the Pilbara came to national and international prominence with the development of its extensive iron ore reserves.

The region gained further prominence in the late 1970's with the discovery of natural gas and the construction of a natural gas plant on the Burrup Peninsula, near Dampier, during the 1980s.

The marine, tourism and pastoral sectors are also important contributors to the region's economy.

The Pilbara region is rich in natural attractions. Residents and tourists take advantage of the range of activities on offer in the region, from the beauty of the inland gorges to coastal areas where fishing and diving are world class.



## REGIONAL PROFILE

Covering an area of 507,896 square kilometres or 20% of the State, the Pilbara region is Western Australia's second most northern region. Most of the inhabitants are located in the western third, with the eastern third mainly populated by small and remote Indigenous communities. The region has four local government areas:

- ❖ Shire of Ashburton;
- ❖ Shire of East Pilbara;
- ❖ Shire of Roebourne; and
- ❖ Town of Port Hedland.

The major towns in the region are Port Hedland, South Hedland and Karratha. Other main communities are Roebourne, Dampier, Onslow, Pannawonica, Paraburdoo, Point Samson, Tom Price, Wickham, Newman, Marble Bar and Nullagine. The region is also home to a number of Indigenous communities such as Wakathuni, Yandeyarra, Jigalong, Punmu, Parngurr and Kunawaritji. Pastoral leases cover about one third of the region and are used mainly for cattle and sheep grazing on native shrub-lands and grassland.

There are three national parks in the region. These are the Karijini National Park, Millstream-Chichester National Park and the Rudall River National Park. The Pilbara also has a marine estate comprising coastal waters and offshore islands, including Barrow Island, the islands off Onslow, the Montebello Islands and the Dampier Archipelago. The principal business activity operating in the vicinity of these islands is the petroleum industry along with a small number of pearl farms and fishing. The conservation and recreational value of the marine estate is also significant.

## ECONOMIC PERSPECTIVE

*\*Note: Figures included in this report are derived from the most up to date data sources supplied from the Department of Industry and Resources and the Department of Local Government and Regional Development*

The continued economic development of the Pilbara has boosted the region's reputation as the powerhouse of the Western Australian economy. Most of the region's economic activity is derived from the direct and indirect employment resulting from these two sectors.

The region's total mining and petroleum industry production is valued at \$15.9 billion, 57% of the value of the State's total mineral and petroleum production.

The expansion of the Pilbara's resource industries and the development of value adding activities, particularly in the natural gas sector, will ensure the future development of these commodities.

The potential establishment of three heavy industrial estates, two located in the Shire of Roebourne and one in the Town of Port Hedland, will encourage downstream processing of the region's mineral resources.

Tourism is an emerging industry sector but availability of suitable accommodation and tourism product is an ongoing challenge.

## IRON ORE

Iron ore production in the Pilbara region has reached 183.8 million tonnes per annum (Mt/a) and is valued at \$5.1 billion, 98% of the State's total iron ore production.

Over the last year, this sector has experienced substantial growth with the major companies like BHP Billiton Iron Ore Pty Ltd and Rio Tinto Limited signing large export contracts with overseas customers in Asia.

The iron ore industry continues to grow and the volume of iron ore sales in Western Australia was up by 3.5%, achieving a new industry record of 172 Mt per annum.

BHP Billiton Iron Ore Pty Ltd, together with Rio Tinto Limited's subsidiaries Hamersley and Robe River are the dominant producers of the resource and have increased production at their mines in order to cater for this increased demand.

In August 2002, Rio Tinto Limited opened Robe River's new mine at West Angelas. This new \$450 million mine (capital expenditure) is based on a resource of around one billion tonnes of low iron content Marra Mamba ore. The mine commenced production in early 2002 and is building up to a production rate of 20 Mt/a by the first half of 2004. Plans are already underway to expand capacity by 24 Mt/a.

Rio Tinto's Hamersley Iron Pty Ltd subsidiary officially opened a \$124 million East Paraburdoo mine on 19 April 2004 as part of its joint venture with Shangai Baosteel Group Corporation, China's biggest steel maker.

The joint venture, known as Bao-HI Ranges Joint venture is expected to export around 200 Mt of high grade iron ore to China over a 20 year period.

BHP Billiton Iron Ore Pty Ltd's new iron ore mine at Mining Area C was approved in November 2002 and commenced production in August 2003.

Mining Area C (MAC) contains 890 Mt of Marra Mamba ore, the largest undeveloped resource of its kind in the Pilbara. The development has included a mine and rail spur to link MAC to the

existing Yandi mine spur, which in turn links to the main BHP Billiton Iron Ore Pty Ltd line to Port Hedland.

The \$350 million project was originally planned to produce 15 Mt/a by 2011. However, in response to a surging demand in the world iron ore market, the development has been accelerated and full capacity production was achieved by the first quarter of 2004.

BHP Billiton Pty Ltd also completed the Port and Capacity Expansion (PACE) project in February 2004 to allow the company to increase its export capacity from 67 Mt/a to 110 Mt/a by 2004.

BHP Billiton Pty Ltd is also currently investigating ways in which to increase production and export capacity to 145 Mt/a over the next five years to meet the projected increase in demand for ore.

## **CRUDE OIL**

The region's crude oil production is valued at \$4.3 billion per annum, which accounts for 99% of the State's production.

## **LIQUEFIED NATURAL GAS**

Liquefied Natural Gas (LNG) production in the Pilbara is valued at \$3.1 billion per annum and accounted for all of the State's production.

In August 2002, the partners in the North West Shelf Gas Project secured a \$25 billion contract which became Australia's biggest export deal with a single customer. Under this project, the North West Shelf Gas Project became the inaugural supplier of LNG to China. From 2005/2006, the North West Shelf Gas Project will supply more than 3 million tonnes of LNG annually for a period of 25 years to China's Guandong Province in south east China.

This deal is likely to underpin the development of the fifth LNG train on the Burrup Peninsula depending on future market conditions. Construction of the fourth LNG train and a 2<sup>nd</sup> offshore pipeline, worth \$2.4 billion, is due for completion in September 2004.

In late 2003, the Western Australian Cabinet approved, in principle, after evaluation of environmental, social, economic and strategic aspects, the restricted industrial use of Barrow Island by Chevron Australia Pty Ltd in its development of the Gorgon Gas Fields.

The Gorgon Joint Venture is considering an LNG (up to 10Mt/a) and domestic gas development at Barrow Island. Gas reserves have been enhanced by positive results from an exploration program in the West Gorgon area and development decisions will be subject to market commitments. The Joint Venture has applied for environmental approvals so it is in a position to begin construction in late 2005, with the first LNG expected by the end of 2008.

## **PETROLEUM CONDENSATE**

The value of petroleum condensate produced in the region is \$2.1 billion per annum, which accounted for virtually all of the State's production.

## **NATURAL GAS**

The production of natural gas from the region delivered to the domestic market is valued at \$646.8 million per annum, which is 98% of the State's natural gas production.

## LIQUEFIED PETROLEUM GAS

Production of Liquefied Petroleum Gas (LPG) is valued at \$393.8 million per annum and comes from butane (\$221.5 million) and propane (\$172.3 million).

## SALT

The Pilbara has the largest solar salt fields in Australia. The three major salt fields in the region are located at Dampier, Port Hedland and Onslow. Salt production is valued at \$174.7 million per annum and accounts for 77% of the State's total production of salt.

## COPPER

Copper is produced from the region's sole copper mine, 200 kilometres south east of Marble Bar, in the Shire of East Pilbara.

The value of copper production in the Pilbara is \$63.9 million per annum down from \$71.7 million in previous years. Production from the region is made up of copper cathode and copper by-product.

## MANGANESE

The value of manganese production from the region is \$75.4 million per annum, which represents all of the State's production.

## NICKEL

For the year ending June 2003, the region produced nickel concentrates valued at \$13 million. All of the region's nickel was mined at the Radio Hill Nickel mine, south of Karratha.

The Radio Hill Nickel mine ceased operations in September 2002 and this accounts for the decrease in value of nickel production from \$50 million per annum in previous years to that of \$13 million.

In October 2002, Fox Resources Limited purchased the Radio Hill Nickel Mine from Titan Resources.

Fox Resources Limited will not recommence production of nickel and copper at the Radio Hill Nickel mine until July 2004. In the meantime, an extensive drilling, exploration and refurbishment program will be undertaken at the mine in preparation of the recommencement of operations.



## **GOLD**

The region did not produce any gold for the 2002/2003 period. However, Newcrest Mining Limited is currently re-commissioning the Telfer gold mine and is on schedule to officially open the mine in October 2004.

Feasibility Studies for the Telfer operation have identified a large low grade resource in excess of 500 Mt, containing more than 26 Million oz gold. Furthermore, the Telfer mine has the potential to be the largest open cut and underground mine in Australia. The project is expected to produce 800,000 oz/a of gold and 30,000 t/a of copper during the projected 24 year life of the mine.

Newcrest Mining Limited has also indicated that it will build a new 18Mt/a mineral processing plant at the mine site and has commenced construction of a 440km gas pipeline from Port Hedland to the mine site at Telfer.

## **FISHING**

The three major commercial fisheries in the Pilbara region are the Nickol Bay Fishery, the Onslow Prawn Fishery and the Pilbara Demersal Fin Fish Fisheries. Established fishing operations are located at Onslow, Dampier, Point Samson and Port Hedland.

Pearling is spread throughout the Pilbara, including several land based sites, pearling leases and one pearl oyster hatchery. The value of pearl production is estimated at \$26.3 million per annum.

The fishing industry is relatively small compared to other industry activity in the region. The catch is dominated by fin fish and prawns. The total catch in the region is 3,966 tonnes per annum, valued at an estimated \$16.6 million.

The total catch of fin fish was 3,293 tonnes, worth an estimated value of \$10.4 million. The total prawn catch was 484 tonnes, with an estimated value of \$5.5 million and the mollusc catch was 101 tonnes, valued at approximately \$229,000.

## **TOURISM**

Tourism is a small but valuable contributor to the Pilbara's economy, particularly in the areas of cultural and eco-tourism. According to figures available from the Western Australian Tourism Commission (WATC), the number of domestic visitors to the Pilbara for 2003 was estimated to be 248,000 people. This accounted for 90% of total visitors to the region. The expenditure of both domestic and international visitors to the region for 2003 was estimated to be \$112 million.

The Pilbara has a variety of attractions, from the spectacular gorges and waterfalls of the Karijini National Park, to the tropical oasis of the Millstream-Chichester National Park. The coastal towns offer excellent fishing, boating and diving pursuits.

Industrial tours continue to attract large numbers of tourists to the region, with major resource companies working in partnership with local tourist operators to encourage visitors to the region to expand their knowledge of the resources sector.



## OTHER INDUSTRY

Karratha, Port and South Hedland are the three major commercial centres and a full range of business activities can generally be found at these centres; banking, investment and financial centres, industry, building and home maintenance supplies, real estate, retail and wholesale, hospitality and accommodation.

Local, State and Federal Government agencies are also located in the major towns. A number of businesses in the region service the minerals and energy sectors and engineering, surveying, personnel and equipment hiring services are well represented.

## POPULATION

The estimated resident population of the Pilbara is 39,529 persons with the majority of the region's population residing in the region's major towns. The total labour force in the Pilbara was 24,503 persons. The region's average unemployment rate is 3.2 per cent and this remains well below the State's unemployment rate of 6 per cent for the same period.



# OUR PEOPLE

## Our Board

The Pilbara Development Commission Board is responsible for setting the Commission's main policies and priorities. As a Governing Board, it guides and directs the organisation. It sets performance goals, ensures corporate compliance and management accountability, endorses strategic plans and approves operating budgets.

The Board's role is to ensure the organisation has the resources necessary to achieve goals, monitor progress and report on outcomes.

The Board is responsible to the Hon Tom Stephens MLC, Minister for Local Government and Regional Development; Heritage; the Kimberley, Pilbara and Gascoyne; and Goldfields-Esperance.

The composition of the Board is determined by the Regional Development Commissions Act 1993. It comprises three local government, three ministerial and three community representatives and the Chief Executive Officer by virtue of office.

The nine members are appointed by the Minister for Pilbara for periods of up to three years. A Board Member is eligible to serve on the Board for a maximum of six consecutive years.

The Chief Executive Officer is appointed by the Minister to manage the day-to-day activities of the Commission.

### **Ms Erica Smyth - Chairman**

**Term of Appointment: July 2000 - June 2004**  
**Ministerial**

Ms Smyth has extensive experience and knowledge of the Pilbara region through her employment in the mid 1970's with Mt Newman Mining Company based in Newman and continual close association with iron-ore and petroleum industries throughout the 1990's. Ms Smyth is General Manager External Affairs with Woodside Energy Ltd.

