



Gascoyne Development Commission

2006/07 Annual Report

Creating The Climate For Growth

LETTER OF TRANSMITTAL

Hon J Ford, MLC
Minister for Regional Development; Fisheries; the Kimberley; Pilbara and Gascoyne
Parliament House
PERTH WA 6000

In accordance with Section 61 of the Financial Management Act 2006 and Section 32 of the Regional Development Commissions Act 1993, we hereby submit for your information and presentation to Parliament, the Annual Report of the Gascoyne Development Commission for the year ended 30 June 2007.

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

A handwritten signature in blue ink, appearing to read 'K Leahy', on a light pink rectangular background.

Kevin Leahy
CHAIRMAN

A handwritten signature in black ink, appearing to read 'Stephen Yule', on a light pink rectangular background.

Stephen Yule
CHIEF EXECUTIVE OFFICER

30 July 2007

CONTENTS

Page

OVERVIEW

CHAIRMAN'S REPORT: (Executive Summary).....	4
GASCOYNE ECONOMIC AND SOCIAL PROFILE.....	6
OPERATIONAL PROFILE.....	9
OPERATIONAL STRUCTURE.....	10
OPERATIONAL PURPOSE.....	11
COMMISSION BOARD AND STAFF.....	13
ACCESS TO INFORMATION.....	16

AGENCY PERFORMANCE

MAJOR ACHIEVEMENTS.....	17
REPORT ON ACTIVITIES.....	18
REGIONAL DEVELOPMENT FUNDS.....	26
KEY PERFORMANCE INDICATORS.....	27
ACTUAL PERFORMANCE COMPARED TO RESOURCE AGREEMENT TARGETS.....	34

SIGNIFICANT ISSUES AND TRENDS.....35

DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS.....	36
NOTES TO AND FORMING PART OF THE ACCOUNTS.....	41
COMPARISON OF ACTUAL RESULTS WITH ESTIMATES.....	54
OPINION OF THE AUDITOR GENERAL.....	56
COMPLIANCE WITH RELEVANT WRITTEN LAW.....	58
PUBLICATIONS PRODUCED DURING THE FINANCIAL YEAR.....	60
OFFICE LOCATIONS.....	61

CHAIRMAN'S REPORT

The Commission has worked hard over the 2006/07 year to progress a series of important projects to develop the region.

A full time manager was appointed to the Gascoyne Aboriginal Heritage and Cultural Centre in Carnarvon in February 2007 and the Commission also worked with the Minister for the Gascoyne in establishing an Interim Board of Management and Indigenous Reference group for the Centre.

The Gascoyne Community Foundation was officially launched at a community function in October 2006. The GDC continues to promote the opportunities offered by the Foundation to regional residents and organisations.

The Ningaloo Research Centre project in Exmouth has received enthusiastic endorsement from State and Commonwealth Government Ministers and Parliamentary members and we should now see the project accelerate and progress.

The Commission released the report *An Education Precinct in Carnarvon, a community approach to the future* and, leading on from the report, has now established a group of key stakeholders to guide a strategic approach to education.

We have also been very active in pursuing initiatives in the food industry, including supporting the visit of the Lexus Chefs, the second Taste of the Gascoyne event, and releasing a discussion paper in December 2006 on regional food industry initiatives. Inland areas of the region will be a focus in 2007/08 following Cabinet endorsement this year of the Mount Augustus and Gascoyne Outback Development Project.

We have had a number of staff changes at the Commission but have been able to fill positions with well qualified people. Stephen Yule is still our Chief Executive Officer and Tami Maitre has been appointed to the deputy's position. To all new appointments - congratulations - and we on the Board look forward to working with you for the betterment of our region. To those that have moved on to greener pastures, thank you for your efforts on our behalf and best wishes for the future.

The GDC Board gained three new faces this year, but continues to be a united and positive group that I am very pleased to lead. My thanks go to Peter Green (Deputy Chair, Exmouth), Bennie Bellottie (Shark Bay) and Inge Stocks (Upper Gascoyne) for their substantial contributions to the Board. We welcome Gary Hardie (Carnarvon), Bob Eddington (Shark Bay) and Don Hammarquist (Upper Gascoyne).

Our "Shadow Board" concept continues to be a winner with shadows Chris Jorgenson and Carl Wright contributing greatly to our meetings. Their time on the board expired in June 2007 and I hope new members take up their roles with the same enthusiasm and commitment as these two. A special thanks also to Gabriel Harfouche who unfortunately for us was transferred in his employment with the Education Department and could not complete his term on the Shadow Board.

Generally the region is going well with the opening of the new 4 star Novotel Hotel in Exmouth a testament to the confidence of the tourism industry. I am certain that the confidence will spill over into new tourism hotels and facilities in other parts of the region in the not too distant future.

A visit by the Malaysian Minister for Agriculture to the Gascoyne in May 2007, his second visit in the past 12 months, is also evidence of a growing interest in the agricultural and horticultural potential of our region. The Minister was particularly interested in setting up a joint venture

involving goats and the Gascoyne Development Commission will continue to support the Department of Agriculture and Food in pursuing a positive outcome for this project.

I continue to meet with other Commission Chairs and at the March Regional Development Council Meeting in Esperance I had the pleasure of hearing an address by the ex Governor of Western Australia, now special advisor to the State Government on Indigenous matters, Lt Gen John Sanderson. He sought feedback on his ideas for a major rethink on how regional areas of the State are governed and the extent decision making powers reside in the regions. An exciting concept for the regions and one I hope to hear more about in the future.

Thank you to all the Commission staff and to our board members for your assistance over the past 12 months and I look forward to an exciting future for our region.



Kevin Leahy
CHAIRMAN

GASCOYNE ECONOMIC AND SOCIAL PROFILE

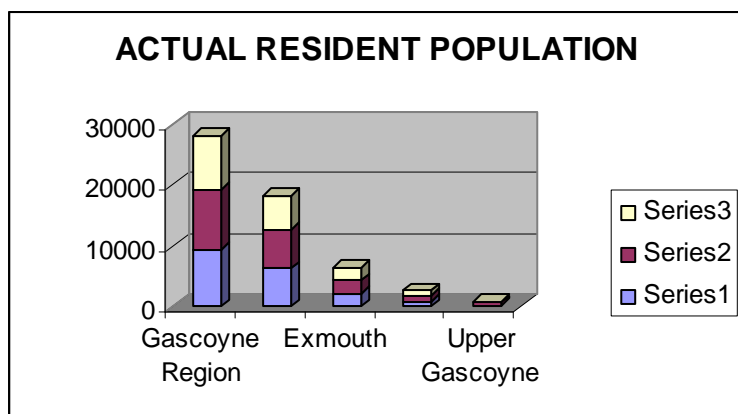
The Gascoyne Region of Western Australia is the sun's winter home and the region boasts 320 days of sunshine per year. It is dissected by the Tropic of Capricorn and captures not only 600 km of Indian Ocean coast but also stretches 600 km inland beyond Mt Augustus and the Burringurrah Community. The Region consists of the Shires of Carnarvon, Exmouth, Shark Bay and Upper Gascoyne, and is fringed by the Mid West to the south and the Pilbara to the north.

The 138,000 square kilometre land area of the Gascoyne represents about 6 per cent of the State's total area and is approximately twice the size of Tasmania. The Gascoyne coastline incorporates internationally recognised features such as the Ningaloo Reef including Exmouth and Coral Bay, and the Shark Bay World Heritage Area including Denham and Monkey Mia. The hinterland has the town of Gascoyne Junction and includes the outstanding features of the Kennedy Ranges and Mt Augustus.

Population

The town of Carnarvon is the administrative centre of the Region and the Carnarvon Shire has the largest population.

Actual Resident Population			
	1996 Census	2001 Census	2006 Census
Gascoyne Region	9364	9889	8890
Carnarvon	6235	6393	5682
Exmouth	2034	2231	2062
Shark Bay	838	919	862
Upper Gascoyne	257	346	284

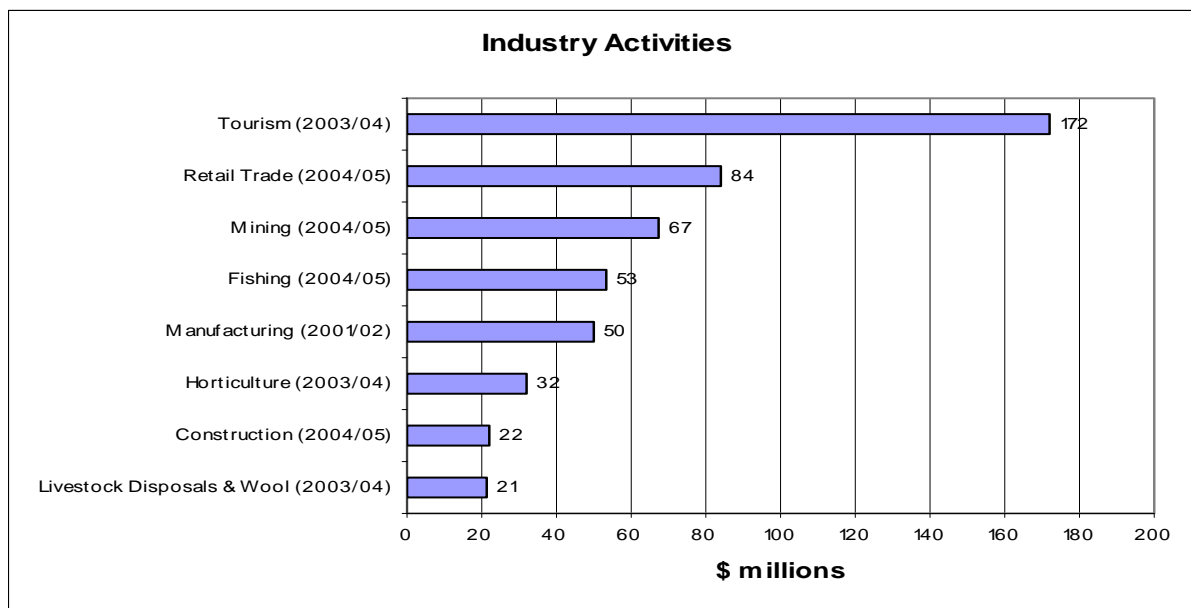


Sources: Australian Bureau of Statistics

The Region currently makes up 0.5 per cent of the State population and 2 per cent of the population living in Regional Western Australia. Whilst the Gascoyne has the smallest population of all Western Australia's Regions, it attracts a large number of tourists and medium term visitors, particularly in winter months. It also produces well above its weight in revenue to the State economy.

Regional Economic Activity

The Gascoyne Region's economic activity is the most diverse of the State's regions with important contributions being made by the sectors graphed below.



Source: Department of Local Government and Regional Development

Farming includes Agriculture, Horticulture and Pastoralism. Manufacture includes Construction

The Region is a rich source of seafood, providing most of the State's prawns and scallops. Seafood processing is the Region's principal manufacturing activity, with export potential of this industry underlining its continued importance to the Region and the State. The fisheries in the Region are well managed with limited entry.

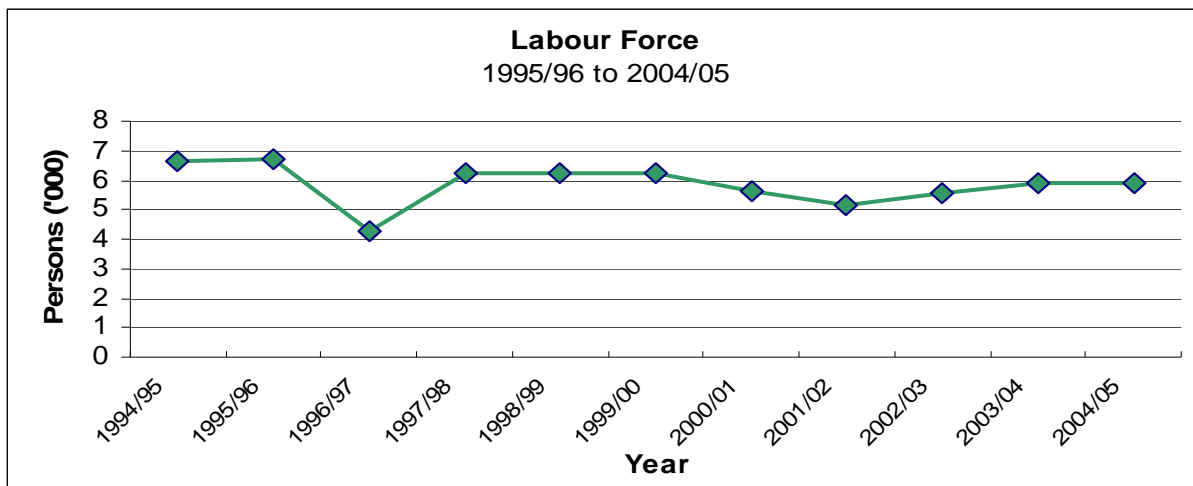
Horticulture, a major component of the economy, supplies up to 85 per cent of fruit and vegetables for the Perth and the South West markets during winter. The Region's producers are adopting new irrigation and fertigation technology and actively developing new marketing strategies. Evaluation of additional water resources in the Region will soon allow the amount of irrigated land, and hence production, to be increased.

