



Government of Western Australia
Mid West Development Commission



MID WEST DEVELOPMENT COMMISSION

ANNUAL REPORT

2010 -
2011



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STATEMENT OF COMPLIANCE

For year ended 30 June 2011

HON BRENDON GRYLLS MLA

MINISTER FOR REGIONAL DEVELOPMENT

In accordance with section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Mid West Development Commission for the financial year ended 30 June 2011.

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

HON M CRIDDLE
CHAIRMAN
9 September 2011



S DOUGLAS
CHIEF EXECUTIVE OFFICER
9 September 2011



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OVERVIEW

Chairman's Report

My second year as Chairman of the Mid West Development Commission has been extremely rewarding and I am pleased to report on our 2010-11 achievements. These are again a reflection of our dedicated Commission staff and Board members as well as the strong support we enjoy from various important private and public partnerships to address issues and demands across our diverse region.

Our efforts have again been guided by our Strategic Direction 2008-11, with a shared vision to have the Mid West recognised as a preferred region in which to live, work, invest and study. Capturing opportunities from major projects such as resources developments and the Australian Square Kilometre Array Pathfinder (ASKAP) remains a key focus of the Commission in delivering its vision. I'm pleased to outline some of these outcomes.



A key initiative for 2010-11 was the development of a Mid West Investment Plan (MWIP) to drive public and private investment in priority infrastructure throughout the region. Following an extensive consultation process with key community and government stakeholders over several months, the MWIP was published in May 2011. The Plan has been allocated \$220 million in Royalties for Regions funding over the next four years, with the funding directed to leverage the highest priority or "Flagship" projects that will help communities capture opportunity from various major projects. A further \$3 million has been allocated over four years to support its implementation.

The Mid West will benefit enormously from the rollout of the National Broadband Network, as it has from the current Regional Blackspot Backbone Program, ADSL 2+ upgrades and progress of ASKAP and associated telecommunications infrastructure. Six of the 36 x 12m ASKAP antennae have now been installed at the Murchison Radio-astronomy Observatory (MRO), which will underpin the nation's joint bid with New Zealand for the €2 billion international Square Kilometre Array (SKA) project, a decision on which is expected in early 2012. Expanded telecommunications infrastructure provides new opportunities for business, education, health, industry and community and the Commission is working with stakeholders to develop a Mid West Digital Economy Strategy to ensure these opportunities are effectively captured.

Various resources projects commenced or expanded operations this year, adding weight to the development of Oakajee and its related infrastructure.

Progress of major projects such as Oakajee and various resources ventures creates pressures for public and private stakeholders to deliver essential infrastructure and services to support these operations. Integrated regional planning is also being undertaken to ensure coordinated delivery of these services and infrastructure. The Commission is also working with relevant agencies to progress a Mid West Energy Plan and a Mid West Water Plan, which will assess current and future demands and outline strategies to ensure resources are available for future community, industry and business needs.

Development throughout the region, particularly in the resources sector, continues to create workforce demands and triggers the need for additional education, training and employment support programs. Expansion of tertiary education options at the Durack Institute of Technology and Geraldton Universities Centre (GUC) continue to support these demands, as do the recently created Mid West Aboriginal Workforce Development Centre and Business Growth Centre. The Commission continues to work closely with stakeholders to expand these opportunities in light of anticipated future workforce demands and changes.

The Commission consulted extensively with the region's 18 local governments during 2010-11 to determine subregional priorities for the MWIP and to also guide allocations from the collaborative component of the Royalties for Regions Country Local Government Fund (CLGF). Local governments remain the closest tier of government to communities and the Commission continues to work closely with them on a myriad of issues such as housing, employment, health, education and other key infrastructure and services.

With several local governments having explored amalgamation options over previous years we wish the City of Geraldton-Greenough and Shire of Mullewa the very best of luck with its amalgamation to become the City of Greater Geraldton from 1 July 2011. We watch with interest as other Mid West shires consider boundary adjustment scenarios.

With funding from the Royalties for Regions Mid West Regional Grants Scheme (MWRGS), the Commission is supporting the City to undertake extensive visionary planning for the City's future through its Sustainable Future City 2029 and Beyond project. This work was recognised recently with the City being named a finalist in the prestigious international Reinhard Mohn Prize, which celebrates excellence in democratic reform.

While discussing local governments it would be remiss not to acknowledge the Shire of Morawa, which was named 2010 Local Government Best Practice Award Winner as well as 2011 National Category Winner in the Regional Collaborations category. This award also put Morawa in the running to win the overall National Award for Excellence in Local Government.

Morawa is going through substantial change with various major projects on its doorstep and has been named as one of nine WA SuperTowns. Being a SuperTown Morawa will share \$85.5 million in Royalties for Regions funding to progress transformational projects to cater for a major population expansion and economic growth. We look forward to working closely with Morawa and surrounding Shires during this exciting phase.



The Mid West again enjoyed a significant injection of funding through the State Government's Royalties for Regions programs, including that allocated through the MWRGS. Funds were allocated to projects that span the Commission's Strategic Directions (2008-11), with the following progressed or completed during 2010-11.

- **Community:** Mount Magnet Mining and Pastoral Museum; Rosella House extensions; Carnamah Childcare Centre upgrade; Geraldton Speedway canteen replacement; Mullewa Men's Shed.
- **Economy:** Exploring Wildflower Country drive trail; Wirnda Barna Art Centre development; Marine finfish research and development (Stage 2); Yellow Tail Kingfish grow out trial; GPI's Mid West Training Centre.
- **Governance:** Perenjori Leaving a Legacy workshop (precursor to MWIP); City of Geraldton-Greenough Sustainable Future City project.
- **Infrastructure:** Eadon-Clarke sporting complex redevelopment; Yalgoo water playground; Northampton Community Centre redevelopment.
- **Sustainability:** Wiluna Land Management Unit; Geraldton Golf Club water recycling; Perenjori energy studies; Geraldton Cemetery re-use water connection.