Ms Smyth is currently a Board Member of the Diabetes Research Foundation; a Member of the Senate of the University of Western Australia, a Trustee of the Committee of the Economic Development of Australia and a Fellow of the Australian Institute of Company Directors.

### **Cr Brent Rudler - Deputy Chairman**

**Term of Appointment: December 2002 - December 2004**  
**Local Government**

Cr Rudler is a long term resident of Port Hedland, who owns and operates several small businesses in the town. He was the Mayor of the Town of Port Hedland until 23<sup>rd</sup> June 2004 and has served as a Councillor on the Town of Port Hedland for the past six years. Cr Rudler's extensive knowledge and involvement in the community is evident through his membership and participation on various local committees and groups. Cr Rudler currently serves as a Director of the Port Hedland Port Authority Board; is a Board Member of the Small Business Development Corporation Board and was a past Executive member with the Port Hedland Chamber of Commerce.

**Cr Rob Vitenbergs**

**Term of Appointment: Dec 2001 - Resigned April 2004**

**Local Government**

Cr Vitenbergs is a (self funded) retiree who resides in Point Samson. Prior to retiring, Cr Vitenbergs was Marine Manager with Hamersley Iron based in Dampier. Cr Vitenbergs has been associated with Roebourne and Point Samson since 1952 where he attended primary and secondary school. He served in the Royal Australian Navy for 22 years during which time he was promoted to the rank of Commander and gained tertiary qualifications in Marine Engineering. Cr Vitenbergs is a Shire of Roebourne Councillor and more recently served as the Acting Chief Executive Officer of the Dampier Port Authority.

**Ms Anita Grace**

**Term of Appointment: Dec 2001 - Retired June 2003**

**Local Government**

Ms Grace has lived in Newman for the past 15 years where she owns and operates a local small business. Ms Grace was first elected to the Shire of East Pilbara as a Councillor in 1986. Ms Grace has held the position of Deputy Shire President and Board member of the Eastern Pilbara College of TAFE. Ms Grace's interests include squash and painting.

**Mr John Macgowan**

**Term of Appointment: December 2001 - June 2006**

**Community**

Mr Macgowan has lived and worked in the north of Australia for the past 27 years and specifically in the North West of Western Australia since 1989. Until the collapse of Ansett Airlines in September 2001, Mr Macgowan was the North West Manager for Ansett Airlines incorporating the ports of Kununurra, Derby, Broome, Port Hedland, Newman and Karratha. In October 2001, Mr Macgowan became a partner in Harvey World Travel Karratha, which holds the ground-handling contract for Qantas at Karratha Airport.

Mr Macgowan holds an executive position with the Karratha and Districts Tourist Information Centre and is currently Secretary of the Nor-West Jockey Club. Mr Macgowan is also Vocational Services Director for the Rotary Club of Karratha.

**Robyn Richardson**

**Term of Appointment: July 2000 - Retired December 2003**

**Community**

Mrs Richardson has lived in the North West since 1972, spending two years at Coolawanyah Station before moving to Mt Florance Station with her husband Tony, in January 1974. Mrs Richardson has been involved in the day to day running of Mt Florance Station, which has shifted from primarily wool production to the production of beef cattle. In 1994, a tourism component was added to the Station's activities.

Mrs Richardson has held the position of Secretary of the Roebourne - Port Hedland Land Conservation District Committee. In her spare time Mrs Richardson enjoys bush walking and bird watching.

**Cr Peter Foote**

**Term of Appointment: July 2000 - Retired December 2003**

**Local Government**

Cr Foote has lived in the Pilbara since 1973. A surveyor by profession, Cr Foote operates his own surveying company in Paraburdoo.

Cr Foote has been a Councillor for the Ashburton Shire since 1991 and is currently the Deputy President. Cr Foote has represented the Shire on the Pilbara Regional Council (PRC), Australian Airport Owners Association (AAOA) and the Pilbara Regional Roads Advisory Group (PRRAG). Cr Foote is elected by the four Pilbara Councils to represent the Pilbara on the Western Australia Local Government Association (WALGA) Executive.

**Mr Dean Dalla Valle**

**Term of Appointment: Dec 2002 - Resigned January 2004**

**Community**

Mr Dalla Valle was previously Vice President Ports for BHP Billiton in Port Hedland. He had responsibility for a workforce over 800 people and all aspects of management in the running of the Nelson Point and Finucane Island ore receiving processing plants. Mr Dalla Valle has twenty five years experience in the resources industry. Mr Dalla Valle strongly supported community participation and was Director of the Port Hedland Port Authority Board; Steering Committee Member of the BHP Billiton Global Maintenance Network; Member of the Port Hedland Chamber of Commerce and the Port Hedland Mainstreet Committee.

**Mr Charles Smith**

**Term of Appointment: Dec 2002 - Dec 2005**

**Ministerial**

Mr Smith resides in South Hedland but has strong family and cultural ties to the Roebourne community. A boilermaker/welder by trade, Mr Smith is currently the Executive Officer for the IBN Corporation Pty Ltd, a role that requires him to travel extensively throughout the region negotiating Land Use Agreements between the Innawonga, Banjyma and Niapaili people and resource companies. Mr Smith was instrumental in assisting lawyers to establish the IBN Company and create the Trust Foundation for the IBN people. Part of his duties also involves managing the financial funds for the IBN people from negotiated Land Use Agreements.

Previous to his current position, Mr Smith was the Chairperson of the Gumala Aboriginal Corporation in Tom Price. He is currently a Director of Gumala Enterprises Pty Ltd; a member of the Steering Committee for Pilbara Native Title Services and a Director of Indigenous Mining Resources Pty Ltd.

**Mrs Janet Gillingham**

**Term of Appointment: Dec 2003 - June 2006**

**Community**

Ms Gillingham is a self employed music teacher, a long term resident of Port Hedland and is actively involved in community arts development. She has held many teaching positions throughout her career and has lectured in music for Edith Cowan University in Port Hedland.

Ms Gillingham has held the position of Community Music Programme Coordinator for Port Hedland which has seen her assist in the coordination of numerous music festivals. She is also a member of the Isolated Children Parent's Association.

**Mr Brian Hayes**

**Term of Appointment: Dec 2003 - June 2006**

**Local Government**

Mr Hayes has served as a Councillor with the Shire of Ashburton for ten years and in that time was the Shire President. As a member of the Pilbara Development Commission board he would like to see the further development of infrastructure, facilities and increased tourism, education, training and business opportunities.

**Cr Douglas Stead**

**Term of Appointment: Dec 2003 - June 2006**

**Local Government**

Cr Stead has lived and worked in Newman since 1978. Cr Stead is a Mechanical Tradesperson with BHP Billiton, and is a Councillor with the Shire of East Pilbara. He has assisted in several initiatives in Newman, including the BHP Billiton Housing Policy and Employment of the local Apprentices.

**Mrs Robyn Crane JP - Acting Chief Executive Officer**

**Ex Officio**

Mrs Crane came to live in the Pilbara in 1971 and worked in the area of small business development and management prior to joining the Western Australian Public Service in 1985. Mrs Crane has held a number of senior executive positions and represented Western Australia on a number of high level working groups.

Mrs Crane was a Councillor with the Shire of Roebourne for ten years, five of which she served as Shire President and has continued to represent the Pilbara on a number of taskforces. As the Acting Chief Executive Officer, Mrs Crane is responsible for the day-to-day management of the Pilbara Development Commission.

## **Meetings Attendance**

Attendance by Board Members at meetings held during the financial year ended 30 June 2004 were as follows:

	<b>Meetings Attended</b>	<b>Meetings Eligible to Attend</b>
Ms Erica Smyth	4	4
Cr Brent Rudler	4	4
Mr. Dean Dalla Valle	2	3
Cr Anita Grace	1	2
Cr Peter Foote	0	2
Ms Jan Gillingham	2	2
Mr Brian Hayes	1	2
Mr John Macgowan	3	4
Mrs Robyn Richardson	1	2
Mr Charlie Smith	2	4
Cr Doug Stead	2	2
Cr Rob Vitenbergs	4	4
Mrs Robyn Crane	4	4

## Declarations of Interests

At the date of reporting, other than normal contracts of employment of service, no Board Members or Senior Officers or firms of which Members or Senior Officers are members, or entities in which Members or Senior Officers have substantial interests, had any interests in existing or proposed contracts with the Pilbara Development Commission and Members or Senior Officers.

## Ministerial Directives

During the year, there were no Ministerial directives relevant to the setting of operational objectives, the achievement of operational objectives, investment activities or financing activities.

## Advisory Committees

Under the provisions of the Regional Development Commissions Act 1993, the Board may, from time to time, establish a committee for the purpose of considering a particular matter specified by the Board and prescribe the membership, constitution and procedures of the committee.

In 2003 / 2004, the following committees were in place:

### *Sustainability Strategy Sub-Committee*

Ms Erica Smyth, Chairman - Pilbara Development Commission Board  
Mr John Macgowan, Member - Pilbara Development Commission Board  
Mrs Robyn Richardson, Member - Pilbara Development Commission Board  
Mrs Robyn M Crane, Acting Chief Executive Officer - Pilbara Development Commission  
Mr Mark Hainsworth, Staff Member - Pilbara Development Commission

### *Dampier Marina Sub-Committee*

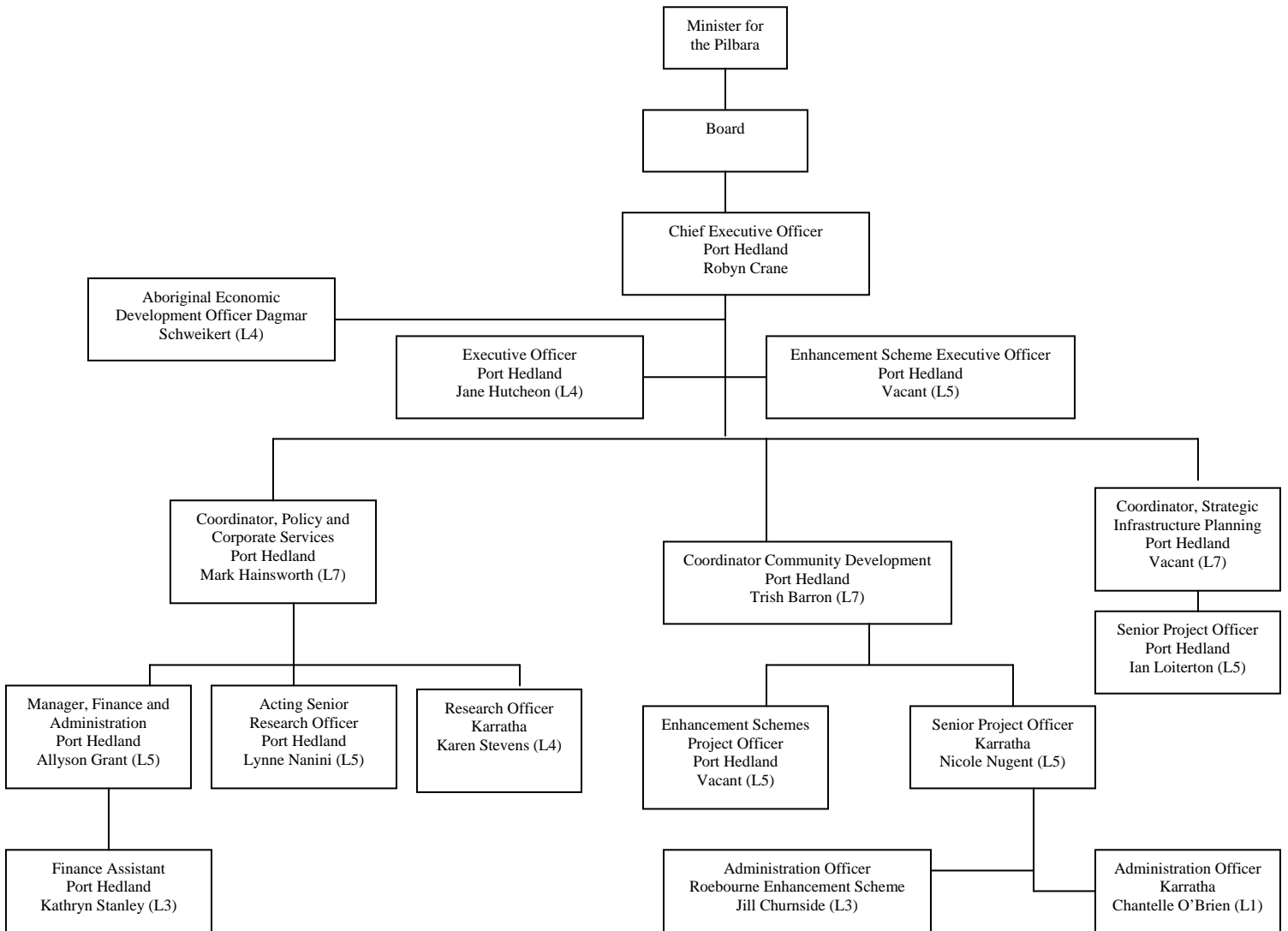
Mrs Robyn M Crane, Acting Chief Executive Officer - Pilbara Development Commission

The Commission is undertaking selection and appointment to the committee as contained in schedule 2, Section 11 of the Regional Development Commissions Act 1993

### *Natural Advantages Sub-Committee*

Ms Erica Smyth, Chairman, Pilbara Development Commission Board  
Mr John Macgowan, Member - Pilbara Development Commission Board  
Mrs Robyn M Crane, Acting Chief Executive Officer - Pilbara Development Commission

## Our Staff



The names and responsibilities of the Senior Officers of the Pilbara Development Commission are:

### **Mrs Robyn M Crane, Acting Chief Executive Officer**

The Acting Chief Executive Officer advises the Board on policy options, advises the Minister on issues and policies pertaining to the Pilbara region, and directs activities of the Pilbara Development Commission.