The pastoral industry occupies 80 per cent of the regional land area and has traditionally been based on wool production. In recent times producers are increasingly taking up opportunities for diversification into cattle, sheep meats, goat harvesting and other industries. The Gascoyne Murchison Rangeland Strategy offered significant opportunities in pastoral improvement and is already demonstrating very significant gains.

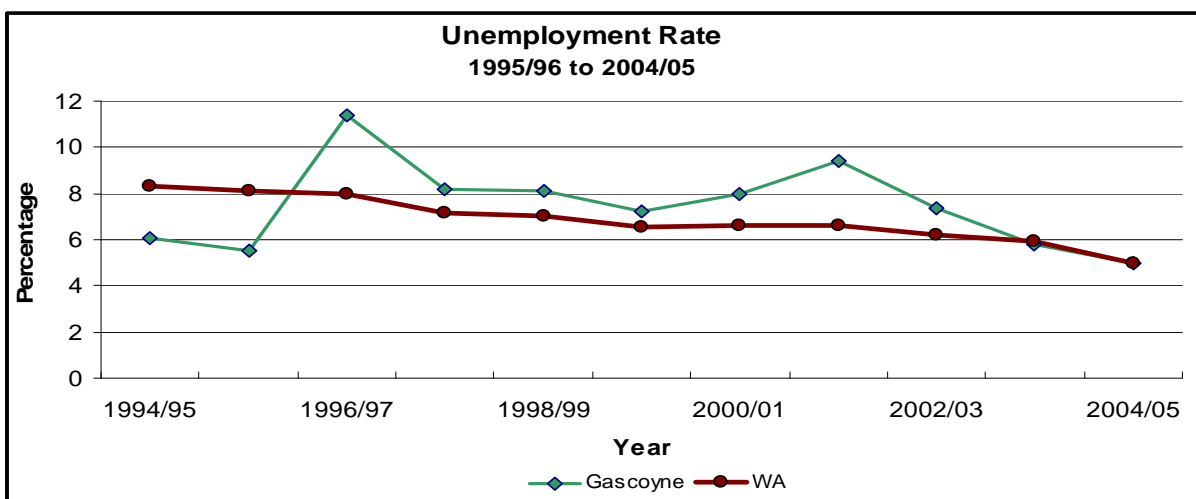
The Region produces large quantities of salt and gypsum from operations at Lake Macleod and Useless Loop. In addition, beta carotene is being produced at Lake MacLeod.

Tourism continues as the fastest growing sector. Promotional marketing, regional branding and e-commerce underline this industry's expansion as exposure increases to the Region's relaxed lifestyle, superb climate, abundant marine life and outstanding natural beauty of the many conserved and protected unique features.

Employment



Note: Each financial year is calculated on a four quarter average.
Sources: Department of Local Government and Regional Development



Due to the small population base, employment figures in the Gascoyne Region vary considerably and small changes in local conditions impact significantly on percentage changes.

The primary industry focus of the Region's economy results in predominantly seasonal employment, particularly in the horticulture, fishing and tourism industries.

Given the natural attractions of the area, tourism is playing an increasingly important role in future employment prospects for the Region.

OPERATIONAL PROFILE

Ministerial Responsibility

The Commission is responsible to the Minister for Regional Development; Fisheries; the Kimberley; Pilbara and Gascoyne, the Hon Jon Ford, MLC.

Legislation and Policy

Proclamation of the Regional Development Commissions Act 1993 on 7 April 1994 established the Gascoyne Development Commission as a statutory authority. The Commission had previously operated as a government department in accordance with Section 21 of the Public Service Act 1978 from its inception in January 1993.

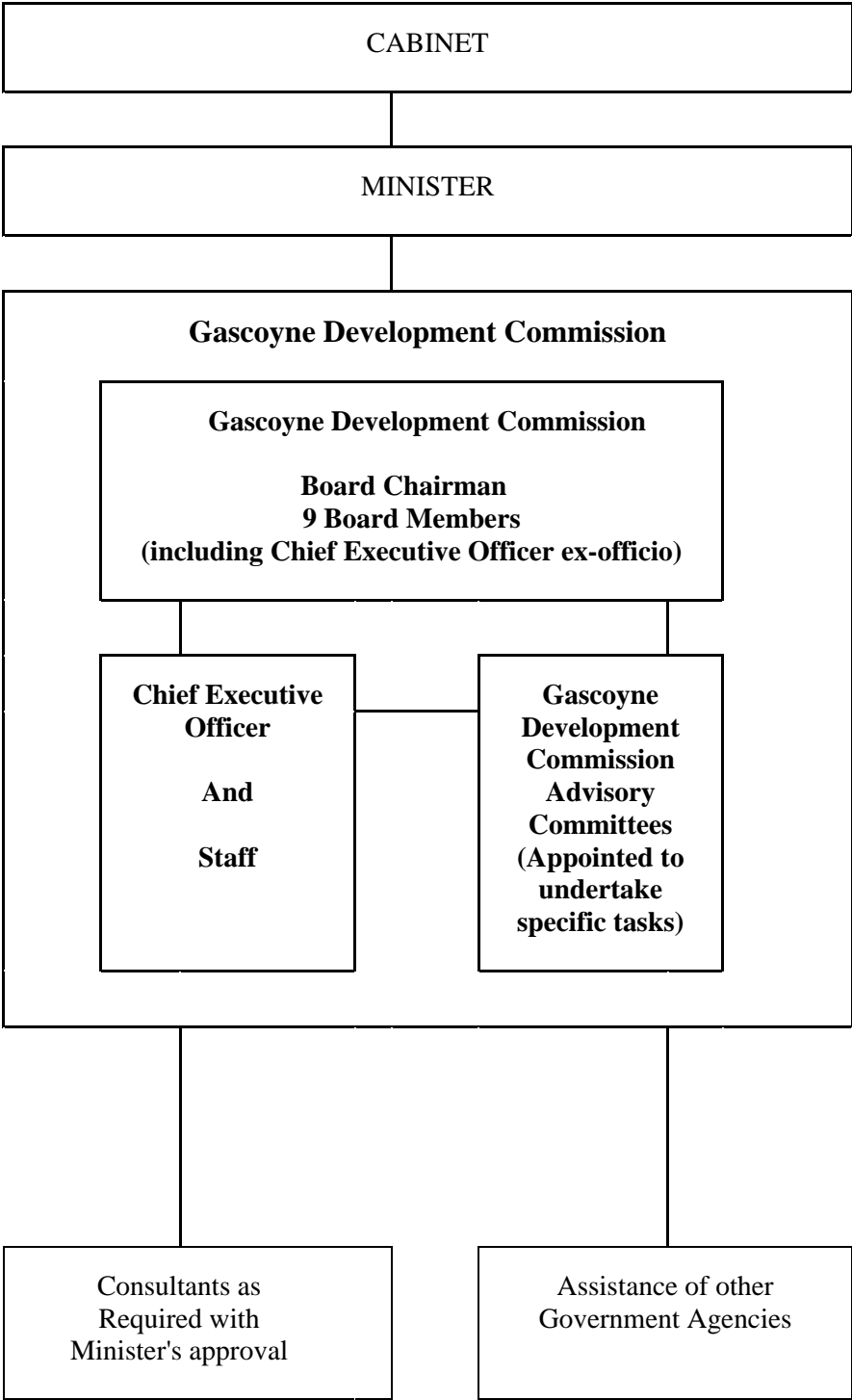
The Regional Development Commissions Act 1993, which created nine commissions including the Gascoyne Development Commission, states that the objects and functions of each commission are to:

- a) Maximise job creation and improve career opportunities in the Region.
- b) Develop and broaden the economic base of the Region.
- c) Identify infrastructure services to promote business development within the Region.
- d) Provide information and advice to promote business development within the Region.
- e) Seek to ensure that the general standard of government services and access to those services in the Region is comparable to that which applies in the metropolitan area.
- f) Generally take steps to encourage, promote, facilitate and monitor the economic development in the Region.

By identifying and coordinating the responsibilities of a wide range of government agencies with regional development charters, the Commission performs an important role in addressing needs and ensuring appropriate application of Government resources in its Region.

The Gascoyne Development Commission performs its functions in respect of the Region comprising the Shires of Carnarvon, Exmouth, Shark Bay and Upper Gascoyne.

OPERATIONAL STRUCTURE



OPERATIONAL PURPOSE

This annual report is presented in terms of the Commission's targeted service of Regional Development. Resources and project effort are directed to the Government's focus on Better Planning: Better Services to achieve regional development of the Gascoyne. Our focus is on:

People and Communities

To enhance the quality of life and wellbeing of all people throughout the region.

The Economy

To develop a strong economy that delivers jobs, more opportunities and greater wealth to the region by creating the conditions required for investment and growth.

The Environment

To ensure that the Gascoyne has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.

The Region

To ensure that the Gascoyne region is strong and vibrant.

Governance

To administer for all in an open, effective and efficient manner that also ensures a sustainable future.

OUR MISSION

To achieve sustainable economic and social development of the Gascoyne Region - A better place to live. The Gascoyne will be recognized as providing a great lifestyle and visitor experience through its diversity, good employment and investment opportunities, unique natural environment and climate.

OUR VALUES AND PRINCIPLES

The Gascoyne Development Commission is committed to:

- Sustainability
- Current and future generations
- Respect and diversity
- Partnerships
- Community consultation and involvement
- Fair and transparent processes
- Fiscal responsibility and accountability
- Innovation

OUR PRIORITY AREAS

- Business and Community Development and Support
- Infrastructure Development
- Tourism Development and Support
- Communication Improvement
- Promotion of Region
- Aboriginal Economic and Cultural Development
- Population Retention

OUR PROJECTS

The Commission's projects are currently aligned to the following areas to achieve regional development. They contribute to State Government's Strategic Planning Framework, Better Planning: Better Services by contributing to the development of the Gascoyne Region, its people and communities, its economy and its environment.

The main project areas covered are:

- Continuous improvement of policies, plans, strategies and position statements on key development issues and facilitation of their implementation to generate a methodical and coordinated approach to Regional development of the Gascoyne.
- Facilitation of greater unity and cohesion within the business community and encouragement of new business investment that is environmentally sustainable.
- Identification of key economic, social and cultural infrastructure that will generate business growth as well as improve the quality of life for residents.
- Effective promotion of the Gascoyne's many investment opportunities, great lifestyle and unique natural environment and climate.

COMMISSION BOARD AND STAFF

The Commission has a Board of Management comprising 9 members who are appointed by the Minister, and the Chief Executive Officer, by virtue of office. The Minister appoints the Chairman and the Deputy Chairman.

The Act prescribes that appointed members are to be selected, as far as possible, on the following basis:

One third will be nominated by local councils in the Region.

One third may be appointed at the Minister's discretion.

One third is to be persons who are resident in the Region and nominated by the community.

The Board is the governing body with authority to perform the functions of the Commission and has delegated to the Chief Executive Officer the day to day management. The Board meets regularly to consider matters of economic and social importance to the Region, to formulate advice to the Minister on appropriate matters, to set policy directions for the Commission and to formulate budget priorities.

Advisory Committees

The Board may from time to time establish committees for the purpose of considering particular matters specified by the Board.

The Gascoyne Telecommunications Working Group

This group is a community-based advisory committee to the Gascoyne Development Commission to address all aspects of telecommunications issues and the needs of the Gascoyne Region, rationalise and implement priority issues to meet the region's full potential and progress in line with the global community.

The interest and targets for activities include mobile phones, computer/internet access and affordability, satellite technology, broadcasting, video-conferencing and E-commerce.