### **Mr Mark Hainsworth, Coordinator Policy & Corporate Services**

The Coordinator Policy and Corporate Services develops policy options and liaises with agencies, industry and community groups to progress the economic and social development of the Pilbara and develops strategies in the area of information and telecommunications.

### Ms. Trish Barron, Coordinator Community Development

The Coordinator Community Development is responsible for the coordination of community development activities including those being undertaken as part of the Port Hedland and Roebourne Enhancement Schemes ensuring that the programs are delivered in accordance with the Commission's and the Enhancement Steering Committees' recommendations.

### Mrs Allyson Grant, Finance and Administration Manager

The Finance and Administration Manager manages and controls the financial, administrative and human resource functions of the Commission and assists in the administration of the organisation.

## Our Staff by Classification

The table below shows employees by gender as at 30 June 2004, as reported under the *Equal Opportunity Act 1984*.

Staff Levels	Total Staff	Number of Staff	
		Female	Male
Level 1	1	1	0
Level 2	0	0	0
Level 3	2	2	0
Level 4	3	3	0
Level 5	4	3	1
Level 6	0	0	0
Level 7	2	1	1
Level 8	0	0	0
Level 9	1	1	0
Total	13	11	2

## Staffing Policies

The Pilbara Development Commission has a number of staffing policies that have been developed to guide the Commission and its staff in their work. The Commission also incorporates whole of government policy, agreements and legislative initiatives in its human resource management practice.

## Industrial Relations

The Commission's employees are employed under the Public Sector General Agreement 2002.



## **Occupational Health and Safety**

The Pilbara Development Commission continues to inform staff and make policies in relation to any Occupational Health and Safety situations that develop.

The Pilbara Development Commission currently has an Occupational Health and Safety Committee as provided for by Occupational Health and Safety legislation.

## **Training Developments and Achievements**

Organisational and employee development is supported through the provision of training and staff development days. Development of employees' skills is a high priority and the Commission attempts to make training not only relevant to the needs of the organisation but of personal benefit to the employee.

During the 2003/2004 employees were involved in a range of skill renewal, development and knowledge based activities that included topics such as FrontPage and RecFind as well as Government Financial and Administrative functions. All employees participated in four whole of Commission staff development days throughout the year.

The Commission spent a total of \$7,897 on development and training activities during the reporting period.

# OUR PERFORMANCE

## REPORT ON OPERATIONS BY THE CHAIRMAN AND CEO

### LOOKING TO THE FUTURE

In looking ahead it is clear that the Pilbara will face major economic growth over the next five years as the resource industries expand to meet growth in demand for iron ore and liquefied natural gas from Asia, and in particular from China.

Since the early 1990s the inland Pilbara has faced a number of challenges not least of which has been a declining population. However, with the increase in demand for iron ore, a new challenge has arisen for the area. That is, the growth in demand for iron ore is creating an influx of new investment in expanding existing mine sites and developing new ones for the future.

Accompanied by the new investment is a significant influx of people into the region. In the case of the towns of Newman, Paraburdoo and Tom Price it is probably more than a decade since there was population growth. Already the impacts are starting to be felt in the communities with rising house prices in Newman, more people in Paraburdoo and a shortage of accommodation in Tom Price. The pace of development already evident is likely to be accelerated over the next two years which in itself will represent a challenge.

It is important that the region builds on the opportunities created by development to diversify and expand the economic and social development of the region. Consequently, the key challenges for the Pilbara are to:

- provide a social environment that attracts and retains an appropriately skilled workforce;
- maximise economic and employment opportunities for local people; and
- provide a safe and welcoming region for its residents and visitors.

### STRATEGIC PLANNING

During the year the Pilbara Development Commission placed a strong emphasis on developing a strategic and planned approach to the region's development. For example, the Commission coordinated the preparation of the *Pilbara Regional Priority Plan* on behalf of the Cabinet Standing Committee on Regional Policy. The Plan contains the key priority issues for the region based on careful consideration and synthesis of the submissions received from a broad cross section of Federal, State and local government agencies, community organisations, businesses and individuals, as well as the ongoing work of the Commission.

The *Pilbara Regional Priority Plan* has become the basis for the Commission's operations during the latter part of the 2003/04 financial year and will be updated to provide a template for operations in future years.

The Commission continued to work in partnership with Murdoch University and other key stakeholders in developing a *Pilbara Sustainability Plan* for the region. The *Pilbara Sustainability Plan* combined with ongoing work on the *Priority Plan* and the *Pilbara Land Use Strategy* will provide a strategic focus for the future sustainable economic and social development of the Pilbara.

## OPERATIONS

During 2003/04 the Commission continued to deliver services under its three key output areas of:

- Business and Industry Development
- Infrastructure and Service Identification and Coordination
- Regional Promotion and Information Services.

As part of its Infrastructure and Service Identification and Coordination Output the State Government has given the Commission the additional responsibility of implementing Enhancement Schemes for the communities of Roebourne and Port Hedland.

The following sections provide an overview of the Commission's operational activities in these three areas as well as its progress in implementing the two Enhancement Schemes.

## BUSINESS AND INDUSTRY DEVELOPMENT

During the 2003/04 year the Commission placed a strong emphasis on developing information tools that could assist businesses and industry.

The Commission worked closely with stakeholders including local Chambers of Commerce, Business Enterprise Centres and local government to achieve completion of stage one of the Pilbara Internet Portal [www.thepilbara.com](http://www.thepilbara.com). The portal currently provides a region wide business directory, information on State and local government agencies in the region and links to resource sector and other related sites.

The portal has also provided an impetus for the development of e-commerce workshops delivered by the joint Pilbara Development Commission - Telstra Country Wide Internet Advisor. The workshops were attended by more than 50 local businesses and led to Pilbara TAFE developing some formalised training in e-commerce at diploma level.

The Commission in conjunction with Pilbara ethnic communities established an Internet website which contains a database of information for ethnic communities and individuals living in the region which is also accessible via the Internet.

Both the portal and ethnic database projects provide a range of contact information which can assist individuals, community groups and small business in making informed decisions about their circumstances.

The Commission continued to support business and community through:

- Increased awareness of the cost of living in the Pilbara by publishing the results of the Pilbara Price Surveillance Scheme.
- Providing advice and assistance to business and industry seeking to employ staff through the Regional Sponsored Migration Scheme.
- Working with Pilbara TAFE, Curtin University and Hedland Senior High School to develop mechanisms for the delivery of a wider range of secondary, vocational and tertiary education programs.
- Working with communities such as Onslow and Marble Bar to identify economic and social development opportunities that could enhance community well-being.

## INFRASTRUCTURE AND SERVICE IDENTIFICATION AND COORDINATION

Over the last three to four years the Commission has placed considerable emphasis on developing telecommunications networks across the region as a result of the Commission having received \$950,000 of funding from Networking the Nation.

During 2003/04 public internet access using 2-way satellite was established at the following Indigenous communities, Jigalong, Warralong, Strelley, Ngurawaana, Marta Marta, Youngaleena and Yandeyarra. This was in addition to the public access points previously established at Punmu, Parnngurr and Kunawaritji.

Following consultation with Telstra, ATSIC Regional Council, Western Desert Puntukurnuparna Aboriginal Corporation and Pilbara Meta Maya the Commission dovetailed its offer to install public access Internet facilities with the Federal Government's offer of cheaper extended zone tariffs in providing Internet services to remote communities.

In order to support the network that was developed over the last three to four years the Commission in partnership with Telstra, the Department of Education and Training and Western Desert Puntukurnuparna Aboriginal Corporation has developed an accredited training course in remote area telecommunications. The course commenced in February 2004 with 12 participants and covers the technical aspects of videoconferencing, Internet access and telecommunications.

The Commission's Networking the Nation Funding project officially came to a close at the end of this financial year. The Commission had completed the project on time and under budget despite having extended the project to an additional seven communities and enhancing the education and training components of the program.

The Commission also worked in conjunction with the Pilbara Regional Council towards the completion of a Pilbara Infrastructure Audit. The project was designed to assist local government authorities in the region to demonstrate that they suffered a financial imposition due to the operation of State Agreement Acts. Due to constraints on available data a substantive case was not able to be made.

However, the report did provide some insights into the issue and was used by the Commission in its submission to the Standing Committee on Public Administration and Finance's Inquiry into the Local Government Rating System and Distribution of Funds.

The Commission continued to support communities in identifying and addressing infrastructure needs through projects such as:

- The establishment of a Central Pilbara Coordinating Taskforce to ensure that inland mining communities benefit from increased mining activity.
- Assisting the Yandeyarra and Jigalong communities in their successful applications for provision of Telecentres.
- Working with communities at Roebourne, Newman, Jigalong and Yandeyarra to develop proposals for collocation centres.
- Continuing to Chair the Nickol Bay Accommodation and Associated Issues Taskforce to ensure accommodation issues associated with development of the Burrup are addressed.
- Examining the options for power, water and essential services infrastructure for the potential redevelopment of Cossack.

## ENHANCEMENT SCHEMES

As previously indicated, in addition to its regular operations, the Commission has been entrusted by the State Government with the management of two multi-million dollar Enhancement Schemes for the towns of Roebourne and Port Hedland.

### Roebourne Enhancement Scheme

The Roebourne Enhancement Scheme (RES) is a partnership between State Government, the Roebourne Community and the Shire of Roebourne to improve the social, economic and environmental sustainability of the town of Roebourne.

During this financial year, the Commission continued to work in partnership with the local community, the Shire and relevant government agencies and organisations to progress a number of key projects proposed for the Scheme including:

- Roebourne Youth Precinct Masterplan - a comprehensive sport, recreation and leisure area with a strong focus on youth orientated activities incorporating a covered multi purpose pavilion, a youth centre, shared sports oval and associated amenities. Construction of Stage 1 of the Precinct is expected to commence in December 2004 and will comprise a multi purpose community recreation facility, kiosk, ablutions and associated amenities.

Community consultation has commenced to finalise the requirements for the new youth centre/community facility. Work on this project is expected to commence before the end of the 2004/05 financial year.

- Harding River Precinct - development of designs for a substantial upgrade of the town section of the river for the enjoyment of local residents and to attract tourists to the town. The project will include the refurbishment of Centenary Park, the construction of a heritage dinner camp, a meeting place by the river and a walking trail linking Centenary Park with the dinner camp. The trail will include interpretive signage on medicinal and bush tucker plants in English and the local Indigenous languages.

The RES is working with the Department of the Environment to achieve a replenishment of the existing pools in the town section of the river. The work on the river project is expected to commence once engineering drawings and heritage surveys of the area are completed.

- Roe Street Redevelopment - developed designs for a major refurbishment of the main street including new seating, footpaths, treescape and signage which is expected to commence in December 2004.
- Refurbishment of Roebourne Parks - a makeover of Andover and Crawford Way parks including new seating and lighting.
- Old Roebourne Cemetery - an upgrade of Roebourne's historical cemetery including new pathways and lighting.
- Mt Welcome Tourist Area - a project to establish facilities at Mt Welcome to encourage tourists to visit the town and take in the panoramic and scenic view of the town and surrounding areas from the peak.
- Environmental Health Project - a litter campaign to remove rubbish and to establish a local Tidy Town Committee to encourage ongoing maintenance.

## Port Hedland Enhancement Scheme

The Port Hedland Enhancement Scheme is a partnership between the State Government, BHP Billiton Iron Ore, the community and the Town of Port Hedland. The State Government and BHP Billiton Iron Ore are contributing equal funds to the Scheme over a three year period to support a substantial improvement to the visual and physical amenity of the town. The Pilbara Development Commission is managing the Scheme on behalf of the joint partners.

During this financial year the Commission has undertaken the following actions to progress the Enhancement Scheme:

- Established the Port Hedland Enhancement Scheme Steering Group to oversee the delivery of the Scheme. The Steering Group is chaired by the A/CEO of the Pilbara Development Commission and comprises representative from BHP Billiton, the Town of Port Hedland and the Department of Industry and Resources. The Steering Group makes recommendations to the Minister for the Pilbara and the President, BHP Billiton Iron Ore on projects that have been identified by the community and endorsed by the Town of Port Hedland.
- Undertaken a series of community workshops and consultations to identify community views, aspirations and priorities, and to develop projects the community would like considered as part of the Scheme.
- Established a Community Reference Group comprising a broad representation of the community to provide feedback to the Steering Group on identified projects.
- Engaged an architectural firm to prepare concept designs and costings for the first stage of the Enhancement Scheme - Foreshore Development - a series of projects that incorporate a number of the priorities from the community consultation process including:
  1. Pretty Pool Recreation Area - a redevelopment and extension of the existing park, shade structures, shaded children's play area and equipment, an entry statement, new car park and ablutions.
  2. Cemetery Beach Recreational Area - a redevelopment of existing park to include shade structures, new seating, barbecues, relocation of the children's play area with provision of new play equipment, shade cover and appropriate "soft fall" material, safety fencing and defined hard surface car park. A walkway/viewing area to the Flatback turtle nesting area on adjacent beach and a fishing platform over the existing limestone rocks are also being considered for this site.
  3. Oceanside of the Port Hedland Civic Centre - a refurbishment of the existing area that will include removal of the existing oceanfront car park and redevelopment of the whole area to form a landscaped area to cater for public use and the performing arts. A café on the boundary of the public use area and the public swimming pool is also being considered for this site.
  4. Stairway to the Moon Viewing Platform - a project in partnership with the Port Hedland Rotary Club to establish a dedicated viewing platform and interpretive board in Cooke Point for the Stairway to the Moon phenomenon.
  5. Shade Areas and Footpaths - additional beach shades, an extension of the Sutherland Street footpath, new seating and shade.

Works on the projects are expected to commence in late 2004.

## REGIONAL PROMOTION AND INFORMATION

The Commission assisted the Shire of Ashburton in developing and organising the *Tom Price: Embracing Tomorrow's Prosperity* conference. Held in conjunction with the Commission's annual *Pilbara Government Agencies Forum*, the conference encouraged thought on how the Tom Price community can work in partnership with Government agencies and the resource and business sectors to develop opportunities presented by the rapid expansion of the iron ore industry in the region.

The conference was well attended with more than 100 community, business, resource industry and government leaders. This has led to the establishment of a Central Pilbara Coordinating Taskforce to ensure the coordinated delivery of government services to the inland area of the Pilbara and to assist the communities to maximise opportunities from proposed developments.

The conference was also timed to coincide with the Pilbara Regional Investment Tour. The Commission played a pivotal role in organising the tour which enabled project proponents in the region to present their proposals to a panel of investment bankers. The tour visited Tom Price, Port Hedland and Karratha and it is understood that a number of the project proponents have entered into discussions with individual financial institutions to further develop their projects.

The Commission also continued to promote the region through a range of activities such as:

- Coordinating a display at the Royal Show to demonstrate the Pilbara's contribution to the Western Australian economy and promote the region's lifestyle to potential residents and visitors.
- The continued production of the Government Agency Directory to ensure that staff details and contact information within the government sectors is current.
- Sponsorship of small business awards throughout the region and the Port Hedland and Cossack Art Awards.
- Production of Newsletters that provide information on the Commission's broader activities and the Enhancement Schemes.

Community initiated and managed projects play a vital role in the development of the region. With changes to the Regional Development Commissions Act (1993) the Commission became responsible for the financial administration of the Pilbara Regional Development Scheme. During 2003/04 the Commission funded 22 projects with a total value of more than \$363,000 through the Scheme.

Throughout the year the Commission has been able to achieve its objectives through the hard work and dedication of its staff. We also wish to recognise that in facilitating the development of the region the Commission is fortunate to have the support of the local communities as well as the many State, Federal and Local Government agencies, businesses and individuals with whom we interact.



Erica Smyth  
Chairman  
Date: 6<sup>th</sup> August 2004



Robyn M Crane  
A/Chief Executive Officer  
Date: 6<sup>th</sup> August 2004

# OUR PERFORMANCE

## REPORT ON STRATEGIC PLANNING FRAMEWORK

The Commission's operations are primarily aligned to support the State Government's Strategic Planning Framework Goal 4 - The Regions. An overview of the Commission's activities and how it contributes to this Goal is provided in the Chairman and the Chief Executive Officer's report on operations.

In undertaking its operations the Commission is mindful that it also needs to contribute to a range of additional outcomes under the Strategic Planning Framework. This Section of the Annual Report is to fulfil the Commission's obligatory reporting requirements for Goals 1, 4 and 5 under the Framework.

## GOAL 1 PEOPLE AND COMMUNITIES

### Disability Services Plan

Under the *Disabilities Services Act (1993)*, the Pilbara Development Commission is required to develop and implement a Disability Service Plan to improve the accessibility of its services and facilities. The Disability Service Plan provides an important mechanism for monitoring and evaluating the Commission's services to help ensure that it meets the accessibility needs of its customers - people with disabilities, their families and carers.

During 2003/2004, the Commission has:

- Adapted existing services where necessary to ensure they met the needs of people with disabilities;
- Reviewed the suitability of access to buildings and facilities and is in the process of addressing the requirement for disabled access by providing access for people with disabilities;
- Made information about services available in different formats to meet the communication requirements of people with disabilities;
- Made staff aware at induction of all legal requirements and Commission policies, including the Disability Services Plan; and
- Advertised all conferences, seminars and promotions in the local newspaper and on radio to ensure opportunities are provided for people with disabilities to participate in public consultations and decision making processes.

### Cultural Diversity and Language Services Outcomes

During 2003/04 the Commission undertook extensive consultations with ethnic communities in the Pilbara regarding their requirements in accessing information about a range of government and non government services.

Further consultation with the different communities, the Ethnic Communities Council and local service providers has resulted in the construction of the Pilbara Multicultural Database.



The database which is in its infancy can be accessed on the internet at [www.pilbaramigrants.org.au](http://www.pilbaramigrants.org.au). The Commission worked with the Western Australian Institute of Translators and Interpreters during the project to ensure that a description of the database and where assistance can be obtained is available in the majority languages spoken in the Pilbara.

The Commission is also working on a project which will provide advice to Indigenous communities on use of the internet in the four main Indigenous languages spoken in the Pilbara.

The Commission will continue to use interpreter services such as the Western Australian Institute of Translators and Interpreters and local Indigenous groups such as Wangka Maya Pilbara Aboriginal Language Centre to provide information on its activities and programs as required.

## Youth Outcomes

The Pilbara Development Commission recognises that provision of programs and services that benefit young people in the region have a positive impact on the well-being of not only young people but the community at large. During the year the Commission instigated a number of programs targeted at young people including:

- In collaboration with the Department of Community Development instigated and sponsored the delivery of the Hedland Youth Project Enquiry (HYPE) Program into Port Hedland.
- Provision of training in the use of the Internet to young people in remote Indigenous communities.
- Worked with the Roebourne Community to plan for the development of a youth precinct to provide a range of recreation activities for young people in the town.
- In conjunction with the Department of the Arts sponsored the use of videoconferencing to bring the Organics Music Workshops to Jigalong, Yandeyarra and Newman.
- Commenced a partnership with the Department of Education, Pilbara TAFE and Curtin University to use broadband technologies to increase the range of educational courses and experiences to primary, secondary and tertiary students.

## GOAL 4 THE REGIONS

### Regional Development Policy

As an agency responsible for facilitating and promoting the economic and social development of the Pilbara region, the Pilbara Development Commission contributes to the State Government's outcome on Strong and Vibrant regions.

Similarly the activities of the Commission assist the State Government in achieving the outcomes of the Western *Australian Regional Development Policy*. The report on the operations of the Commission contained in this Annual Report provides examples of activities and projects that contribute to the outcomes of the policy.

The Commission is required to report on strategies in 7 of the 16 Outcome areas of the policy. Some key examples of the Commission's work that contributes to the strategies in the policy are:

- Working in partnership with the Department of Planning and Infrastructure to update the Pilbara Land Use Strategy (Policy Outcome 2 Planning in Partnership for a Sustainable Future).

- Facilitating the establishment of the Central Pilbara Coordinating Taskforce to examine and coordinate development issues in the inland mining towns of the Pilbara (Policy Outcome 3 Effective Government Service Delivery).
- Working with Pilbara local government authorities to complete an infrastructure audit of communities facilities in the region (Policy Outcome 5 Improved Regional Infrastructure)
- Commencing strategies to enhance the provision of Indigenous arts and crafts, eco-tourism and horticulture. (Policy Outcome 6 Diversified Regional Economies)
- Working with the Shire of Ashburton to examine the potential for tourist accommodation in Tom Price. (Policy Outcome 7 Enhanced Regional Investment)
- In partnership with the Department of Education and Training, Pilbara TAFE and Curtin University examine the concept of online learning centres. (Policy Outcome 9 Life Long Learning in the Regions)
- In partnership with Curtin University successfully applied for Federal Government funding for a Natural Resource Management Strategist position for the Pilbara. (Policy Outcome 15 Sustainable Natural Resource Management)

The Commission provides a more detailed report on activities specifically related to the strategies of the *Regional Development Policy* to the Department of Local Government and Regional Development and the Regional Policy Implementation Steering Group.

Further information and details can also be obtained by reading the Commission's report on Operations.

## GOAL 5 GOVERNANCE

### Equal Employment Opportunity (EEO)

The Pilbara Development Commission is committed to the promotion of a non-discriminatory and harassment free working environment for all employees.

As at 30 June 2004 the Commission had 13 employees. Thirty six percent of employees were aged over 45 whilst nine percent of employees were aged less than 25 years.

Aboriginal employees made up nine percent of employees whilst nine percent of employees were from non-English speaking backgrounds.

The Commission recognises the benefits of workplace diversity and has a continued commitment to furthering these principles. The Commission has developed appropriate policies and procedures for matters relating to Equal Employment Opportunity which have been incorporated into the Commission's Code of Conduct.

The Equal Employment Opportunity (EEO) Plan was prepared in the 1998/1999 financial year. Implementation of the strategies of the plan includes EEO principles being incorporated into corporate documentation, monitored through the Executive of the Commission, incorporated as a responsibility of managers and is a key consideration in recruitment, appointment and management of employees. This plan expires in 2004 and will be reviewed in the forthcoming year.

## Evaluations

Under Section 7(E) of the Public Sector Management Act (1994) public sector bodies should have as their goal a continued improvement in the efficiency and effectiveness of their performance and should be administered with that goal always in view.

During the year the Pilbara Development Commission in conjunction with the Kimberley and Gascoyne Development Commissions investigated the potential for the three Commissions to increase their efficiency and effectiveness by combining some or all of their administrative, human resource management, financial management and information technology services.

The outcome of the review process was that the amalgamation of individual services would realise minimal cost savings and would reduce the Commissions ability to respond to issues in a timely manner. However, the report did identify some potential benefits for the Commissions in utilising managed network services for their computing requirements. This option is currently being examined.

## Freedom of Information

The Commission maintains a range of documents relating to its business activities in both hard copy and electronic form. These documents include inward and outward correspondence, contracts, agreements, reports, administrative files, personnel records, project files, financial records, internal manuals, statistical information, meeting minutes, promotional material, pamphlets and brochures, human resource information and asset records.

The Commission does not charge for brochures and publications. No charge is levied on requests for information or access to files although the Commission does reserve the right to recoup costs.

The Pilbara Development Commission received one application to access information under the *Freedom of Information Act 1992* during 2003/2004. Full access was granted for this application.

## Record Keeping Plan

The Pilbara Development Commission is required to have a Record Keeping Plan (RKP) under section 19 of the *State Records Act 2000*. The Record Keeping Plan is to provide an accurate reflection of the record keeping program of the Commission and must be complied with by the Commission and its employees. Under Part 3, Division 4, the Commission is required to review its RKP periodically or when there is any significant change to the Commission's functions.

As required under Standard 2, Principle 6, of the *State Records Act 2000*, the Commission confirms the following:

- The efficiency and effectiveness of the Commission's record keeping system is evaluated not less than once every five years;
- The Commission conducts a record keeping training program for staff;
- The efficiency and effectiveness of the record keeping training program is reviewed from time to time for continuous improvement; and
- The Commission's induction program addresses employees' roles and responsibilities in regard to their compliance with the Commission's Record Keeping Plan.