The main functions of the Group are to:

- Advise Government, lobby service providers and other organisations to provide effective communications options for the Region.
- Monitor changes in communications and their impact on Gascoyne communities.
- Provide information and advice on communications issues to the wider Gascoyne community.
- Assess, prioritise and implement communications requirements of the Gascoyne Region.

The Group consists of eleven members, bringing in a blend of expertise and interests covering a broad spectrum encompassing information technology, telecommunication, radio communication, pastoral interests, education, corporate and small business sectors as well as Local and State Government.

Ningaloo Research Centre (NRC) Project Steering Group

The group aims to provide a modern, world class, independent, multidisciplinary research and conference centre for national and international research bodies, industry and other stakeholders. It

will be a catalyst to ensure long-term sustainable ecological and economic viability of the area and the management and conservation of world heritage values for which the area is likely to be nominated.

The NRC project steering group was established as a partnership alliance with the Shire of Exmouth with a view to oversee the complex project development and implementation activities and establish initial communications with stakeholders. The Commission's role is delivered through its full time project officer position and office in Exmouth. The NRC web address is www.ningalooresearch.org.

Education Precinct Strategy Group

Progressing from the Gascoyne Education Working Group, the Education Precinct Strategy Group was established in May 2007 to forward the recommendations set out in the report 'An Education Precinct in Carnarvon; a community approach to the future.' The Group consists of all major stakeholders including, the Department of Education and Training, Carnarvon Senior High School, TAFE, Shire of Carnarvon, St Mary Catholic School, Curtin University Centre for Regional Education and the Gascoyne Development Commission. The Gascoyne Development Commission provides executive support for the Group.

STAFF

Staff positions at 30 June 2007:

Stephen Yule, Chief Executive Officer

Tami Maitre, Senior Project Manager

Rebecca Marsh, Project Officer, on parental leave

Fiona Shallcross, Project Officer

Toni Lewis, Project Officer

Jennifer Peate, Project Officer (Contract)

Greg Rose, Aboriginal Economic Development Officer, (Contract)

Simon Terry, Project Officer, Exmouth (Contract)

Paul Good, Trade Start Officer (Contract)

Lorraine Fitzpatrick, Aboriginal Heritage and Cultural Centre Manager (Contract)

Chris Jones, Manager Corporate Services

Jill Dwyer, Executive Assistant

Rohini Phal, Finance and Administration Officer

Staff movements from the Commission during the year:

Yasushi Nishioka	resigned
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Jenny Payet	resigned
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Maree Fowke	resigned
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ACCESS TO INFORMATION

The Commission Board and staff welcome public input to assist in the formulation of the Commission's policies and in the performance of the agency's functions. The Commission also draws on members of the community for working groups on specific projects.

Members of the public with an interest in regional development, and particularly the development of the Gascoyne Region, are welcome to contact Board members or to visit the Commission staff to discuss relevant issues.

The Commission holds information from various sources in working files, feasibility studies and printed reports that are stored in the Commission's library. Information is usually provided free of charge. However, some documents or reports may require a contribution towards the printing costs.

In accordance with the Freedom of Information Act the information and documents of the Gascoyne Development Commission may be inspected.

Initial inquiries for access to information held by the Commission, other than those easily satisfied by a personal visit, should be forwarded to the Manager Corporate Services, Gascoyne Development Commission, PO Box 781, Carnarvon WA 6701.

The Commission has a web page at www.gdc.wa.gov.au with links to other Regional sites.

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 Commission has a policy of providing personal information on request. Requests can also be made under the provisions of the *Freedom of Information Act 1992* for which a charge applies.

Please address all requests to the Manager Corporate Services, Gascoyne Development Commission, PO Box 781, Carnarvon WA 6701.

AGENCY PERFORMANCE

MAJOR ACHIEVEMENTS

- Improvements in delivery and accessibility to education and training are considered crucial to the ongoing development of industry and community in the Gascoyne. To this end the GDC completed and released a report into future education services in the Gascoyne in March 2007. The report, *An Education Precinct in Carnarvon, a community approach to the future*, will guide a strategic approach to the development of an education precinct in Carnarvon, to be implemented by a new Education Precinct Strategy Group.
- Appointed a full time Centre Manager and provided executive support to establish the Interim Board of Management and Indigenous Reference Group for the Gascoyne Aboriginal Heritage and Cultural Centre in Carnarvon.
- In October 2006 the Gascoyne Community Foundation was launched by Hon Vince Catania MLC with \$100,000 seed funding through the State Government Regional Investment Fund. The Foundation is a local independent not for profit trust fund set up to help the region's communities build and attract funds for a sustainable future. Interest earned from the trust fund will generate a grants program aimed at supporting projects and activities that address the communities emerging needs.
- Launched the Gascoyne Murchison Outback Pathways Guidebook.
- Released a discussion paper on Food Industry initiatives.
- Completed the Plastic Bag Free project. The project was the winner in the Plastic Bag Reduction Awards in 2006.
- Supported local governments, industry and community through the Regional Development Scheme and Minor Grants program through funding initiatives for infrastructure development, business and export development, community events and promotional activities.
- Promoted and sought capital and operational funding to establish the Ningaloo Research Centre in Exmouth.
- Conducted a Gascoyne specific 'skills in demand' survey.

REPORT ON ACTIVITIES

The activities of the Commission are focused on the attainment of an environment conducive to the balanced economic and social development of the Gascoyne Region. The Commission regularly produces a corporate strategy document which provides details of the Commission's planned activities for the coming financial year.

The Commission strives to achieve regional development and seeks to attain results in several key areas (refer Corporate Purpose). Projects undertaken during the financial year are included in the following table and are described on the following pages. These projects contribute to State Government Strategic Planning Framework, Better Planning: Better Services by addressing the Gascoyne Region, its people and communities, its economy and environment.

Function 1: Maximise Regional Job Creation and Improve Career Opportunities

Indigenous Development Program

Inland Gascoyne Business Development

Aboriginal Heritage and Cultural Centre Stage 2

Traditional Elders Initiative

Education Precinct Strategy Group

Function 2: Develop And Broaden The Economic Base Of The Region.

Mt Augustus Upper Gascoyne Development

Carnarvon 2020 Program.

Food Industry Program

Function 3: Identify Infrastructure Services To Promote Business Development

Midwest Gascoyne Area Consultative Committee

Ningaloo Research Centre

Function 4: Provide Information And Advice To Promote Business Development Within The Region.

Austrade Tradestart Services

Skilled Migration

Website Program

Function 5: Seek To Ensure That The General Standard Of Government Services And Access To Those Services In The Region Is Comparable To That Which Applies In The Metropolitan Area.

Gascoyne Telecommunications Working Group

Leadership Program and Governance Issues

Infrastructure and Services Program

Strategic Waste Initiative Scheme

Function 6: Generally Take Steps To Encourage, Promote, Facilitate And Monitor The Economic Development In The Gascoyne Region.

Regional Development Council Program

Shark Bay, Exmouth, Upper Gascoyne and Carnarvon Liaison

Ningaloo Coastal Strategy

Eco Lodge Competition

GDC Strategic Plan

Regional Development Scheme

Regional Promotion Program

Gascoyne Works

Gascoyne Community Foundation

Industry Development and Promotions Scheme

GDC Minor Grants Scheme

Function 1: Maximise Regional Job Creation and Improve Career Opportunities

This program is based on the recognition that boosting job creation and improving career opportunities will have a variety of economic and social benefits for the Gascoyne region. The program needs strong, correctly tailored education and training infrastructure which will ensure that Gascoyne residents have the skills needed to meet the increased and diversified employment demand.

Indigenous Development Program

This program provides funds to assist Aboriginal community groups and individuals to develop their capacity to manage sustainable community and business activities. The Indigenous Development Officer is to provide professional guidance, support and assistance to Aboriginal people within the Gascoyne Region to further develop enterprise concepts and establish stronger workable links within the training arena for Aboriginal people seeking meaningful employment.

A number of Aboriginal Corporations exist in the Gascoyne region. This program has achieved positive outcomes for a number of groups through assistance with preparing business plans, assessment of development options, grant applications and liaison with relevant government and private bodies.

Inland Gascoyne Business Development

This project will assist the Burringurrah Aboriginal community establish viable enterprises that meet regional economic planning requirements and provide additional services to the community. In 2006/07 investigations were undertaken, in partnership with the Forest Products Commission, into opportunities associated with sandalwood plantations and harvesting. In addition, assistance was provided to establish a tyre repair business; a partnership arrangement between the community and the local mechanical business.

The Burringurrah Aboriginal Community has representation on the Mt Augustus and Gascoyne Outback Development Taskforce which will produce an overall development plan for the remote inland area.

Traditional Elders Initiative

This project has assisted in establishing the Gascoyne Traditional Elders Group, recognized Indigenous community Elders as representatives from all regional language groups. This group has the opportunity to play a role in Indigenous interests through nominated representation on various government, business and agency committees in the Gascoyne.

Gascoyne Aboriginal Heritage and Cultural Centre (Stage 2)

The Gascoyne Development Commission continues to support the Gascoyne Aboriginal Heritage and Cultural Centre in Carnarvon. In 2006/07 the Minister for the Gascoyne appointed the interim Board of Management and the Indigenous Reference Group. A Centre Manager has also been appointed. Planning has commenced for the internal fitout and research and development for interpretation and exhibitions.

Education Precinct Strategy Group

Following the release of the report *An Education Precinct in Carnarvon; A community approach to the future*, the Education Precinct Strategy Group was formed in May 2007 to implement the strategies identified in the report

Function 2: Develop And Broaden The Economic Base Of The Region.

This program area acknowledges that a broad based, diverse, integrated economy is more stable, less subject to volatility in our global setting and more likely to provide balanced and sustained growth for our region.

The idea that a broad, well balanced and integrated economic base will promote better employment outcomes and a wide ranging array of services through diversity is fairly straightforward. In our case, the Gascoyne economy is one of the most diverse in the State, without total reliance on any one industry or industry sector.

Mt Augustus and Gascoyne Outback Development

This project, endorsed by State Cabinet, will build on the options for economic development within Mt Augustus and the Gascoyne outback as identified in the Curtin Business School 'Comprehensive Analysis of Options for Economic Development in the Shire of Upper Gascoyne'. This report identified a range of options to promote business development within the region including tourism accommodation and services, horticulture and strategic links to Karajini. In June 2007 a taskforce was appointed to plan and implement an overall develop strategy for the remote area.

Carnarvon 2020 Program.

The State Government endorsed the Carnarvon 2020 Strategy that aims to prepare the Carnarvon community for the challenges that lay ahead. It is based upon the principles, goals and objectives contained in the State Sustainability Strategy, the Regional Development Policy for Western Australia and the Ningaloo Coast Strategy - Carnarvon to Exmouth. It includes short, medium and long term strategies and actions to address immediate issues and to position the Carnarvon community for sustainable growth. Many of the individual projects within the Strategy have been completed. The Strategy will be reviewed.

Food Industry Program

The Gascoyne region produces a varied and high quality array of food products. This program is to generate discussion across the community to identify the degree of interest in the development of food initiatives. The Gascoyne Development Commission supported the food promotion event 'A Taste of the Gascoyne.' The gala event attracted state and national media exposure. The 2007 event also coincided with a national chefs event 'Lexus Chefs' which included Carnarvon as a location for cooking and industry exposure. The Gascoyne Development Commission considers the development

of the food industry as a priority and continues to explore opportunities with industry stakeholders to progress this area.

Function 3: Identify Infrastructure Services To Promote Business Development

Infrastructure services are essential for regional growth. This requires the constant upgrading and maintenance of transport routes, communications, power, and water services. The Commission recognises there are challenges faced to ensure that the distances and isolation of the communities across the region do not result in inequity of supply and access to services.

Midwest Gascoyne Area Consultative Committee Program (MWGACC)

MWGACC is a Federal Government funded regional Committee comprising (currently) 18 Directors. The program continues to seek strong, committed representation from the northern Gascoyne. The Gascoyne Development Commission retains a position on the Board and supports funding for those projects from the Gascoyne region that support economic and social development.

Ningaloo Research Centre (NRC)

To build upon the Concept Design and Master Plan (completed in July 2004) and the Feasibility Study and the Business Plan (completed in April 2006), identify funding sources and long-term tenants, and gather together an effective stakeholder group with common vision for a purpose-built, multidisciplinary research centre located at the Exmouth Marina. Representation to State and Commonwealth Ministers throughout 2006/07 has been received favourably.

Function 4: Provide Information And Advice To Promote Business Development

This program is designed to ensure that the Gascoyne business community is not disadvantaged due to the isolation and distance from Perth or other main regional centers by way of providing the same business development opportunities that are afforded the larger business centers.

The provision and the dissemination of information, advice, assistance and support to individuals, business organizations, industry groups and representatives is paramount to ensuring business development across the Region. It is one of the building blocks for sound economic development, job creation and community growth.

Business development can also be achieved through the promotion of the Gascoyne Region as a better place to live, a great place to invest and a unique place to visit. The Gascoyne Region can be promoted through the print media, web sites, exhibitions and shows (regional, state and national events), networking opportunities, forums and meetings.

Information and advice will also be provided to all levels of government via Ministerial communications and briefing notes with a view to foster, promote and support the interests of the Gascoyne business community. To do this effectively, the GDC will liaise and consult with business organizations, industry groups and peak bodies to ensure the interests of the Gascoyne Business community are communicated.

Austrade Tradestart Services

Tradestart offices provide Austrade services on the same terms and to the same standards, to clients in locations where Austrade does not have adequate presence. This project provides funds for the employment of an export advisory officer through Austrade to provide initial counselling services to clients wanting to get into export. In 2006/07 industry and business development has occurred through the delivery of advice and information both directly and through a series of e-commerce seminars. In addition, a US art buyers visit to Western Australia resulted in positive outcomes for a number of Indigenous artists.

Skilled Migration

To fulfill the requirements of operating as a Regional Certifying Body (RCB) for migration, attract skilled migrants and promote skilled migration options to Gascoyne Businesses. A number of requests for visas have been processed through the Gascoyne Development Commission as per the State and Commonwealth policies.

Website Program

The GDC website plays a vital role in promoting both the region, and the Gascoyne Development Commission, to a worldwide audience. The website is a valuable tool for providing information and communicating the activities of the GDC. The website receives approximately 100 hits per day.

Function 5: Seek To Ensure That The General Standard Of Government Services And Access To Those Services In The Region Is Comparable To That Which Applies In The Metropolitan Area.

The Gascoyne Development Commission is a crucial link in the consultation process between State Government and the local communities. With the location of Government agencies in the main regional centre of Carnarvon, the GDC is able to effectively consult and influence decision making to ultimately produce positive outcomes for the greater Gascoyne region. The GDC is a statutory body that advocates for fair and accessible services across the business industry and social sectors. It seeks to ensure equity of access to these services and that services are of a standard equivalent to those delivered in the metropolitan area.

This program will be achieved through consultation, public communications and facilitation, research and policy development. It will be undertaken with the understanding that partnerships need to be developed between non-government and government sectors and that agencies need to adopt a more inclusive approach with user groups.

The program will also provide for the assessment and justification of calls for increasing services in the areas of health and education for the Gascoyne communities. This shall be achieved through consultation, needs assessment and by utilizing tools such as Input Output Models. Findings will be communicated to all levels of Government via Ministerial advice and also disseminated through local networks and key stakeholders.

Telecommunications Working Group

The aim of the GDC group is to improve the awareness and efficiency of communications delivery in the Gascoyne region. Advice and support has been provided for the Skilling Outback WA project to ensure maximum benefit to the Gascoyne is realised.

Leadership Program and Governance Issues

This program aims to promote, and where applicable, implement leadership opportunities for residents of the Gascoyne. The future of regional communities is reliant on individuals who have vision and energy to bring about change and make things happen. Strong leadership skills and good governance are essential to the framework of communities and such skills need to be fostered and developed over a period of time. The Shadow Board project continues with two members completing their term for 2006/07.

Infrastructure and Services Program

To keep abreast of infrastructure and services provided in the Gascoyne and compare services with those provided in the metropolitan area with respect to equity of service delivery.

Strategic Waste Initiative Scheme

To conduct a feasibility study that will assess potential for viable improved waste management practices in the Gascoyne region. Local governments in the region continue to work with the

Gascoyne Development Commission to determine the best outcome for all parties in developing a regional waste strategy.

Function 6: Generally Take Steps To Encourage, Promote, Facilitate And Monitor The Economic Development In The Gascoyne Region.

This program accommodates the tasks and activities that GDC officers undertake to encourage, promote, facilitate and monitor economic development in the Gascoyne Region.

Regional Development Council Program

The Council comprises the nine Board Chairs of the Development Commissions, WA Local Government Area representatives, the Director General of the Department of Local Government and Regional Development, and it is chaired by an independent Ministerial appointee, currently Mr Ian Taylor. The Gascoyne Development Commission Chair attends the Council meetings and provides advice and input on matters relating to regional issues in the Gascoyne.

Shark Bay, Exmouth, Upper Gascoyne and Carnarvon Liaison Program

The Gascoyne Development Commission appoints project officers to liaison roles to assist the Regional Shires, small business and the communities with economic, social, environmental and cultural development. Liaison officers have continued to be a point of contact for the local governments of the Gascoyne region and provide considerable support on a range of issues, projects and activities.

Ningaloo Coastal Strategy

The Gascoyne Development Commission has representation on the Ningaloo Sustainable Development Committee and the Ningaloo Coast Advisory Committee to support the implementation of the Strategy and develop opportunities for sustainable development along the coast.

Eco Lodge Competition

To establish an architectural competition for a World's Best Practice Eco Lodge design that will satisfy the stringent development conditions required by the Ningaloo Coastal planning process initially, but eventually to be applied to all remote areas in tourism infrastructure development. The competition 'Proposition 6707' was launched in May 2007.

GDC Strategic Plan

The role and function of the GDC places it in a position to offer a unique perspective on policy and projects and aggregate information across portfolios to produce the best outcomes in regional development. This role requires long term strategic planning for the Gascoyne region. In 2006/07 a draft strategic plan was prepared and presented to the Minister for the Gascoyne for endorsement.

Regional Development Scheme (RDS)

The Regional Development Scheme is a grant assistance program available to the Gascoyne on an annual basis. Expressions of interest are sought for the grants. Successful applicants are then invited to submit final application for consideration by the Board. A list of projects funded by the RDS program in 2006/07 is presented at the conclusion of this section of the Annual Report.

Regional Promotion Program

The promotion of the GDC and Gascoyne Region supports the overall aims and objectives of the GDC to fashion the Gascoyne as a better place to live, a great place to invest and a unique place to visit. During 2006/07 the GDC supported the filming of a Postcards WA special which coincided with the Taste of the Gascoyne event.

Gascoyne Works

The Gascoyne Works aims to provide exposure of the GDC and the activities and projects it undertakes. The program provides regular, up-to-date information and advice through the regional newspaper in addition to the dissemination of an electronic newsletter. It ensures a more detailed level of information is disseminated to the community on programs, projects and grant opportunities.

Gascoyne Community Foundation Program

In October 2006 the Gascoyne Community Foundation was launched by Hon Vince Catania MLC with \$100,000 seed funding from the State Government Regional Investment Fund. The Foundation is a local independent not for profit trust fund set up to help the region's communities build and attract funds for a sustainable future. Interest earned from the trust fund will generate a grants program aimed at supporting projects and activities that address the communities emerging needs.

Industry Development and Promotions Scheme

To provide a flexible source of funding for projects that provide significant benefit for industry development or promotion. In 2006/07 the scheme supported industry development through assisting members of the horticulture industry attend an international expo in Israel, the hosting of a Geoscience conference in Exmouth and further the development of the Shark Bay telecentre manager through attendance at a community development conference.

Minor Grants Program

To provide a source of funds (from the GDC's operational budget), which at the discretion of the Board, can be used to support small projects within the Gascoyne that are consistent with the objects of the GDC. In 2006/07 the GDC provided two funding rounds granting a total of \$33, 485 for the following projects.

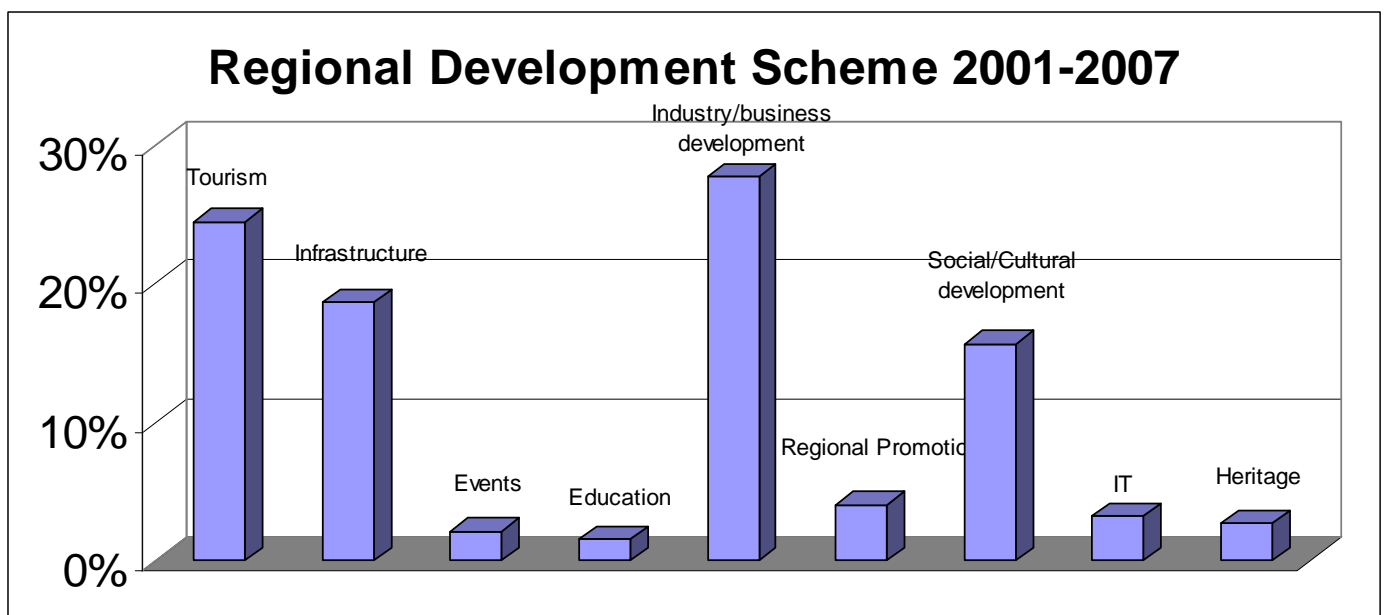
<u>Applicant</u>	<u>Project</u>
Shire of Carnarvon	District Display
Bundegi Beach P/L	Promaco Wildlife Convention
Carnarvon Tennis Club	Equipment
Carnarvon Rodeo Association	Equipment
Carnarvon Volunteer Fire Brigade	Radio
Lyndon Land Conservation	Equipment repair
Shire of Shark Bay	"Uranie" freight costs from Falklands
Gascoyne Growers Market	Saturday bus
Yadgalah Aboriginal Corp	Healing Arts Workshops
Shark Bay Fishing Club Inc	Portable toilets
Ningaloo Whale Shark Festival	Portable panels
Granny Glasgow	Early years learning training
Shire of Carnarvon	Taste Of The Gascoyne
Carnarvon Arts and Craft Workshop Inc	Show 2007
St Mary's Star of the Sea P & F Association	Shade sails
Shark Bay Arts Council	Shark Bay Festival and Markets
Isolated Children's Parents Assoc	Calendar printing
Carnarvon Festival Inc	Extreme Festival Entertainment 'Skadada'

REGIONAL DEVELOPMENT FUNDS

RDS funds were approved for the following projects in the 2006/07 financial year.

<u>Applicant</u>	<u>Project</u>
Silver Chain Nursing	Shark Bay Community Health Centre
Exmouth Volunteer Marine Rescue Group	Vessel Replacement
Exmouth Game Fishing Club	Clubhouse
AgWA	Mt Augustus and Gascoyne Outback Dev't
Mungullah Community	Oval Greening
Shire of Exmouth	Vlamingh Head Lighthouse Management Plan
Ocean Park	Shade Structure
Carnarvon Visitor Centre	Branding Carnarvon
Department of Culture and Arts	Gascoyne Skills Transfer and Arts Dev't
Shire of Carnarvon	Fascine Seawall Enhancement
Shire of Shark Bay	Pastoral History Book
Carnarvon Family Support Service	Building Strength Through Artistic Expression

The graph below represents Regional Development Scheme funding of \$2.6M allocated over six years to 30 June 2007 by industry.