## Compliance with Public Sector Standards and Ethical Codes

The Commission views compliance with Public Sector Standards and the Public Sector Code of Ethics as central to the corporate governance of the organisation.

## **Compliance with Human Resource Management Standards**

As the Commission is a relatively small agency, senior officers and the Acting CEO review, on an informal and case by case basis, the relevant standards that apply to the Commission's operations during the year.

It is the assessment of the Commission that it adhered to all Human Resource Management standards that applied to the Commission's operations during 2003/04.

The Commission did not receive any breach claims during 2003/04.

## **Compliance with the Public Sector Code of Ethics**

As the Commission is a relatively small agency the senior officers and the Acting CEO review the Commission's compliance with the Public Sector Code of Ethics. In order to increase accountability and transparency in line with the Code of Ethics the Board of the Commission agreed to establish a pecuniary interest register with respect to Board decisions.

The Commission did not receive any complaints relating to its compliance with the Code of Ethics during 2003/04.

## **Code of Conduct**

The Commission's staff members are guided by a code of conduct, which is a statement of the ethical principles, values and behaviours expected of Pilbara Development Commission employees.

The Commission's code of conduct articulates the way Commission staff should interact with each other and their clients. Staff members are given the Commission's code of conduct on appointment.

## **Public Interest Disclosure**

The Pilbara Development Commission views the Public Interest Disclosure Act 2003 as the foundation for increasing accountability and public confidence. The provision of complaints and grievance avenues, to both employees and members of the public, is indicative of good management. Protected disclosures offer another avenue for receiving and resolving complaints.

The Act provides a means of assisting in the identification of areas of maladministration, criminal and ethical risk of public interest and taking remedial action in addressing those issues.

The position within the Commission identified as the Public Interest Disclosure Officer is the Coordinator Policy and Corporate Services.

All contact and related discussions are treated in the strictest confidence, in accordance with the requirements of the Public Interest Disclosure Act. The Commission is currently in the process of developing and publishing procedures in relation to its obligations under the Act.

The Commission did not receive any Public Interest Disclosures during the year.

## **Official Corruption Commission**

A nil report was returned from the Pilbara Development Commission for the 2003/04 year.

## Advertising and Sponsorship

The *Electoral Act 1907* - Section 175ZE

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

1. Total Expenditure for 2003/2004 was \$26,603.91
2. Expenditure was incurred in the following areas:

Advertising Agencies	Nil		
Market Research Organisations	Nil		
Polling Organisations	Nil		
Direct Mail Organisations	Nil		
Media Advertising Agencies	\$26,603-91	Marketforce	\$24,572-50
		WA State Emergency Volunteers	\$ 395-00
		Britel Enterprises	\$ 395-00
		The Whaleback Mailer	\$ 120-00
		Royal Flying Doctor Service	\$ 325-00
		Port Hedland Indigenous Media	\$ 100-00
		Onslow Telecentre	\$ 9-09
		Marble Bar Telecentre Network	\$ 30-00
		Karringal Neighbourhood Centre	\$ 34-09
		Port Hedland Chamber of Commerce	\$ 450-00
		Newman Chamber of Commerce	\$ 173-23

## Certification of Performance Indicators

Pilbara Development Commission  
Certification of Performance Indicators  
For the Year Ended 30 June 2004

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Pilbara Development Commission's performance and fairly represent the performance of the Pilbara Development Commission for the financial year ended 30 June 2004.



Ms Erica Smyth  
Chairman  
Dated: 6<sup>th</sup> August 2004



Mrs Robyn M Crane JP  
Acting Chief Executive Officer  
Dated: 6<sup>th</sup> August 2004

# Opinion of the Auditor General



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**PILBARA DEVELOPMENT COMMISSION  
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2004**

#### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Pilbara Development Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended June 30, 2004.

#### **Scope**

##### ***The Board's Role***

The Board is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

##### ***Summary of my Role***

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON  
AUDITOR GENERAL  
September 30, 2004

# Key Performance Indicators

## Introduction

As part of its reporting requirements, the Commission has to report on key effectiveness and efficiency indicators.

The Commission's performance indicators are derived from three sources. These are;

- Financial statements and project reporting sheets
- Survey of Board Members of the Commission
- Customer Survey of Commission Clients

## Methodology

### Customer Survey of Commission Clients

In the case of the customer survey the Board of the Pilbara Development Commission has agreed that for 2003/2004 the Commission's performance indicators derived from the Customer Survey are to be set at 70%.

Customers are surveyed annually to determine the extent to which the Commission's project activities and services fulfil their needs. Specific questions relating to the Outcome sought by the Commission were included in the survey and are reported as Key Effectiveness Performance Indicators. The number of questions was maintained at seven. Those questions relating specifically to the effectiveness of the Commission in the delivery of its Outputs were retained to enable comparison from year to year. Customers were also given the opportunity to comment specifically on the ways in which the agency could do more to enhance the economic and social development of the Pilbara.

The Government's desired Outcome from the activities of the Pilbara Development Commission is the enhancement of the Pilbara region's economic and social development. The Commission achieves this outcome by undertaking project activities that deliver services within the region to Pilbara people generally, and to business and community groups specifically. The Commission's Outputs are structured around the project activities and services provided to these customers which in turn contribute to the desired Outcome. The satisfaction of customers with Commission Outputs therefore directly measures the effectiveness of the Commission in achieving the enhancement of the Pilbara region's economic and social development.

The survey was sent to 174 key customers of the Commission and 111 surveys were completed and returned, resulting in a response rate of 64%. The response rate means the standard error rate for a sample of this size was 4.83%.

The results selected as performance indicators inform the reader how effective the Commission is in achieving its desired Outcome through its contribution to business and industry development and regional promotion, as perceived by Commission customers. Measures were calculated as the total number of 'strongly agree' and 'agree' responses to each question divided by the total number of respondents to the survey.



## Output 1 - Business and Industry Development

### Description

Encourage business and industry development through the identification and coordination of projects.

### Performance Measures

Performance Measures	Actual 2003/2004	Target 2003/2004	Actual 2002/2003
Total Cost of Output	\$924,534	\$979,000	\$972,296
Number of Projects	26	20	26
Average cost per project	\$ 35,559	\$ 48,950	\$ 37,396

### Performance against Targets

The table provides details of the output measures relevant to the Business and Industry Development Output. It shows the target outcomes for 2003/2004 against the actual outcomes for the year.

The variance of 6 between target and actual number of projects reflects the additional projects that were undertaken during the year that were not foreseen at the beginning of the financial year. This increase in number of projects resulted in the average cost per project being reduced from a target outcome of \$48,950 per project to an actual outcome of \$35,559 per project.

In previous years, the Commission has used its annual customer survey to measure both the quality and timeliness of its outputs. It was found that customers were unable to complete these sections of the survey with conviction. Many customers only deal with the Commission on a limited number of specific projects.

The effectiveness of the Commission in delivering the Business and Industry Development Output continues to be measured using the Commission's annual customer survey.

Results of the 2004 customer survey indicate that overall 84% of the 111 respondents 'strongly agree' or 'agree' that the Commission is effective in encouraging business and industry development through the identification and coordination of projects. This was the same result achieved as in 2002/2003.

## Output 2 - Infrastructure Service Identification and Coordination

### Description

Identify infrastructure needs and coordinate the removal of impediments to achieve delivery of service.

### Performance Measures

Performance Measures	Actual 2003/2004	Target 2003/2004	Actual 2002/2003
Total Cost of Output	\$1,454,424	\$1,405,000	\$2,791,072
Number of Projects	24	25	32
Average cost per project	\$ 60,601	\$ 56,200	\$ 87,221

### Performance against Targets

The above table provides details of the output measures relevant to the Infrastructure Service Identification and Coordination Output. It shows the target outcomes for 2003/2004 against the actual outcomes for the year.

During the year the Commission undertook a total of 24 projects, which represents a variance of 1 less than the target number of projects.

In previous years, the Commission has used its annual customer survey to measure both the quality and timeliness of its outputs. It was found that customers were unable to complete these sections of the survey with conviction. Most customers only deal with the Commission on a limited number of specific projects.

The variance of \$4,401 between target and actual cost per project is fairly minimal and is close to the projected cost per project for the year.

The effectiveness of the Commission in delivering the Infrastructure Service Identification and Coordination Output continues to be measured using the Commission's annual customer survey.

Results of the 2004 customer survey indicate that overall 78% of the 111 respondents 'strongly agree' or 'agree' that the Commission contributes effectively to the development of the infrastructure needs of the region.

## Output 3 - Regional Promotion and Information Services

### Description

Raise awareness of the advantages of both living in and visiting the Pilbara region through the provision and promotion of accurate and accessible information.

### Performance Measures

Performance Measures	Actual 2003/2004	Target 2003/2004	Actual 2002/2003
Total Cost of Output	\$510,400	\$450,000	\$592,637
Number of Projects	20	15	17
Average cost per project	\$ 25,520	\$ 30,000	\$ 34,861

### Performance against Targets

The above table provides details of the output measures relevant to the Regional Promotion and Information Provision Output.

It shows the target outcomes for 2003/2004 against the actual outcomes for the year.

During the year, the Commission continued its focus on promoting the region and providing an information service. This effort is reflected in the increased number of projects undertaken throughout the year.

In previous years the Commission has used its annual customer survey to measure both the quality and timeliness of its outputs. It was found that customers were unable to complete these sections of the survey with conviction. Most customers only deal with the Commission on a limited number of specific projects.

The effectiveness of the Commission in delivering the Regional Promotion and Information Services Output continues to be measured using the Commission's annual customer survey.

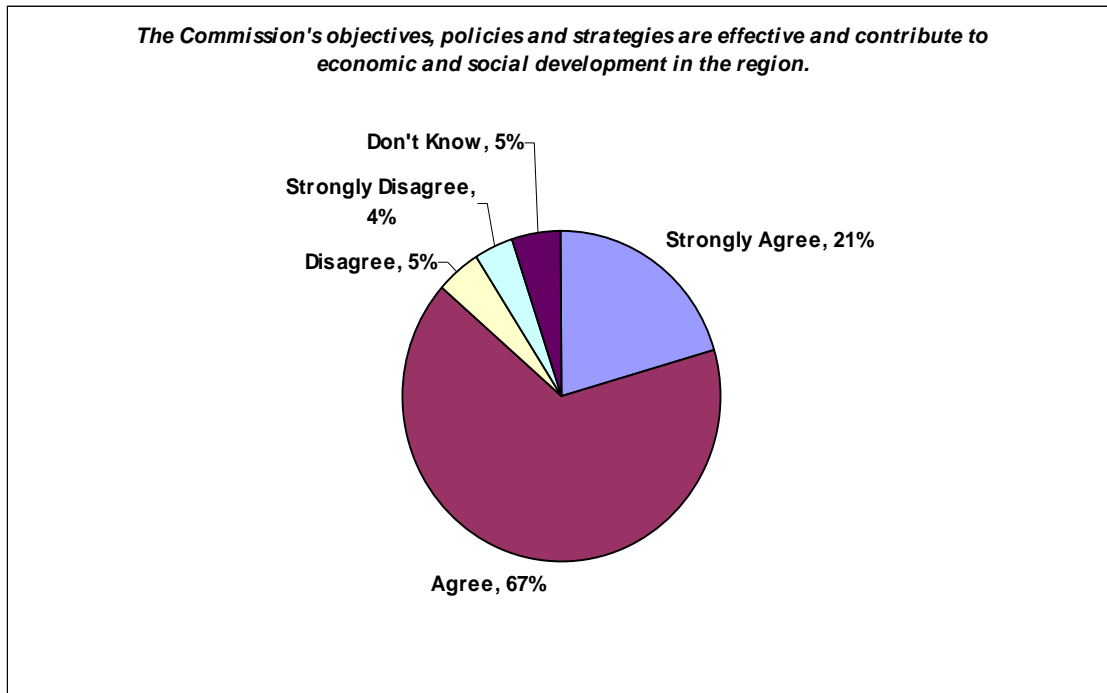
Results of the 2004 customer survey indicate that overall 80% of the 111 respondents 'strongly agree' or 'agree' that the Commission is effective and contributes to the promotion of the Pilbara, both within and outside the region.

## Additional Performance Indicators from Client Survey

The Commission also asks other questions of its key clients regarding its performance. These questions are not required to be audited but provide information on the Commissions performance.

### Question 1

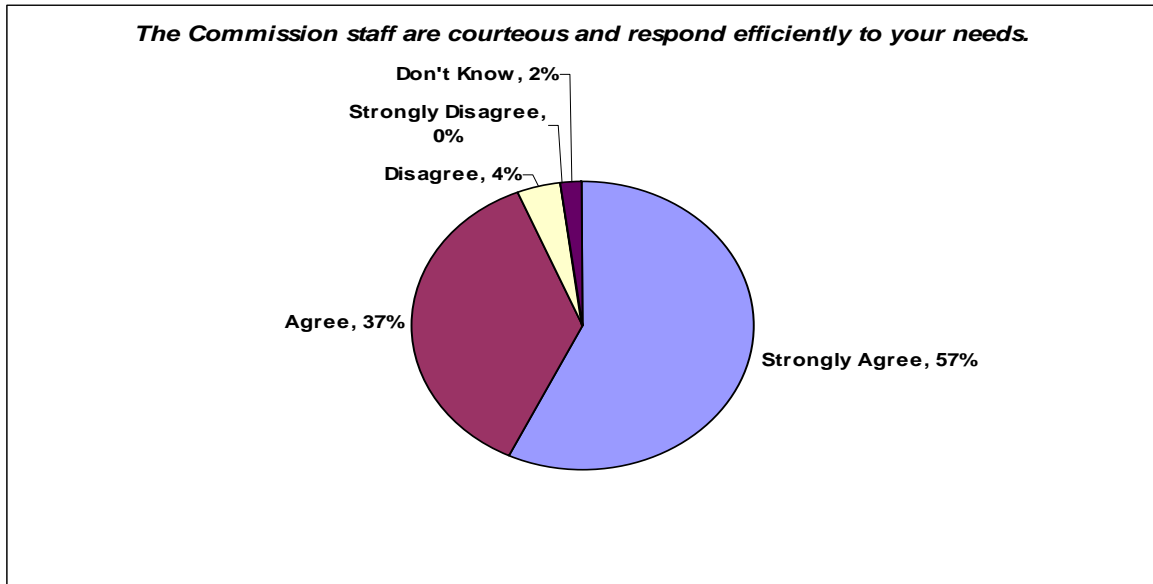
The Commission's objectives, policies and strategies are effective and contribute to economic and social development in the region.



Overall 88% of respondents "strongly agree" or "agree" that the Commission's objective, policies and strategies are effective and contribute to economic and social development in the region. This result is slightly lower than the 90% of 2002/2003. There has been a slight increase in the 2003/2004 survey in the percentage of respondents who "strongly agree". This is up from 20% in 2002/2003 to 21% calculated in 2003/2004. The "don't know" responses have decreased slightly from 6% to 5%.

### Question 5

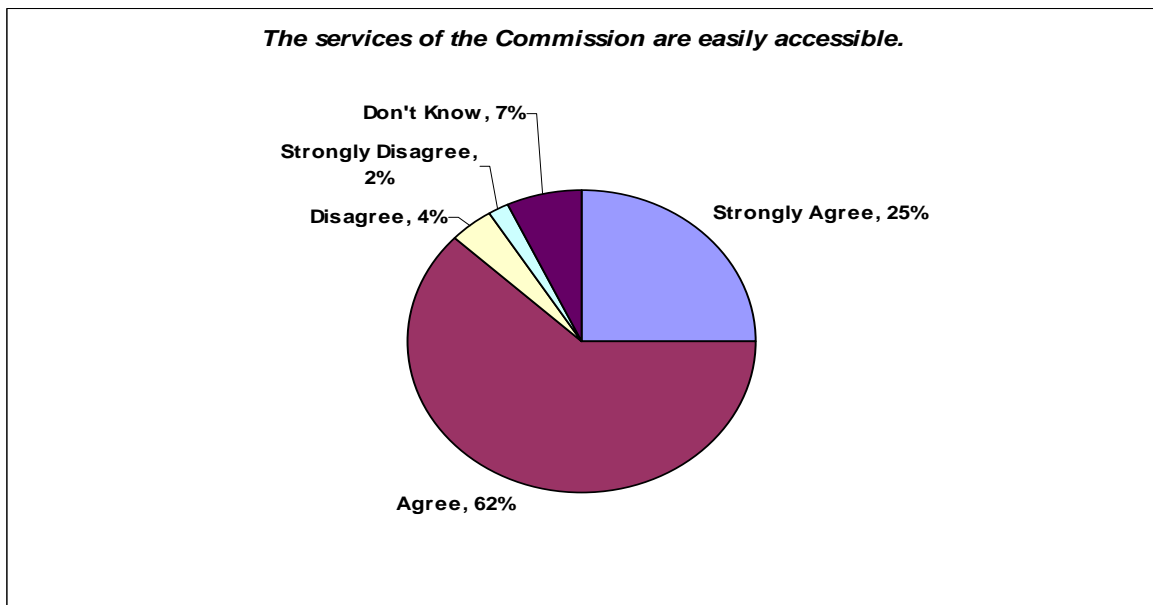
The Commission staff are courteous and respond efficiently to your needs.



Overall, 94% of respondents strongly agreed or agreed that Commission staff are courteous and respond efficiently to their needs. This result is a decrease of 3% of the results achieved in 2002/2003.

### Question 6

The services of the Commission are easily accessible.



Overall, 87% of respondents strongly agreed or agreed that the services of the Commission are easily accessible. This result is a decrease of 6% of the results achieved in 2002/2003.

# FINANCIAL STATEMENTS

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Statement of Financial Position

Statement of Cash Flows

Notes to Financial Statements

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3. Depreciation Expense
4. Supplies and Services
5. Administration Expenses
6. Accommodation Expenses
7. Grants and Subsidies
8. Other Expenses from ordinary activities
9. State, Local Government and Other Grants
10. Other Revenues from ordinary activities
11. Net loss or profit on disposal of non-current assets
12. Revenues to/from Government
13. Restricted Cash Assets
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# Certification of Financial Statements

The accompanying financial statements of the Pilbara Development Commission have been prepared in compliance with the provisions of the Financial Administration Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2004 and the financial position as at 30 June 2004.

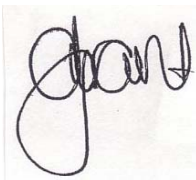
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'ESM', with a long horizontal stroke extending to the right.

Ms Erica Smyth  
Chairman  
Dated: 6<sup>th</sup> August 2004

A handwritten signature in black ink, clearly legible as 'Robyn m Crane'.

Mrs Robyn Crane  
Acting Chief Executive Officer  
Dated: 6<sup>th</sup> August 2004

A handwritten signature in black ink, appearing to read 'AG', with a large loop on the left side.

Mrs Allyson Grant  
Manager Finance and Administration  
Dated: 6<sup>th</sup> August 2004

**STATEMENT OF FINANCIAL PERFORMANCE**  
**For The Year Ended 30 June 2004**

	<b>2004</b>	<b>2003</b>
<b>Cost of Services</b>	<b>\$</b>	<b>\$</b>
<b>Expenses from ordinary activities</b>		
Employee expenses	2 1,195,629	1,055,027
Depreciation expense	3 53,776	39,029
Supplies and Services	4 724,591	2,490,627
Administration expense	5 309,731	163,864
Accommodation expense	6 141,107	110,641
Grants & Subsidies	7 457,576	62,186
Net loss on disposal of non current assets	11 6,936	-
Other expenses from ordinary activities	8 -	11,069
<b>Total cost of services</b>	<b><u>2,889,346</u></b>	<b><u>3,932,443</u></b>
 <b>Revenues from ordinary activities</b>		
State and Local Government grants	9 491,964	806,723
Non Government Grants	9 -	271,798
Other revenues from ordinary activities	10 1,983,375	624,355
<b>Total revenues from ordinary activities</b>	<b><u>2,475,339</u></b>	<b><u>1,702,876</u></b>
 <b>NET COST OF SERVICES</b>	 <b><u>414,007</u></b>	 <b><u>2,229,567</u></b>
 <b>REVENUES FROM GOVERNMENT</b>		
Appropriations	12 2,143,000	1,726,000
Resources free of charge	12 -	13,000
<b>Total revenues from Government</b>	<b><u>2,143,000</u></b>	<b><u>1,739,000</u></b>
 <b>CHANGE IN NET ASSETS</b>	 <b><u>1,728,993</u></b>	 <b><u>(490,567)</u></b>

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



## STATEMENT OF FINANCIAL POSITION

For The Year Ended 30 June 2004

		2004	2003
		\$	\$
<b>Current Assets</b>			
Cash assets	21(a)	335,765	371,012
Restricted cash assets	13	1,648,171	795,732
Receivables	14	1,102,550	43,635
Other assets	15	<u>4,583</u>	<u>26,738</u>
<b>Total current assets</b>		<b><u>3,091,069</u></b>	<b><u>1,237,117</u></b>
<b>Non-Current Assets</b>			
Office equipment, computer equipment and furniture	16	<u>102,889</u>	<u>144,638</u>
<b>Total Non-Current Assets</b>		<b><u>102,889</u></b>	<b><u>144,638</u></b>
<b>Total Assets</b>		<b><u>3,193,958</u></b>	<b><u>1,381,755</u></b>
<b>Current Liabilities</b>			
Payables	17	119,789	42,658
Provisions	18	92,292	94,898
Other liabilities	19	<u>47,072</u>	<u>54,026</u>
<b>Total Current Liabilities</b>		<b><u>259,153</u></b>	<b><u>191,582</u></b>
<b>Non-Current Liabilities</b>			
Provisions	18	79,078	120,052
Other liabilities		<u>-</u>	<u>-</u>
<b>Total Non-Current Liabilities</b>		<b><u>79,078</u></b>	<b><u>120,052</u></b>
<b>Total Liabilities</b>		<b><u>338,231</u></b>	<b><u>311,634</u></b>
<b>NET ASSETS</b>		<b><u>2,855,727</u></b>	<b><u>1,070,121</u></b>
<b>EQUITY</b>			
Accumulated surplus/(deficiency)	20	2,684,113	955,121
Contributed Equity	20	171,614	115,000
Reserves		-	-
<b>TOTAL EQUITY</b>		<b><u>2,855,727</u></b>	<b><u>1,070,121</u></b>

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

**STATEMENT OF CASH FLOWS**  
For The Year Ended 30 June 2004

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>Cashflow provided by Government</b>		
Recurrent Appropriations	2,143,000	1,726,000
Capital Appropriations	-	80,000
<b>Net cash provided by Government</b>	<b>2,143,000</b>	<b>1,806,000</b>
 <i>Utilised as follows:</i>		
<b>Net Cash Provided/Used by Operating Activities</b>		
<b>Payments</b>		
Employee Costs	(1,116,033)	(1,025,188)
Supplies and Services	(1,592,728)	(2,865,659)
Capital User Charges	-	(25,200)
GST Payments on Purchases	(157,063)	(264,774)
 <b>Receipts</b>		
Commonwealth grants & contributions	-	-
Other Government grants and contributions	491,964	1,070,339
GST Receipts on revenue	166,796	53,081
GST Receipts from taxation authority	56,039	265,871
Other Receipts	867,968	634,219
<b>Net Cash Provided/(Used) by Operating Activities</b>	21(c) <b>(1,283,057)</b>	<b>(2,157,311)</b>
 <b>Cash Flows From Investing Activities</b>		
Purchase of Non Current Assets	(42,611)	(119,790)
Proceed from sale of non-current assets	-	-
<b>Net cash provided/used by Investing Activities</b>	<b>(42,611)</b>	<b>(119,790)</b>
 <b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
<b>Net cash provided/used by Financing Activities</b>	<b>-</b>	<b>-</b>
 Net Increase/decrease in cash held	817,331	(471,101)
Cash assets at the start Fin Year	1,166,744	1,637,845
 <b>CASH ASSETS AT END OF THE FINANCIAL YEAR</b>	21(a) <b>1,984,076</b>	<b>1,166,744</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2004

### 1. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

#### General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

#### *Basis of Accounting*

The statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at valuation.

#### *(a) Output Appropriations*

Output Appropriations are recognised as revenues in the period in which the Commission gains control of the appropriated funds. The Commission gains control of the appropriated funds at the time those funds are deposited into the Commissions bank account or credited to the holding account held at the Department of Treasury and Finance.

#### *(b) Contributed Equity*

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, prior to transfer) before such transfers can be recognized as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position.

#### *(c) Grants and Other Contributions Revenue*

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Pilbara Development Commission obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

#### *(d) Acquisitions of assets*

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets costing less than \$1000 are expensed in the year of acquisition.

## NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2004

### *(e) Depreciation of Non-Current Assets*

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

Depreciation is provided for on the straight line basis, using rates which are reviewed annually. Useful lives for each class of depreciable assets are:

Plant, Furniture and Equipment	4 years
Computing equipment	4 years

### *(f) Employee Entitlements*

#### Annual Leave

This benefit is recognised at the reporting date in respect to employees services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled

#### Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised for employee benefits, and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage levels including relevant costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with the terms to maturity and currency that match the estimated future cashflows.

#### Superannuation

Staff may contribute to the Pension Scheme, a defined benefits scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992.