KEY PERFORMANCE INDICATORS

CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Gascoyne Development Commission performance, and fairly represent the performance of the Gascoyne Development Commission for the financial year ended 30 June 2007.



Kevin Leahy
CHAIRMAN



Stephen Yule
CHIEF EXECUTIVE OFFICER/MEMBER OF
ACCOUNTABLE AUTHORITY

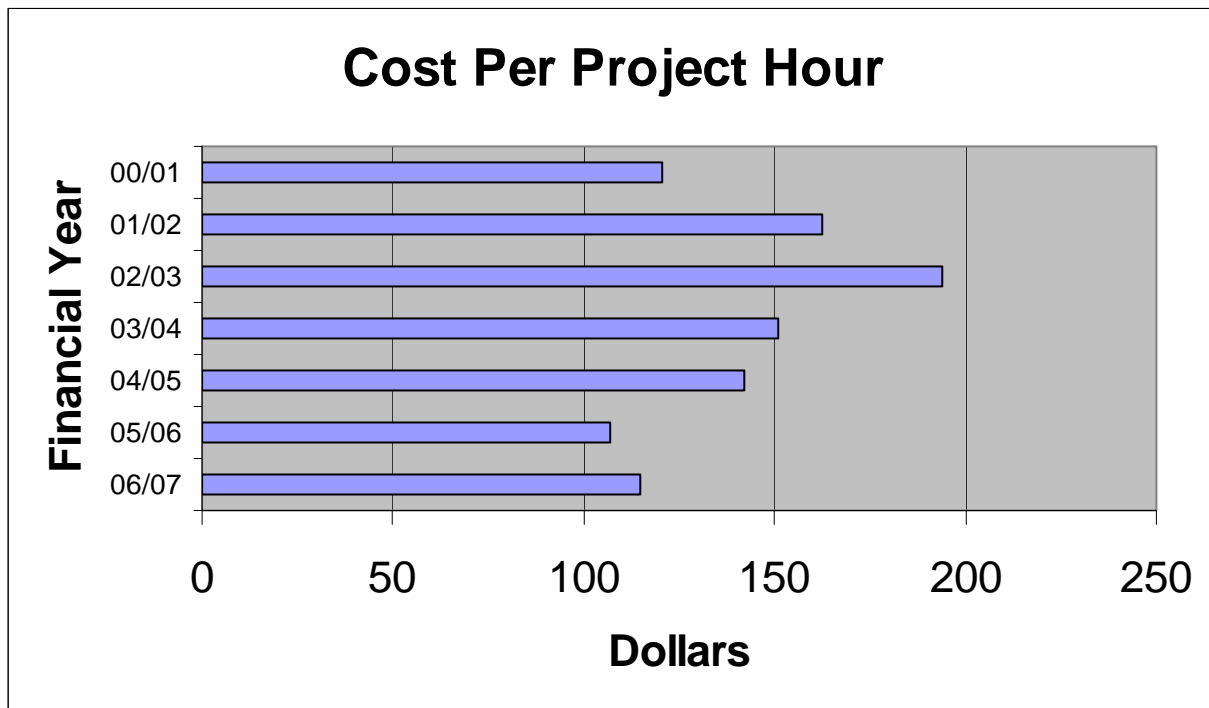
30 July 2007

Efficiency Indicators

The Corporate service is Regional Development.

The following chart records the total cost of services per project hour as an audited key efficiency indicator. There was a slight reduction in project hours from March 2002 with the move from work place agreements to the Public Service Award and the General Agreement.

Figure 1



The Commission's budget is directed to numerous output focused projects supporting the economic and social development of the Gascoyne Region. External funding sources and networking partners are continually sought to enhance project scope and effectiveness. The attraction of additional funding (or the withdrawal of anticipated funding) can result in wide variations between expectations and actual results. To help counter some distortion, the figures for this year and prior years have been adjusted to exclude grant expenditure.

A target cost per project hour was set at \$175 and a cost of \$115 was achieved.

Effectiveness Indicators

The activities of the Commission are focused on the attainment of an environment conducive to the balanced economic and social development of the Gascoyne Region.

By way of background, the Commission operates on a project basis to achieve economic and social development of the Region. Projects vary widely to encompass developing policies, strategic plans and facilitating their implementation, encouraging business investment, identifying social and cultural infrastructure to improve business growth and quality of life, and regional promotion. Funding can vary dramatically over each financial year depending on shifting priorities and what strategic partnerships and shared project funding initiatives can be established during the year.

Customer Survey

A Customer Survey of the Commission's database of contacts was undertaken in April 2007 to solicit responses relating to the achievement of the Commission's service.

Of the 126 questionnaires sent, from those returned an 80% response rate was achieved from clients who considered that they dealt with the Commission fairly frequently or more often. A summary of results follows.

Figure 2

Respondents were asked if the Commission is effective and makes a positive contribution to the economic development of the Gascoyne Region. 98% of respondents thought the Commission was average or better in this regard.

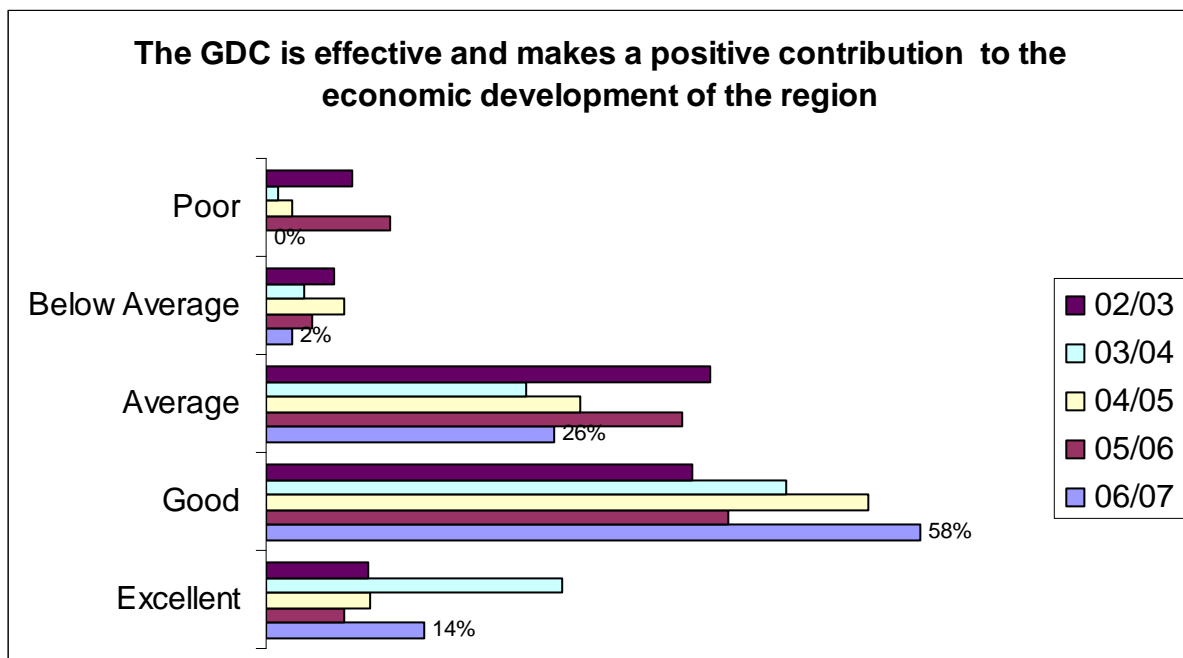


Figure 3

The survey asked if the Commission is effective and makes a positive contribution to the social development of the Gascoyne Region. 91% of respondents thought the Commission was average or better in this regard.

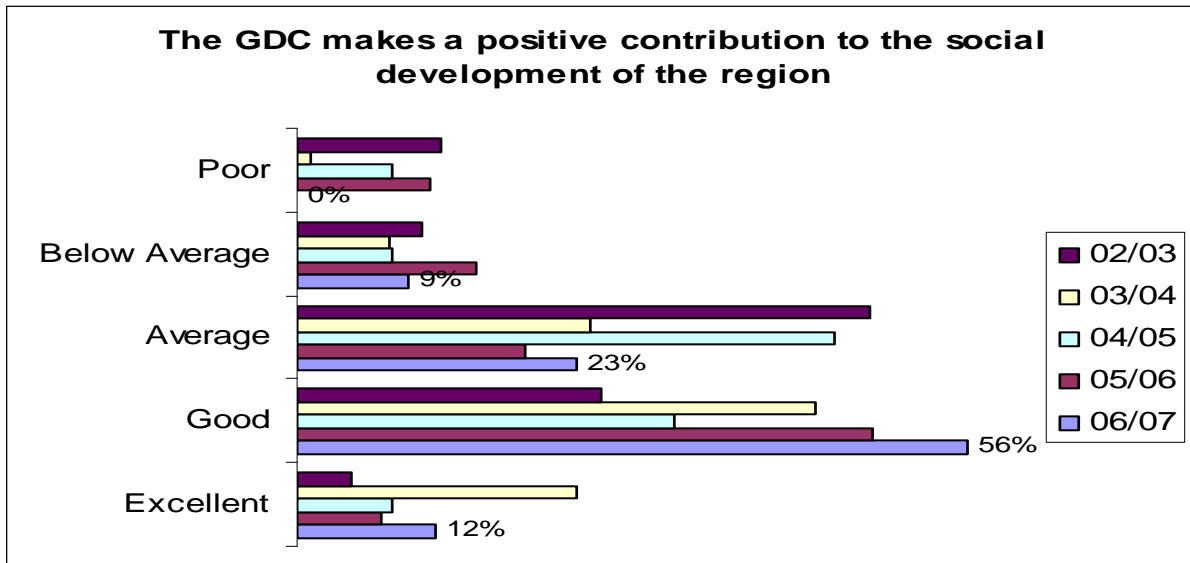


Figure 4

The survey asked how well the Commission performed in developing policies, plans, strategies and position statements on key issues and needs of the Region. 93% of respondents thought the Commission was average or better in this regard.

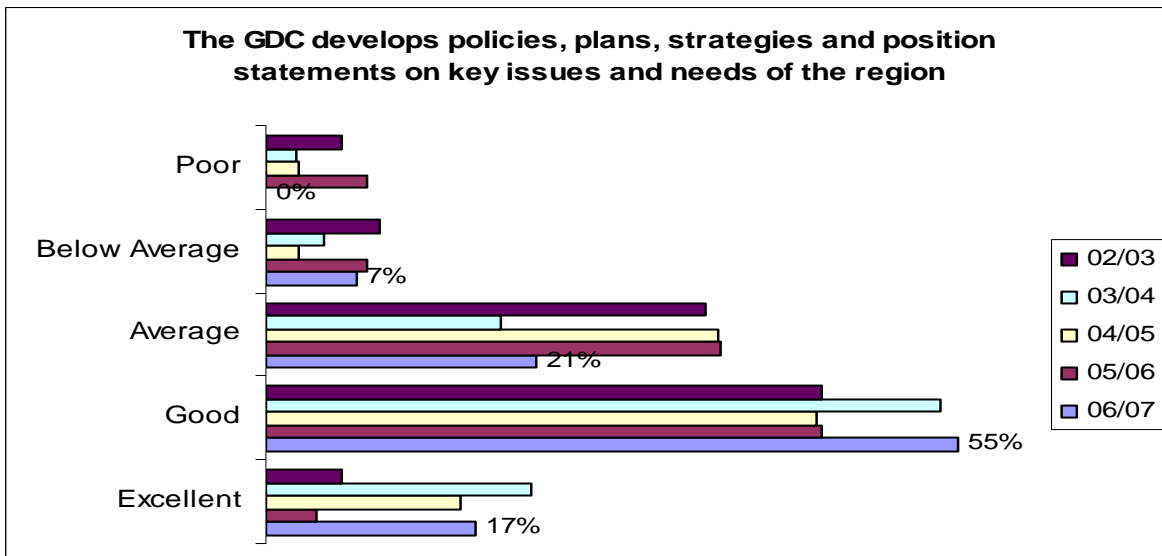


Figure 5

The survey asked how well the Commission performed in encouraging local business to grow and diversify. 89% of respondents thought the Commission was average or better in this regard.

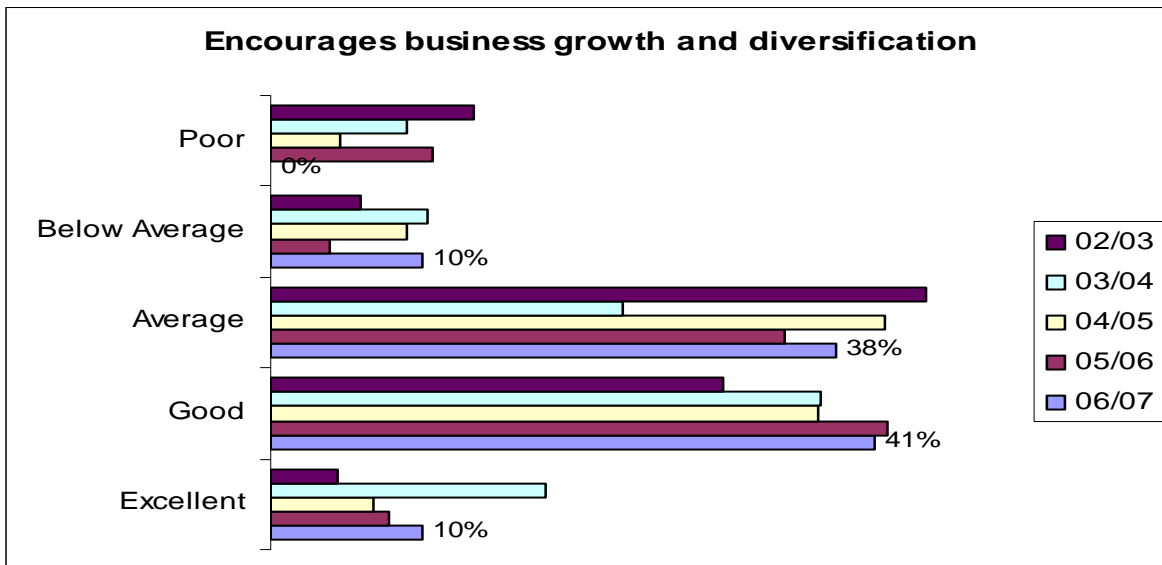


Figure 6

The survey asked how well the Commission performed in promoting and seeking business investment opportunities in the Region. 100% of respondents thought the Commission was average or better in this regard.

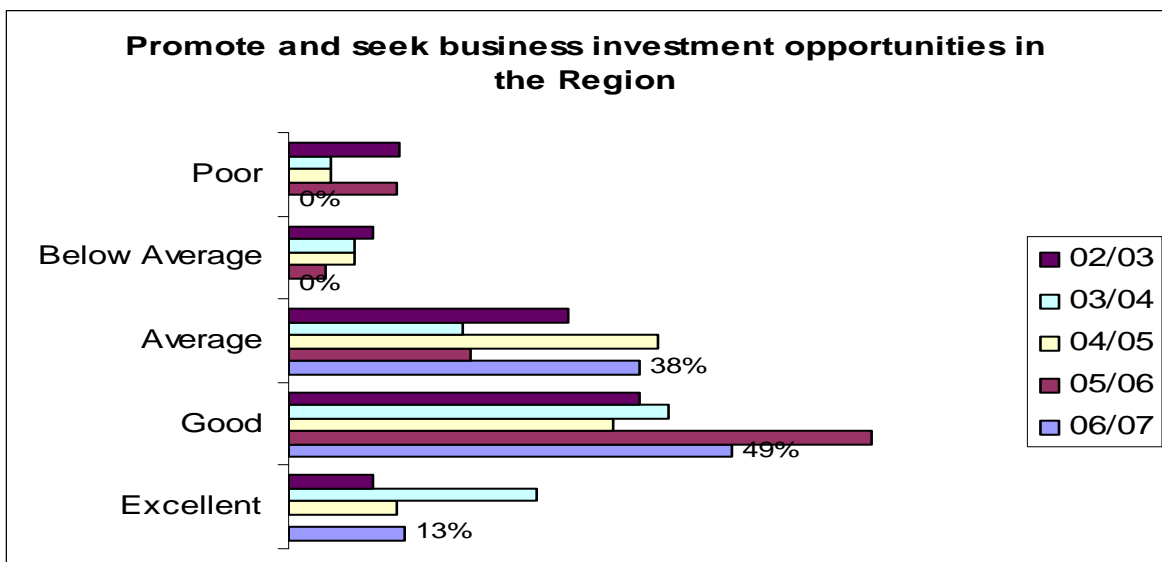


Figure 7

The survey asked how well the Commission performed in promoting and seeking social and cultural opportunities in the Region. 93% of respondents thought the Commission was average or better in this regard.



Figure 8

The survey asked how well the Commission performed in supporting and encouraging promotion of the Region. 100% of respondents thought the Commission was average or better in this regard.

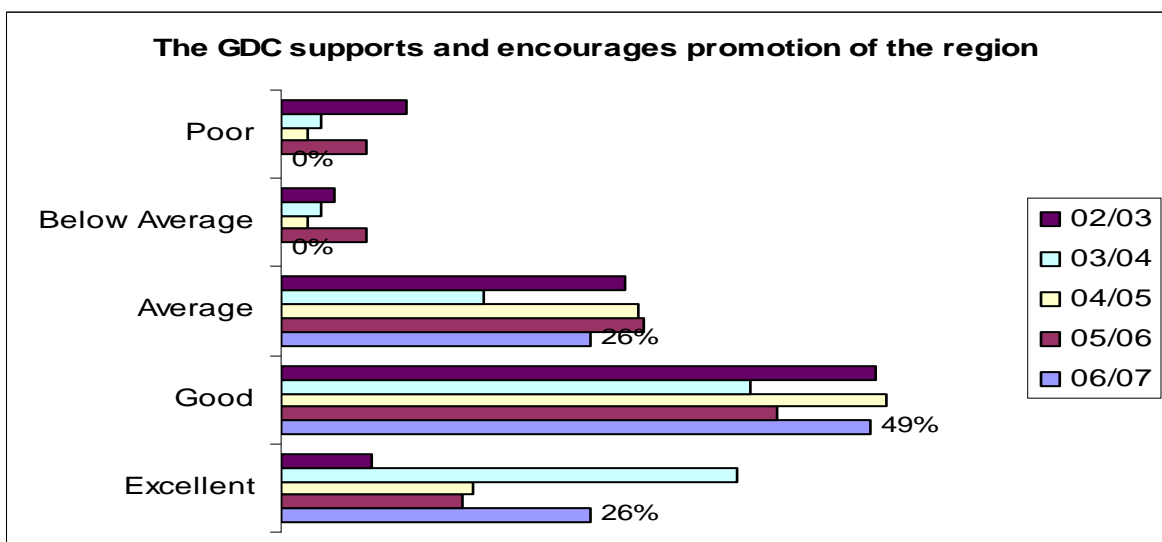
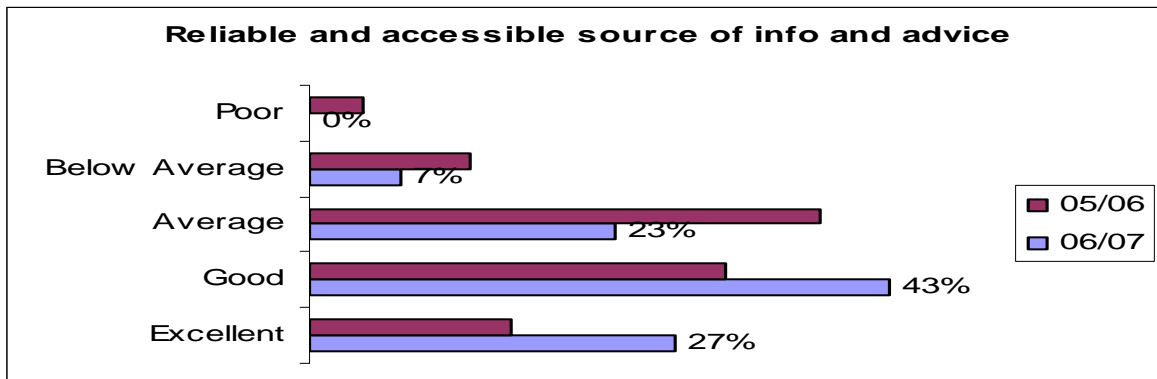


Figure 9

The survey asked how reliable and accessible the Commission was as a source of information and advice. This was the second year that this question was asked. 93% of respondents thought the Commission was average or better in this regard.



Actual performance compared to Resource Agreement targets

Financial Targets	2007 Target (1) \$000	2007 Actual \$000	Variation (2)
Total cost of services (expense limit) (sourced from Income Statement)	2,176	2037	139
Net cost of services (sourced from Income Statement)	1,459	1858	399
Total equity (sourced from Balance Sheet)	488	1795	1307
Net increase / (decrease) in cash held (sourced from Cash Flow Statement)	(20)	260	280
Approved full time equivalent (FTE) staff level (2 FTE are externally funded)	12	13	1

(1) As specified in the budget statements for the year in question.

(2) Further explanations are also contained in Note 42 'Explanatory Statement' to the financial statements.

The Commission's budget is directed to numerous projects supporting the economic and social development of the Gascoyne region. External funding sources and networking partners are continually sought to enhance project scope and effectiveness. The attraction of additional funding (or the withdrawal of anticipated funding) can result in wide variations in revenue and expenditure over financial years. Also, the timing of Regional Development Scheme funds is dependent upon the recipient's project commencement date and subsequent milestone achievements. This also affects cash holdings and therefore equity.

Key Performance Indicators	Target (1)	Actual	Variation (2)
Key Effectiveness Indicator: An environment conducive to the balanced economic and social development of the Gascoyne Region	85%	95%	10%
Key Efficiency Indicator: Cost per project hour	\$175	\$115	\$60

(1) As specified in the budget statements for the year in question.

(2) Key effectiveness percentage is the average from figures 2 & 3, the key efficiency indicator is explained at figure 1.

SIGNIFICANT ISSUES AND TRENDS

The progression of Indigenous economic development projects will remain a priority in 2007/08. The management and subsequent opening of the functional Aboriginal Heritage and Cultural Centre, the development of small enterprises at Burringurrah Aboriginal Community and assistance with emerging cultural tourism will provide genuine opportunities for the Indigenous community of the Gascoyne.

Improvements in delivery and accessibility to education and training are considered crucial to the ongoing development of industry and community in the Gascoyne. To this end the Commission will pursue a strategic approach to the development of an education precinct in Carnarvon, to be implemented by a new Education Precinct Steering Committee.

The Burringurrah Aboriginal Community and areas of the Upper Gascoyne will also receive considered focus for development as research and analysis of options are progressed into an actionable development strategy. The Mt Augustus and Gascoyne Outback Development Project will be directed by a ministerially appointed taskforce.

The Commission will continue the management of the Regional Development Scheme for the Region on behalf of the Government of WA with the primary objective of improving the social and economic development of the Gascoyne.

DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENT

The accompanying financial statements of the Gascoyne Development Commission have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2007 and the financial position as at 30 June 2007.

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.