The Pensions Scheme and pre-transfer benefit for employees who transferred to the Gold State Superannuation Scheme are unfunded and the future payments are assumed by the Treasurer at reporting date.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by payment of employer contributions to the Government Employees Superannuation Board.

The note disclosure required by paragraph 6.1 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employees Superannuation Board's records are not structured to provide the information to the Pilbara Development Commission. Accordingly, deriving the information for the Pilbara Development Commission is impractical under current arrangements and thus any benefits thereof would be exceeded by the cost of obtaining the information.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 June 2004**

**1. SIGNIFICANT ACCOUNTING POLICIES continued**

**Employee benefit on-costs**

Employee benefit on-costs are recognised and included in the employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses.

*(g) Leases*

The Pilbara Development Commission has entered into a number of operating lease arrangements for the rent of office buildings and motor vehicles where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased vehicles.

*(h) Receivables*

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 60 days overdue.

*(i) Accrued Salaries*

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Pilbara Development Commission considers the carrying amount approximates net fair value.

*(j) Payables*

Payables, including accruals not yet billed, are recognised when the Pilbara Development Commission becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

*(k) Resources Received Free of Charge or For Nominal Value*

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses, as appropriate at fair value.

*(l) Revenue Recognition*

Revenue from the sale of goods and disposal of other assets, and the rendering of services is recognised when the Pilbara Development Commission has passed control of the goods or other assets, or delivery of the service to the customer.

*(m) Comparative Figures*

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

*(n) Rounding of Amounts*

Amounts in Financial Statements have been rounded to the nearest dollar (\$).

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2004

	2004	2003
	\$	\$
<b>2. EMPLOYEE EXPENSES</b>		
Wages and Salaries	750,764	684,795
Superannuation	72,469	64,841
Long Service Leave	30,777	(11,597)
Annual Leave	54,429	61,901
Other Related Expenses (1)	287,190	255,087
	1,195,629	1,055,027
(1) These employee expenses include superannuation, workers compensation premiums and other employment on-costs associated with the recognition of annual long service leave liability. The related on-costs liability is included in employee benefit liabilities at note 18.		
<b>3. DEPRECIATION EXPENSE</b>		
Plant, Furniture & General Equipment	24,979	20,929
Computer Equipment	28,797	18,100
	53,776	39,029
<b>4. SUPPLIES AND SERVICES</b>		
Consultants and contractors	633,642	2,364,737
Travel	84,566	99,186
General user charges	-	25,200
Other	6,383	1,504
	724,591	2,490,627

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2004

	2004	2003
<b>5. ADMINISTRATION EXPENSES</b>		
Communication	153,853	64,836
Consumables	140,967	87,462
Maintenance	12,667	6,931
Other costs	2,244	4,635
	<u>309,731</u>	<u>163,863</u>
 <b>6. ACCOMMODATION EXPENSES</b>		
Lease rentals	95,721	78,657
Outgoings	35,370	25,377
Cleaning	10,016	6,607
	<u>141,107</u>	<u>110,641</u>
 <b>7. GRANTS AND SUBSIDIES</b>		
Commonwealth, State and Local Government grants	432,076	-
Non Government Grants and Subsidies	25,200	62,186
	<u>457,576</u>	<u>62,186</u>
 <b>8. OTHER EXPENSES FROM ORDINARY ACTIVITIES</b>		
Construction of Visitor Centre in Karijini National Park	-	11,069
 <b>9. STATE, LOCAL GOVERNMENT AND OTHER GRANTS</b>		
State and Local Government	491,964	806,723
Other Grants	-	271,798
	<u>491,964</u>	<u>1,078,521</u>
 <b>10. OTHER REVENUES FROM ORDINARY ACTIVITIES</b>		
Miscellaneous including revenue for the Port Hedland Enhancement Scheme and Networking the Nation Projects	<u>1,983,375</u>	<u>624,355</u>
	<u>1,983,375</u>	<u>624,355</u>
 <b>11. NET PROFIT OR LOSS ON DISPOSAL OF NON-CURRENT ASSETS</b>		
Net Profit or (Loss) on Sale of Non-Current Assets:		
Computer equipment	(6,936)	-
	<u>(6,936)</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2004

**12. REVENUES (TO) / FROM GOVERNMENT**

	2004	2003
Appropriation revenue received during the year (i)		
Recurrent	2,143,000	1,726,000
Capital	-	-
	<u>2,143,000</u>	<u>1,726,000</u>
Resources received free of charge		
Determined on the basis of the following estimates provided by agencies:		
Office of the Auditor General (ii)	-	13,000
	<u>2,143,000</u>	<u>1,739,000</u>

(i) Output appropriations are accrual amounts reflecting the cost of outputs delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(ii) Commencing with the 2003-2004 audit, the Office of Auditor General will be charging a fee for auditing the accounts, financial statements and performance indicators. The fee for the 2003-2004 audit (\$16,500 inc GST) will be due and payable in the 2004-2005 financial year.

**13. RESTRICTED CASH ASSETS**

Aboriginal Economic Development Officer - Provision of Aboriginal Economic Development Officer for the Pilbara Region	39,244	56,310
Pilbara Internet Services - Funding through the Networking the Nation program to provide communication & Information Technology to the region.	24,827	303,222
Pilbara Regional Development Scheme - Administration of grant funds provided by Department of Local Government & Regional Development	36,314	-
Roebourne Enhancement Scheme - Administration of funds to enhancement the economic, social development & infrastructure needs for the town of Roebourne.	960,966	367,802
Port Hedland Enhancement Scheme - Administration of funds to enhancement the economic, social development & infrastructure needs for the town of Port Hedland	203,075	
DLGRD Telecentres - Administration of funds for three telecentre projects in the Pilbara	75,000	
Carryover - Carryover of unrestricted funds from the 2002 - 2003 financial year	200,000	
Invest Northwest - Funds provided through the Regional Investment Fund Program to provide a North West Regions Promotions Officer for the Pilbara. Gascoyne & Kimberley Development Commissions.	70,000	
Other Projects - Other minor Projects	38,745	68,398
	<u>1,648,171</u>	<u>795,732</u>



14. RECEIVABLES

Current:

Debtors	1,102,550	43,635
GST Receivable	-	-
	<u>1,102,550</u>	<u>43,635</u>

15. OTHER ASSETS

Current:

Prepayments	4,583	26,737
	<u>4,583</u>	<u>26,737</u>

16. PLANT, FURNITURE AND EQUIPMENT

Plant, furniture and equipment:	2004	2003
At cost	118,194	145,303
Accumulated depreciation	(80,942)	(85,290)
	37,251	60,013
Computer equipment:		
At cost	115,373	155,458
Accumulated depreciation	(49,736)	(70,833)
	65,638	84,625
	<u>102,889</u>	<u>144,638</u>

Reconciliations:

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year are set out below.

	Plant, Equipment & Furniture \$	Computer Equipment \$	Total \$
<b>2004</b>			
Carrying amount at start of year	60,013	84,625	144,638
Additions	18,475	24,137	42,611
Disposals	(45,584)	(64,222)	(109,806)
Accumulated depreciation on disposal	29,326	49,895	79,221
Revaluation increments			-
Depreciation	(24,979)	(28,797)	(53,776)
Carrying amount at end of year	<u>37,251</u>	<u>65,637</u>	<u>102,889</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2004

	2004	2003
	\$	\$
<b>17. PAYABLES</b>		
Current:		
Accounts Payable *	28,109	20,386
Funds Held in Trust	3,636	-
GST Payable	88,044	22,272
	119,789	42,658

\* Accrued Expenses have been reclassified and included in Other Liabilities, refer note 19

<b>18. PROVISIONS</b>		
Current:		
Annual Leave	61,692	68,485
Long Service Leave	30,600	26,413
	92,292	94,898
Non-Current:		
Long Service Leave	79,078	52,488
Superannuation (i)	-	67,564
	79,078	120,052

(i) All Superannuation liabilities have been transferred to the Department of Treasury and Finance as of the 30<sup>th</sup> June 2004.

(ii) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs. The liability for such on-cost is included here. The associated expense is included under employee expenses at note 2.

The Authority considers the carrying amount of employee benefits approximates the net fair value.

**Employee Entitlements:**

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

**Provision for employee entitlements:**

Current	92,292	94,898
Non-current	79,078	120,052
	171,370	214,951

All Superannuation Liabilities have been transferred to the Department of Treasury as of the 30th June 2004.

	2004	2003
	\$	\$
<b>19. OTHER LIABILITIES</b>		
Current:		
Accrued salaries	29,468	19,441
Accrued expenses	17,604	34,585
	<u>47,072</u>	<u>54,026</u>

**20. EQUITY**

Contributed Equity		
Opening balance	115,000	-
Capital Contributions (i)	45,000	115,000
Contributions by owners (ii)	11,614	-
Closing balance	<u>171,614</u>	<u>115,000</u>

(i) Capitals contributions have been designated as contributions by owners and are credited directly to equity in the statement of financial position.

(ii) Assumption of Superannuation liability by the Treasurer (refer notes 1(f) and 18).

Accumulated Surplus / (deficiency)

Opening Balance	955,121	1,445,688
Change in net assets	1,728,993	(490,567)
Closing Balance	<u>2,684,113</u>	<u>955,121</u>

**21. NOTES TO THE STATEMENT OF CASH FLOWS**

(a) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash at bank and restricted cash. Cash at the end of the financial year as shown in the Statement of Cash Flows is recorded to the related items in the Statement of Financial Position as follows:

Cash on hand	1,000	1,000
Cash at bank	334,765	370,012
Restricted cash assets (refer to note 13)	1,648,171	795,732
	<u>1,983,936</u>	<u>1,166,744</u>

(b) Non-cash financing and investing activities

During the financial year, there were no assets / liabilities transferred / assumed from other government agencies not reflected in the Statement of Cash Flows.

**NOTES TO THE FINANCIAL STATEMENTS**  
For The Year Ended 30 June 2004

	<u>2004</u>	<u>2003</u>
	\$	\$
<b>21. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)</b>		
(c) Reconciliation of net cost of services to net cash flows provided by / (used in) operating activities		
Net cost of services	(414,007)	(2,229,567)
Non-cash items:		
Write back of capital expenditure against funded projects	23,648	-
Liabilities assumed by Treasury	167	-
Depreciation expense	53,776	39,029
Resources received free of charge	-	13,000
(Profit) / loss on sale of property, plant and equipment	6,936	-
(Increase) / decrease in assets:		
Current receivables	(1,002,423)	(8,275)
Other current assets	22,154	(22,738)
Increase / (decrease) in liabilities:		
Current accounts payable	( 5,621)	1,164
Accrued Salaries	10,027	66
Current provisions	(2,606)	768
Non-current provisions	(40,974)	(13,790)
Net GST receipts / (payments)		
Change in GST in receivables / payables	65,867	63,032
Net cash provided by / (used in) operating activities	(1,283,057)	(2,157,311)

(d) At the reporting date, the Pilbara Development Commission had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

**22. CONTINGENT LIABILITIES**

*NIL*

**NOTES TO THE FINANCIAL STATEMENTS**

For The Year Ended 30 June 2004

	2004 \$	2003 \$
<b>23. COMMITMENTS FOR EXPENDITURE</b>		
(a) Capital expenditure commitments		
Capital expenditure commitments, being contracted capital expenditure additional to the amount reported in the financial statements, are payable as follows:		
Within 1 year	-	303,222
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	-	303,222

The capital commitments include amounts for:

Pilbara Internet services	-	303,222
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(b) (i) Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

Within 1 year	159,936	117,933
Later than 1 year and not later than 5 years	25,712	136,163
Later than 5 years	-	-
	185,647	254,096

Representing:

Non-cancellable operating leases	185,647	254,096
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**24. RELATED BODIES**

The commission has no related bodies

**25. AFFILIATED BODIES**

The commission has no affiliated bodies

**26. SUPPLEMENTARY INFORMATION**

Write-Offs:

Apart from normal write-offs of obsolescent assets, no public property was written off during the financial year through Theft, Defaults and Other Causes:

There were no losses of public moneys and other property through theft or default

**NOTES TO THE FINANCIAL STATEMENTS**

For The Year Ended 30 June 2004

**27. FINANCIAL INSTRUMENTS**

(a) Interest Rate Risk Exposure

The following tables detail the Pilbara Development Commission's exposure to interest rate risk as at the reporting date:

	Fixed Interest Rate Maturity						Total \$
	Weighted Average Effective Interest rate %	Variable Interest Rate %	Less than 1 Year \$	1 to 5 Years \$	More than 5 Years \$	Non- Interest Bearing \$	
<b>2004</b>							
Cash assets	-	-	-	-	-	335,765	335,765
Restricted cash assets	-	-	-	-	-	1,648,171	1,648,171
Receivables	-	-	-	-	-	1,102,550	1,102,550
	-	-	-	-	-	3,086,486	3,086,486
Payables	-	-	-	-	-	119,789	119,789
	-	-	-	-	-	119,789	119,789