Kevin Leahy
CHAIRMAN



Chris Jones
CHIEF FINANCE OFFICER



Stephen Yule
CHIEF EXECUTIVE OFFICER/MEMBER OF
ACCOUNTABLE AUTHORITY

30 July 2007

GASCOYNE DEVELOPMENT COMMISSION
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2007 \$	2006 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	7	959,228	845,691
Supplies and Services (a)	8	467,165	599,521
Depreciation and amortisation expense	9	10,379	21,874
Accommodation expenses	10	102,784	90,823
Grants and Subsidies	11	449,973	196,598
Loss on disposal of non current assets		-	942
Capital User Charge	12	43,130	6,680
Other Expenses	14	3,035	2,702
Total cost of services		<u>2,035,694</u>	<u>1,764,831</u>
Income			
Revenue			
User charges and fees	13	70,193	64,146
Commonwealth grants and contributions		99,479	83,629
Other Revenue		4,105	86,649
Total Revenue		<u>173,777</u>	<u>234,424</u>
Gains			
Gain on disposal of non current assets	18	3,546	-
Total Gains		<u>3,546</u>	<u>-</u>
Total income other than income from State Government		<u>177,323</u>	<u>234,424</u>
NET COST OF SERVICES		<u>1,858,371</u>	<u>1,530,407</u>
INCOME FROM STATE GOVERNMENT			
Service appropriation	15	1,475,000	2,259,000
Grants received from Government		607,589	713,180
Liabilities assumed by the Treasurer	15	13,779	-
Total income from State Government		<u>2,096,368</u>	<u>2,972,180</u>
SURPLUS/DEFICIT FOR THE PERIOD		<u>237,997</u>	<u>1,441,773</u>

(a) Includes administrative expenses

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

GASCOYNE DEVELOPMENT COMMISSION
BALANCE SHEET
AS AT 30 JUNE 2007

	NOTE	2007	2006
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	25(a)	535,984	548,160
Restricted cash and cash equivalents	16	1,257,817	985,200
Receivables	19	25,456	31,240
Amounts receivable for services	20	136,000	101,000
Total Current Assets		<u>1,955,257</u>	<u>1,665,600</u>
Non-Current Assets			
Property and equipment	17	18,291	38,151
Intangible assets	17	-	113
Total Non-Current Assets		<u>18,291</u>	<u>38,264</u>
Total Assets		<u>1,973,548</u>	<u>1,703,864</u>
Liabilities			
Current Liabilities			
Payables	21	12,500	31,250
Provisions	22	133,865	107,304
Other current liabilities	23	6,131	13,873
Total Current Liabilities		<u>152,496</u>	<u>152,427</u>
Non-Current Liabilities			
Provisions	22	26,780	35,162
Total Non-Current Liabilities		<u>26,780</u>	<u>35,162</u>
Total Liabilities		<u>179,276</u>	<u>187,589</u>
NET ASSETS		<u>1,794,272</u>	<u>1,516,275</u>
Equity			
Contributed equity	24	130,000	90,000
Accumulated surplus (deficit)		<u>1,664,272</u>	<u>1,426,275</u>
TOTAL EQUITY		<u>1,794,272</u>	<u>1,516,275</u>

The Balance Sheet should be read in conjunction with the accompanying notes.

GASCOYNE DEVELOPMENT COMMISSION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Balance of equity at start of period	<u>1,516,275</u>	<u>74,502</u>
CONTRIBUTED EQUITY		
Balance at start of period	24 90,000	90,000
Capital contribution	<u>40,000</u>	<u>-</u>
Balance at end of period	<u>130,000</u>	<u>90,000</u>
ACCUMULATED SURPLUS (RETAINED EARNINGS)		
Balance at start of period	1,426,275	(15,498)
Surplus/(deficit) for the period	<u>237,997</u>	<u>1,441,773</u>
Balance at end of period	<u>1,664,272</u>	<u>1,426,275</u>
Balance of equity at end of period	<u><u>1,794,272</u></u>	<u><u>1,516,275</u></u>
Total income and expense for the period	<u>237,997</u>	<u>1,441,773</u>

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

GASCOYNE DEVELOPMENT COMMISSION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		1,435,000	2,223,000
Holding account drawdowns		40,000	40,000
Other Government Grants		608,029	718,680
Net cash provided by State Government		<u>2,083,029</u>	<u>2,981,680</u>
Used as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,124,363)	(1,052,243)
Supplies and services		(321,151)	(1,080,124)
Accommodation		(78,176)	(73,280)
Grants and subsidies		(449,973)	(196,598)
Capital user charge		(43,130)	(6,680)
GST payments on purchases		(78,052)	(138,888)
Receipts			
Commonwealth grants and contributions		130,279	52,829
Grants and subsidies		4,105	86,209
User charges and fees		60,167	64,146
GST receipts from taxation authority		63,179	335,762
GST receipts on revenue		1,437	3,810
Net cash used in operating activities	25(b)	<u>(1,835,728)</u>	<u>(2,005,057)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets	18	<u>13,140</u>	<u>-</u>
Net cash used in investing activities		<u>13,140</u>	<u>-</u>
TOTAL CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES		(1,822,539)	(2,005,057)
Net increase/(decrease) in cash and cash equivalents		260,441	976,623
Cash assets and cash equivalents at the beginning of period		<u>1,533,360</u>	<u>556,737</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	25(a)	<u>1,793,801</u>	<u>1,533,360</u>

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

GASCOYNE DEVELOPMENT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2007

1. Australian equivalents to International Financial Reporting Standards

The Authority's financial statements have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Authority has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Authority for the annual reporting period ended 30 June 2007.

2. Summary of significant accounting policies

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars rounded to the nearest thousand dollars (\$'000).

The judgements that have been made in the process of applying the Authority's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 'Judgements made by management in applying accounting policies'.

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

(c) Reporting Entity

The reporting entity is the Gascoyne Development Commission.

(d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) are designated as contributions by owners and have been credited directly to Contributed Equity.

(e) Income

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Service Appropriations

Service Appropriations are recognised as revenues at nominal value in the period in which the Authority gains control of the appropriated funds, which is at the time those funds are deposited to the bank account or credited to the holding account held at Treasury. (See note 15 Income from State Government)

Grants, donations, gifts and other non-reciprocal contributions

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

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Property, Plant and Equipment and Infrastructure

Capitalisation/Expensing of assets

Items of property, plant and equipment and infrastructure costing \$5,000 or more (previously \$3,000) are recognised as assets and the cost of using assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment are initially recognised at cost. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

No acquisitions have been expensed during the financial year due to the increase in the capitalisation threshold to \$5,000. The \$5,000 threshold was selected to be consistent across government and because it facilitates efficient asset management and recording without materially affecting asset values recognised. Assets with a cost of acquisition \$1,000 and greater but less than \$5,000 are still recorded in the Commission's asset system for insurance and internal control purposes.

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost.

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

Subsequent measurement

After recognition as an asset the cost model is used for all other property, plant and equipment. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. Depreciation is calculated using the diminishing value method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Furniture and fittings	8 years
Office equipment and integrated software	4 years
Motor vehicles	3 to 7 years

Works of art controlled by the Authority are classified as property, plant and equipment which are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

(g) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of using the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost, the cost is their fair value at the date of acquisition.

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

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the diminishing value basis using rates which are reviewed annually. All intangible assets controlled by the Authority have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Licences	up to 10 years
Software ^(a)	4 years
Web site costs	4 years

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

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Computer Software

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

Web site costs

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

(h) Impairment of Assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and an impairment loss is recognised. As the Authority is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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

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

(i) Leases

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

(j) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand.

(k) Accrued Salaries

Accrued salaries (see note 23 'Other liabilities') 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. Accrued salaries are settled within a few days of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(l) Amounts Receivable for Services (Holding Account)

The Authority receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement. See also note 15 'Income from State Government' and note 20 'Amounts receivable for services'.

(m) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (ie impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debt. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 19 'Receivables'.

(n) Payables

Payables are recognised at the amounts payable when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 21 'Payables'.

(o) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet date. See note 22 'Provisions'

*(i) Provisions - Employee Benefits**Annual Leave and Long Service Leave*

The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

When the shorthand method is used for long service leave calculations:

A liability for long service leave is recognised after an employee has completed four years of service, or after three years if it is considered highly likely that the employee will continue to entitlement.

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

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

Employees who are not members of either the Pension or the GSS Schemes become non-contributory members of the West State Superannuation (WSS) Scheme, an accumulation scheme. The Authority makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. The WSS Scheme is a defined benefit contribution scheme as these contributions extinguish all liabilities in respect of the WSS Scheme.

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

(ii) Provisions -Other

Employment On-Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised as separate liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other Expenses' and are not included as part of the Authority's 'Employee benefits expense'. The related liability is included in Employment on-costs provision. (See note 14 'Other expenses' and note 22 'Provisions').

(p) Superannuation Expense

The following elements are included in calculating the superannuation expense in the Income Statement:

- (a) Defined benefit plans - Change in the unfunded employer's liability (ie current service cost and actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and
- (b) Defined contribution plans - Employer contributions paid to the GSS and the West State Superannuation Scheme (WSS).

Defined benefit plans - in order to reflect the true cost of services, the movements (ie current service cost and actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS transfer benefits are recognised as expenses. As these liabilities are assumed by the Treasurer (refer note 2(o)(i)), a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement (See note 15 'Income from State Government').

(q) Resources Received Free of Charge or for Nominal Consideration

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

(r) Comparative Figures

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

3. Judgements made by management in applying accounting policies

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

4. Key sources of estimation uncertainty

There are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Future impact of Australian Accounting Standards not yet operative

The Authority cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'.

6. Operation as an Authority

The Commission has operated as an Authority under the Regional Development Commission's Act 1993 since 7 April 1994, and the accounts from that date are accruals based in accordance with statutory reporting requirements.

**GASCOYNE DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	\$	\$
7 Employee benefits expense		
Wages and salaries (a)	824,197	788,176
Superannuation – defined contribution plans (b)	76,512	70,041
Superannuation – defined benefit plans (c&d)	13,779	-
Long service leave (e)	4,529	3,475
Annual leave (e)	10,613	(41,126)
Board fees and allowances including superannuation	29,598	25,125
	<u>959,228</u>	<u>845,691</u>
(a) Includes the value of fringe benefit to the employee plus the fringe benefit tax component		
(b) Defined contribution plans include West State and Gold State		
(c) Defined benefit plans include Pension Scheme and Gold State (pre-transfer benefit)		
(d) An equivalent notional income is also recognised (see note		
(e) Includes a superannuation contribution component		
Employment on-costs such as workers' compensation insurance are included at note 14 'Other Expenses'. The employment on-costs liability is included at note 22 'Provisions'		
8 Supplies and services		
Auditors remuneration	-	24,000
Communications	35,061	31,333
Consumables	46,320	49,768
Other staff costs	204,057	199,128
Consultants and contractors	83,290	184,855
Materials	81,381	89,438
Repairs and maintenance	8,917	11,921
Travel	8,139	9,078
	<u>467,165</u>	<u>599,521</u>
9 Depreciation and amortisation expense		
Depreciation		
Electronic Equipment	7,411	17,804
Furniture and Fittings	2,968	3,957
	<u>10,379</u>	<u>21,761</u>
Amortisation		
Intangibles	-	113
Total amortisation	<u>-</u>	<u>113</u>
Total depreciation and amortisation	<u>10,379</u>	<u>21,874</u>
10 Accommodation expenses		
Lease rentals	78,176	73,490
Repairs and maintenance	1,068	1,105
Cleaning	23,540	16,228
	<u>102,784</u>	<u>90,823</u>
11 Grants and subsidies		
Recurrent	<u>449,973</u>	<u>196,598</u>

**GASCOYNE DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

		2007 \$	2006 \$
12	Capital User Charge		
	Capital User Charge	43,130	6,680
	The charge was a levy applied by Government for the use of its capital. In 2006-07, the final year in which the charge was levied, a single payment was made equal to the appropriation for 2006-07 less any adjustment relating to 2005-06.		
13	User Charges and Fees		
	Comprises mostly of charges to staff for rental accommodation and revenue from rent of office space.	60,167	64,146
	Debtors	10,026	-
		70,193	64,146
14	Other Expenses		
	Employment on-costs	3,035	2,702
	Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 22 'Provisions'. Superannuation contributions accrued as part of the provisions for leave are employee benefits and are not included in employment on-costs (see note 7).		
15	Income from State Government		
	Service appropriation (a)	1,440,000	2,223,000
	Holding Account (a)	35,000	36,000
		1,475,000	2,259,000
	Liabilities assumed by the Treasurer during the financial year.		
	Superannuation (b)	13,779	-
		13,779	-
	(a) Service appropriations are accrual amounts reflecting the full cost of services delivered. The Holding Account comprises the depreciation for the year and any agreed increase in leave liability during the year. It is a non cash asset.		
	(b) The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who are members of the Gold State Superannuation Scheme (see note 7).		
16	Restricted Cash		
	Current		
	Ningaloo Research Centre	20,870	27,431
	Gascoyne Aboriginal Heritage & Cultural Centre Stage 2	380,192	317,301
	Minor Grants Funds	17,568	5,554
	External Project Money	141,966	32,320
	Regional Development Scheme	697,221	602,594
	Total	1,257,817	985,200
	This represents cash held at bank to be used only for the specified purpose.		

**GASCOYNE DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

**2007
\$**

**2006
\$**

17 Property, Plant and Equipment

Furniture and Fittings at cost	52,467	52,467
Less Accumulated depreciation	(40,562)	(37,594)
	<u>11,905</u>	<u>14,873</u>
Equipment and Vehicle at cost	92,700	157,675
Less Accumulated depreciation	(86,314)	(134,397)
	<u>6,386</u>	<u>23,278</u>
Intangible Assets at cost	113	29,427
Less Accumulated amortisation	(113)	(29,314)
	<u>-</u>	<u>113</u>
Total Intangibles, Plant and Equipment	<u>18,291</u>	<u>38,264</u>

Reconcilliations

Furniture and Fittings at start of year	14,873	18,830
Additions	-	-
Disposals	-	-
Depreciation	(2,968)	(3,957)
Write Offs	-	-
Carrying amount at end of the year	<u>11,905</u>	<u>14,873</u>
Equipment and Vehicle at start of year	23,278	42,025
Additions	-	-
Revaluation	-	-
Disposals	(8,011)	-
Depreciation	(7,411)	(17,804)
Write Offs	(1,470)	(942)
Carrying amount at end of the year	<u>6,386</u>	<u>23,278</u>
Intangibles at start of year	113	226
Additions	-	-
Revaluation	-	-
Disposals	-	-
Depreciation	-	(113)
Write Offs	(113)	-
Carrying amount at end of the year	<u>-</u>	<u>113</u>

18 Net gain or loss on disposal of non current assets

Cost of disposal/write off of non current assets	(9,594)	(943)
Proceeds from disposal of non current assets	13,140	-
Net gain (loss)	<u>3,546</u>	<u>(943)</u>

**GASCOYNE DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 \$	2006 \$
19 Receivables		
Current receivables	15,526	31,240
GST receivable	9,930	-
	<u>25,456</u>	<u>31,240</u>
20 Amounts receivable for services		
Current	<u>136,000</u>	<u>101,000</u>
Represents the non-cash component of service appropriations (see note 2(l) 'Holding Account'). It is restricted in that it can only be used for asset replacement or payment of leave liability.		
21 Payables		
Current		
Trade payables	12,500	31,250
Total Current	<u>12,500</u>	<u>31,250</u>
22 Provisions		
Current		
Employee benefits provision		
Annual leave (a)	68,096	56,445
Long service leave (b)	63,259	48,846
	<u>131,355</u>	<u>105,291</u>
Other Provisions		
Employment on-costs current (c)	<u>2,510</u>	<u>2,013</u>
	<u>133,865</u>	<u>107,304</u>
Non Current		
Employee benefits provision		
Long service leave	<u>26,255</u>	<u>34,473</u>
Employment on-costs non current (c)	<u>525</u>	<u>689</u>
	<u>26,780</u>	<u>35,162</u>

(a) Annual leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur within 12 months of the reporting date.

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

Within 12 months of reporting date	63,259	48,846
More than 12 months after reporting date	26,255	34,473

(c) The settlement of annual and long service liabilities gives rise to the payment of employment on costs including workers compensation premiums. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 14 'Other expenses'.

**GASCOYNE DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

2007
\$

2006
\$

23 Other Current Liabilities

Accrued Salaries

The last pay date was 28th June 2007

6,131

13,873

24 Equity

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

Contributed equity

Balance at start of year

90,000

90,000

Capital contribution

40,000

-

Balance at end of year

130,000

90,000

25 Notes to the Cash Flow Statement

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents

535,733

547,860

Petty cash

251

300

Restricted cash and cash equivalents (see Note 16)

1,257,817

985,200

Total cash assets

1,793,801

1,533,360

(b) Reconciliation of net cost of services to net cash flows used in operating activities

Net Cost of Services (from Income Statement)

(1,858,371)

(1,530,407)

Depreciation and amortisation expense

10,379

21,874

Asset write offs and disposals

9,594

(942)

Increase (Decrease) in other liabilities

(7,742)

13,873

Increase (Decrease) in provisions

31,956

(34,948)

Increase (Decrease) in payables

(15,465)

(663,970)

(Increase) Decrease in receivables

(19,516)

185,653

Net GST receipts (payments)

13,437

3,810

Net cash used in operating activities (Cash Flow Statement)

(1,835,728)

(2,005,057)

**GASCOYNE DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

**2007
\$**

**2006
\$**

26 Remuneration of Members of the Accountable Authority and Senior Officers

Remuneration of Members of the Accountable Authority

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

\$0 - 10 000	9	9
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The total remuneration of members of the Accountable Authority is:	29,598	25,125
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The total remuneration includes the superannuation expense incurred by the Authority in respect of members of the Accountable Authority. No members are members of the pension scheme.

Remuneration of Senior Officers

The number of senior officers whose total salaries and other benefits received or due for the financial year, who fall within the following bands is:

\$30,001-\$40,000	0	1
\$50,001-\$60,000	0	1
\$60,001-\$70,000	0	1
\$80,001-\$90,000	1	0
\$90,001-\$100,000	1	0
\$140,001-150,000	1	0

The total remuneration of members of senior officers is:	324,733	220,722
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The total remuneration includes the superannuation expense incurred by the Authority in respect of senior officers other than senior officers reported as members of the Accountable Authority. No members are members of the pension scheme.

27 Write Offs

Public property written off during the financial year.	1,583	942
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**GASCOYNE DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

2007	2006
\$	\$

28 Commitments

Operating Lease Commitments

The Commission has four vehicles under operating leases.
Future lease payments not shown elsewhere in the accounts are:

Amounts due within 12 months	33,502	18,806
Amounts due > 1 < 5 years	37,277	3,267

29 Subsequent Events

There have been no subsequent events affecting the accounts.

30 Financial Instruments

(a) Interest Rate Risk Exposure

The entity's exposure to interest rate risk is nil as the funds invested with Treasury are not subject to interest rates.

(b) Credit Rate Exposure

The credit risk on financial assets of the economic entity, which have been recognised on the Statement of Financial Position, is generally a carrying amount, net of any provision for doubtful debts.

(c) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

31 Contingent Liabilities

In addition to the liabilities incorporated in the financial statements, the Commission has the following contingent liabilities:

Of the \$697,221 Regional Development Scheme Funding in restricted cash (note 16), \$589,650 is committed to the extent that if the grant recipients fulfil their funding contractual commitments, then their component of the funding will be paid out.

**GASCOYNE DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

32 Explanatory Statement

(a) Significant variations between estimates and actual results for the financial year

Details and reasons for significant variations between actual results with the corresponding items of the Estimates are detailed below. Significant variations are considered to be those greater than 10% and \$50,000.

	Note	2007 \$000	Est's \$000	Variation \$000	%
Expenses from ordinary activities					
Employee benefits expense	1	959	719	240	33%
Supplies and Services (a)	2	467	731	(264)	(36%)
Revenues from ordinary activities					
Grants and Subsidies	3	99	652	(553)	(85%)

Note

- 1 Reflects increased costs and staffing level fluctuations within the year, including on costs. Two full time contracted staff are externally funded and out year external funding is not guaranteed.
- 2 The Commission's budget is directed to numerous projects supporting the economic and social development of the Gascoyne region. External funding sources and networking partners are continually sought to enhance project scope and effectiveness. The attraction of additional funding (or the withdrawal of anticipated funding) can result in wide variations in revenue and expenditure over financial years. Also, the timing of Regional Development Scheme funds is dependent upon the recipient's project commencement date and subsequent milestone achievements.
- 3 The estimates included grants revenue from the State Government which do not form a part of Net Cost of Services.

**GASCOYNE DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

32 **Explanatory Statement (continued)**

(b) **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% and \$50,000.

	Note	2007 \$000	2006 \$000	Variation \$000	Percent %
Expenses					
Employee benefits expense	2	962	849	113	13%
Supplies and Services (a)	1	467	600	(133)	(22%)
Grants and Subsidies	1	450	197	253	129%
Revenue					
Other Revenue	1	<u>3</u>	<u>86</u>	<u>(83)</u>	<u>(96%)</u>

NOTE

- 1 The Commission's budget is directed to numerous projects supporting the economic and social development of the Gascoyne region. External funding sources and networking partners are continually sought to enhance project scope and effectiveness. The attraction of additional funding (or the withdrawal of anticipated funding) can result in wide variations in revenue and expenditure over financial years. Also, the timing of Regional Development Scheme funds is dependent upon the recipient's project commencement date and subsequent milestone achievements. The Capital User Charge is thereby affected because it is based on net asset balances at year end.
- 2 Reflects staffing level fluctuations within the year, including on costs.
Two full time contracted staff are externally funded and out year external funding is not guaranteed.

33	Remuneration of Auditor	<u>2007</u>	<u>2006</u>
	Remuneration payable to the Auditor		
	General	24,000	25,700



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

GASCOYNE DEVELOPMENT COMMISSION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Gascoyne Development Commission.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

Commission's Responsibility for the Financial Statements and Key Performance Indicators

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators 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 and key performance indicators.

Gascoyne Development Commission
Financial Statements and Key Performance Indicators for the year ended 30 June 2007

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Gascoyne Development Commission at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2007.



COLIN MURPHY
AUDITOR GENERAL
31 August 2007

COMPLIANCE WITH RELEVANT WRITTEN LAW

Enabling Legislation

The Gascoyne Development Commission is established under the Regional Development Commissions Act 1993. The Commission does not administer legislation.

Legislation Impacting on Commission Activities

In the performance of its functions the Commission complies with relevant written laws including:

Financial Management Act 2006	Salaries and Allowances Act 1975
Public Sector Management Act 1994	Industrial Relations Act 1979
Industrial Relations Act 1979	Public Disclosure Act 2003
Workers Compensation and Assistance Act 1981	State Supply Commission Act 1991
Equal Opportunity Act 1984	Freedom of Information Act 1992
Government Employees Superannuation Act 1987	Public and Bank Holidays Act 1972
Disability Services Act 1993	State Government Electoral Act
Minimum Conditions of Employment Act 1993	Government Employees Housing Act 1964
Public Service General Agreement 2002	Public Service Award 1992
Library Board of Western Australia Act 1951	State Records Act 2000
Occupational Safety and Health Act 1984	Contaminated Sites Act 2003

In the financial administration of the Commission, we have complied with the requirements of the Financial Management Act 2006 and every other relevant law, and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

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

In the administration of the Gascoyne Development Commission, we have complied with the Public Sector Standards, the Western Australian Public Service Sector Code of Ethics and our own Code of Conduct. There have been no applications made for breach of standards review.

We have put in place procedures designed to ensure such compliance and conducted appropriate internal assessment to satisfy ourselves that the statement above is correct. Significant action taken to monitor and ensure compliance included:

- Information about Standards & Codes is included on our intranet and in induction materials.
- Our Standards and Codes are a fixed agenda item for all staff meetings.

In accordance with the Disability Services Act (1993), the Commission has a Disability Service Plan and is in the process of creating a Disability Access and Inclusion Plan. The Commission continues to raise staff awareness of special issues relating to people with disabilities, and instructs staff to take action when they can for the benefit of these people relating to Commission activities.

The Commission has an approved Record Keeping Plan which is reviewed periodically and in which staff are inducted and trained. The records team within the Commission reviews the efficiency and effectiveness of its record keeping program to ensure that key record systems objectives and record keeping practices are being met, and to implement improvements as identified.

As well as projects directed at sustainability, the Commission has a Sustainability Action Plan and encourages staff to actively participate in the activities that make a contribution towards a better future. These activities include energy conservation, recycling and occupational safety and health.

The Commission maintained its Equal Employment Opportunity performance. By adhering to the Government's and our own code of ethics and standards, we ensure that EEO principles are implemented within the Commission. The agency has a 50% female representation in senior management. We are currently assessing the option of replacing our front door access with a modification to assist physically impaired clients and visitors.

The Commission educates on corruption and misconduct through its induction process and training regarding codes of conduct. Staff are trained in Public Interest Disclosure and these topics are fixed agenda items at staff meetings.

In compliance with Section 175ZE of the Electoral Act 1907, the Commission reports the amounts spent for the following classes of expenditure in the financial year.

(a)	Advertising agencies	\$0		
(b)	Market research organisations	\$0		
(c)	Polling organisations	\$0		
(d)	Direct mail organisations	\$0		
(e)	Media advertising organisations	\$8,486	Marketforce	\$764
			Northern Guardian	\$7722

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



Kevin Leahy
Chairman



Stephen Yule
Chief Executive Officer

PUBLICATIONS PRODUCED DURING 2006/2007

During the 2006/07 financial year the Commission produced and released individually or jointly in partnership, the following major publications and documents:

Annual Report for the Year Ended 30 June 2006

Gascoyne Works, a regular publication of the Commission's activities

An Education Precinct in Carnarvon, a community approach to the future

OFFICE LOCATION

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