	Fixed Interest Rate Maturity						Total \$
	Weighted Average Effective Interest rate %	Variable Interest Rate %	Less than 1 Year \$	1 to 5 Years \$	More than 5 Years \$	Non- Interest Bearing \$	
<b>2003</b>							
Cash assets	-	-	-	-	-	371,012	371,012
Restricted cash assets	-	-	-	-	-	795,732	795,732
Receivables	-	-	-	-	-	43,635	43,635
	-	-	-	-	-	1,210,379	1,210,379
Payables	-	-	-	-	-	42,658	42,658
	-	-	-	-	-	42,658	42,658

(b) Credit Risk Exposure

*NIL*

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2004

28. OUTPUT INFORMATION

	Business and Industry Development		Infrastructure, Service Identification and coordination		Regional Promotion and Information Service		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST OF SERVICES</b>								
<b>Expense from ordinary activities</b>								
Employee expenses	427,667	11,805	464,456	974,785	303,506	65,457	1,195,629	1,052,047
Supplies and services	7,246	21,543	673,870	2,380,608	43,475	150,661	724,591	2,552,813
Depreciation expenses	16,132	470	18,822	35,874	18,822	2,685	53,776	39,029
Administration expenses	30,973	1,148	195,131	121,573	83,627	44,123	309,731	166,843
Accommodation expenses	42,333	1,304	49,387	101,756	49,387	7,581	141,107	110,641
Grants and subsidies	398,091	-	50,333	-	9,152	-	457,576	-
Net loss on disposal of non-current assets	2,080	-	2,428	-	2,428	-	6,936	-
Other expenses from ordinary activities	-	11,069	-	-	-	-	-	11,069
<b>Total cost of services</b>	<b>924,522</b>	<b>47,339</b>	<b>1,454,427</b>	<b>3,614,596</b>	<b>510,397</b>	<b>270,507</b>	<b>2,889,346</b>	<b>3,932,441</b>
<b>Revenues from ordinary activities</b>								
Commonwealth grants and contributions	-	-	-	-	-	-	-	-
State, Local Government and Other Grants	400,000	-	21,964	992,500	70,000	86,021	491,964	1,078,521
Other revenues from ordinary activities	43,303	1,629	1,782,540	544,353	157,532	78,373	1,983,375	624,355
	443,303	1,629	1,804,504	1,536,853	227,532	164,394	2,475,339	1,702,876
<b>NET COST OF SERVICES</b>	<b>481,219</b>	<b>45,710</b>	<b>(350,077)</b>	<b>2,077,743</b>	<b>282,865</b>	<b>106,112</b>	<b>414,007</b>	<b>2,229,565</b>
<b>REVENUES FROM GOVERNMENT</b>								
Appropriations	435,171	734,114	1,152,358	594,936	555,471	396,951	2,143,000	1,726,000
Asset assumed / (transferred)	-	-	-	-	-	-	-	-
Resources received free of charge	-	5,529	-	4,481	-	2,990	-	13,000
<b>Total revenues from government</b>	<b>435,171</b>	<b>739,643</b>	<b>1,152,358</b>	<b>599,417</b>	<b>555,471</b>	<b>399,940</b>	<b>2,143,000</b>	<b>1,739,000</b>
<b>Change in net assets resulting from operations</b>	<b>(46,048)</b>	<b>693,933</b>	<b>1,502,435</b>	<b>(1,478,326)</b>	<b>272,606</b>	<b>293,828</b>	<b>1,728,993</b>	<b>( 490,564)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For The Year Ended 30 June 2004

**29. EXPLANATORY STATEMENTS**

(i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below.

Significant variations are considered to be those greater than 10% or \$500,000.

	2004	2003	Variance
	\$	\$	\$
Supplies and services	724,591	2,490,627	(1,766,036)
Depreciation expense	53,776	39,029	14,747
Accommodation expenses	141,107	110,641	30,465
Administration expenses	309,731	163,863	145,868
State and local grants revenue	491,964	806,723	(314,759)
Non-Government grants revenue	-	271,798	(271,798)
Other revenue	1,983,375	624,355	1,359,020
Appropriations	2,143,000	1,726,000	417,000
Resources received free of charge	-	13,000	(13,000)

**Supplies and services**

Completion of the Onslow Sea Wall project during the 2002/2003 financial year.

**Depreciation expense**

The variance for the depreciation expenses is due to the purchase of computer equipment during 2004.

**Accommodation expenses**

The variation for the accommodation expense is due to annual increases in lease rentals and outgoings and the renegotiation of the Commissions cleaning contract.

**Administration expenses**

Administration expenses have increased due to the establishment of the Port Hedland Enhancement Scheme.

**Other operating expenses**

The increase in other operating expenses is due to the relocation of staff during 2003/2004.

**State and local grants revenue**

Grant funding for Roebourne Enhancement Scheme now received through Consolidated Fund.

**Non-Government grants revenue**

Projects completed.



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 30 June 2004

29. EXPLANATORY STATEMENTS Continued.

Other Revenue

Funding from BHP Billiton received for the commencement of the Port Hedland Enhancement Scheme. Funding from outside agencies for various projects.

Appropriations

Consolidated Fund revenue for the Roebourne Enhancement Scheme.

**(ii) Significant variations between estimates and actual results for the financial year.**

Details and reasons for significant variations between actual results are detailed below.

Significant variations are considered to be those greater than 10% or \$500,000.

	<b>2004 Budget</b>	<b>2004 Actual</b>	<b>Variance</b>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Supplies and services expense	1,772,686	724,591	1,048,095

**Supplies and services**

Contracts for supplies and Services for projects for the Port Hedland and and Roebourne Enhancement Schemes not falling due.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2004

**30. REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS**

Remuneration of Members of the Accountable Authority

The number of members of the accountable Authority, whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands are:

	2004	2003
\$		
0 - 10,000	12	8
The total remuneration of the members of the Accountable Authority is:	\$15,785	\$18,343

The superannuation included here represents the superannuation expense incurred by the Commission in respect of members of the Accountable Authority.

No members of the Accountable Authority are members of the Pension Scheme.

Where a members remuneration is zero, the member shall be included in a band labelled "\$0 - \$10,000.

Remuneration of Senior Officers

The number of Senior Officers, other than Senior Officers reported as members of the Accountable Authority, whose total fees, Superannuation, salaries and other benefits for the financial year, fall within the following bands are:

\$		
0 - 20,000	0	2
30,001 - 40,000	0	1
40,001 - 50,000	0	1
70,001 - 80,000	2	1
80,001 - 90,000	1	2
120,001 - 130,000	1	0
140,001 - 150,000	0	1
The total remuneration of the members of Senior Officers is:	435,489	385,247

The superannuation included here represents the superannuation expense incurred by the Authority in respect of Senior Officers other than Senior Officers reported as members of the Accountable Authority.

No Senior Officer are members of the Pension Scheme.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2004

**30. REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS Continued**

Retirement Benefits of Senior Officers

The following amounts in respect of retirement benefits were paid or became payable of the financial year:

	2004	2003
	\$	\$
1. Redundancy payments	-	-
2. Total contributions to Gold State Superannuation Scheme and West State Superannuation Scheme	38,464	38,701
3. Contributions to other Superannuation funds	-	-
	38,464	38,701

**31. EVENTS OCCURRING AFTER REPORTING DATE**

*NIL*

**32. ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The economic entity's management are assessing the significance of these changes and preparing for their implementation. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised.

The Pilbara Development Commission is adopted International Accounting Standards in compliance with AASB 1 first time adoption of Australian Equivalent to International Financial Reporting Standards (IFRS).

AASB 1 require an opening balance sheet as at 1 July 2004 and the restatement of the Financial Statements for the reporting period to 30 June 2005 on the IFRS basis. These Financial Statements will be presented as comparatives in the first annual financial report prepared on an IFRS basis for the period ending 30 June 2006.

AASB 1047 Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards requires financial reports for periods ending on or after 30 June 2004 to disclose:

**1. How the transition to Australian Equivalents is being managed:**

Staff training will be provided by the Department of Treasury and Finance. Appropriate staff will also attend any other relevant training courses.

**2. Key differences in accounting policies that are expected to arise from adopting Australian equivalents to IFRS:**

The Commission is of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are:

### *Impairment of Assets*

The economic entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of pending AASB 136: *Impairment of Assets*, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised, more often than under the existing policy.

### *Intangible Assets*

AASB 138 - requires that software not integral to the operation of hardware must be classified as an intangible asset and is not to be amortised. Whereas, software is currently classed with office equipment, computer equipment and furniture and is depreciated over a period of 4 years.

The Pilbara Development Commission is aware of the IFRS and is assessing the impact on the Commission. In near future training will be provided by the Department of Treasury and Finance.

Currently there are no other key differences in the accounting polices that are expected to arise from adopting Australian Equivalents to IFRS.

# Opinion of the Auditor General



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### PILBARA DEVELOPMENT COMMISSION FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

#### **Audit Opinion**

In my opinion,

- (i) the controls exercised by the Pilbara Development Commission provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at June 30, 2004 and its financial performance and cash flows for the year ended on that date.

#### **Scope**

##### *The Board's Role*

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

##### *Summary of my Role*

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

Handwritten signature of D D R Pearson in black ink.

D D R PEARSON  
AUDITOR GENERAL  
September 30, 2004

# Publications

The following publications are available from the Commission's Port Hedland and Karratha offices. The Commission if required can provide a publication in an alternative format.

Many of these publications are available on the Commission's website at [www.pdc.wa.gov.au](http://www.pdc.wa.gov.au)

## Produced by the Pilbara Development Commission

### *Pilbara Prices Surveillance*

Current to May 2004. A periodic information sheet prepared by the Commission showing the latest pricing differentials between Perth and various towns in the Pilbara.

### *Pilbara Government Agencies Directory*

The Commission published and distributed the 2004 Pilbara Government Agencies Directory in July 2003. The Directory contains information and contact details for the Government Departments and Agencies in the Pilbara region.

### *Pilbara Economic Perspective*

The most current version of the Pilbara Economic Perspective was released in September 2003. An update on the economy of the Pilbara region prepared by the Department for Local Government and Regional Development in conjunction with the Commission.

### *Pilbara Resources Register*

Current as at June 2003. The Pilbara Resources Register contains details of all resource projects operating, committed and under consideration in the Pilbara.

### *Pilbara Region Industry Capability Directory*

Current at July 1999 and prepared by the Industry Supplies Office for the Department of Resources Development and the Pilbara Development Commission.

### *Report: The Impact of Fringe Benefits Tax on the Pilbara Region*

Current at December 1998. Prepared by BSD Consultants Pty Ltd for the Commission.

### *Annual Report*

Annual Report on Commission activities available for the 1997/98, 1998/99, 1999/00, 2000/01, 2001/02 2002/03 financial years.

### *Pilbara Land Use Strategy*

Current at July 1997 and prepared by Sinclair Knight Mertz for the Commission.

### *Pilbara Regional Profile*

Current in 1995 and prepared by the Commission. A comprehensive profile covering history, environment, infrastructure, people, products and economy. The Commission is in the process of reviewing the document.

### *Promoting the Economic Development of the Pilbara*

A brochure outlining Commission activities and services.

### *Housing and Land Snapshot*

The Commission produces a monthly Housing and Land Snapshot (HALS) report, which outlines the accommodation situation in the Karratha area and timelines for projects expected to proceed in the area.

The HALS report compares figures with previous month's trends and provides information on the movement of the real estate market.

### *Roebourne Enhancement Scheme Brochure*

The Roebourne Enhancement Scheme brochure outlines the format of the Steering Group of the Scheme and its objectives.

### *Roebourne Enhancement Scheme Newsletter*

The Roebourne Enhancement Scheme Newsletter is distributed regularly and provides updates on projects occurring in Roebourne under the Scheme.

### *Pilbara Indigenous Community Directory*

## **Produced by and for the Regional Development Council**

*Regional Prices Index - November 1998 Data Collection August 1999*

*June 2000 Second Data Collection 1999 Department Of Commerce and Trade*

*January 2002 Third Data Collection 2000 Department of Local Government and Regional Development*

*Living in the Regions, the State Report - February 1999 Patterson Mark Research*

*Implications of Competition Policy for Region Areas - June 1998 - Department of Commerce and Trade*

*Communications Audit, Pilbara Region - May 1997 Boshe Group*

*Communications Audit, The Needs of Regional Western Australia - May 1997 Boshe Group*

*Global Incentives for Regional Industry July 1999 Department of Commerce and Trade*

*Taxation and Regional Western Australia Report Summary - February 1999 Department of Commerce and Trade.*