We are fortunate to have such dynamic and skilled proponents in the region to deliver such a wide range of projects and it is very pleasing that the Commission has been able to support them. Significant Royalties for Regions funding was also allocated this year to the Greenough River Solar Farm (\$10 million) and the Geraldton Eastern Breakwater (\$2.25 million).

During 2010-11 we saw the practical completion of the Geraldton Foreshore Redevelopment and CBD Revitalisation. The Commission played a pivotal role in securing \$13.3 million in State funding for the project and oversaw its allocation over seven years. The redevelopment has transformed the Geraldton city centre and no doubt stimulated the development of a number of other facilities in the foreshore, CBD and marina precincts, including the Moorings and the recently announced Eastern Breakwater (allocated \$2.25 million in Royalties for Regions funding). Other developments north and south of the precinct will be substantially progressed during 2011-12 creating a unique waterfront environment for our regional centre.

Another significant project was the Yellow Tail Kingfish grow-out trial, which was led by the Marine Fishfarmers Association and involved several private and public partners and research institutions. Funded primarily by Royalties for Regions, the trial seeks to demonstrate the potential of marine aquaculture along the WA coastline, particularly waters off the Mid West.

This potential is believed to be greater than WA's entire "wild-catch" fisheries, with our warm, clean, deep and protected waters providing ideal conditions for marine aquaculture. Findings from the trial have been extremely valuable and are set to benefit the entire WA marine aquaculture industry. The Commission also continues to support various research and development activities of the Batavia Coast Maritime Institute (BCMI).

September 2010 saw the official opening of the Wirnda Barna Art Centre in Mount Magnet, which was also supported by Royalties for Regions. Wirnda Barna was borne out of the Commission's Mid West Indigenous Arts Industry Strategy and was established to service artists in the communities of Yalgoo, Mount Magnet, Sandstone, Cue, Meekatharra, Karalundi and Yulga Jinna. The Centre encourages young and emerging artists to explore cultural expression and creativity through the arts, as well as achieving economic independence.

Wirnda Barna also leverages outcomes for Indigenous people in areas such as health and education and complements other Mount Magnet projects such as the new Geraldton Regional Aboriginal Medical Service, Mount Magnet Mining and Pastoral Heritage Museum, and the Bidi Bidi Early Childhood Development Centre (all of which were supported by Royalties for Regions). Bidi Bidi has been providing innovative new childcare services to children and young mothers for around 18 months, based on the delicate relationships between Aboriginal children and their caregivers. The project is unique in Australia, addressing the Murchison's relatively poor Australian Early Development Index (AEDI) results and may provide a blueprint for other early Aboriginal childhood development services.



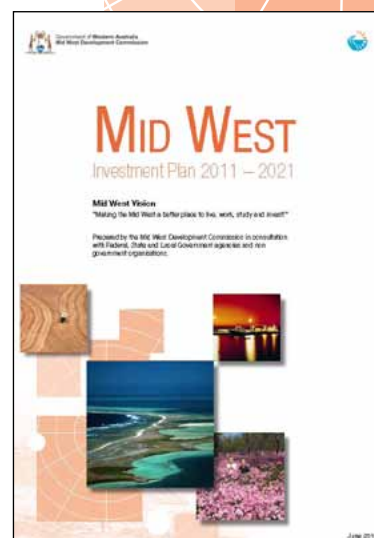
The Commission was also heavily involved with GUC throughout 2010-11. With Royalties for Regions funding GUC is introducing new courses in business and journalism, which complement existing nursing, education and university preparation courses. Increasing course options is the key to GUC's sustainability, with psychology and engineering courses planned for 2012 and 2013 respectively. GUC's ability to support the region's tertiary education demands is crucial and the Commission is proud to be part of GUC's success.

The Commission's performance and achievements for 2010-11 are outlined in more detail on page 19 under Agency Performance.

The recent completion of the Review of the Functions and Responsibilities of Regional Development Commissions, and particularly Government's response to the review, was a significant occasion for the nine Commissions around WA. Feedback from stakeholders was generally very supportive of the Commissions and their ability to support clients and projects at a regional level. This feedback had a large bearing on Government's decision to retain the Commissions as independent statutory authorities. I am also hopeful that this feedback will help the Mid West Development Commission secure the additional resources needed to meet the growing and changing demands of our region.

The Commission remains committed to delivering lasting outcomes for the Mid West and I'm confident this year's Annual Report provides evidence of our importance to the social and economic development of the region.

We look forward to the challenges of the coming year, and in particular, commencing the implementation of our MWIP.



A handwritten signature in black ink that reads 'Murray Criddle'.

**Murray Criddle, Chairman
Mid West Development Commission Board**



Executive Summary

Performance Highlights

During 2010-11 the Commission:

- Led the development of the MWIP to guide the timely development of social infrastructure needed to support the region's growth and make our communities more liveable. Following extensive consultation the MWIP was allocated \$220 million over four years from Royalties for Regions to deliver its "flagship" projects, plus an additional \$3 million for implementation.
- Continued to support the Western Australian Planning Commission to develop a Mid West Regional Infrastructure and Planning Framework to guide the region's future development. The Framework provides the strategic context for the MWIP.
- Successfully advocated for the Mid West to be included in the Regional Centres Development Plan (SuperTowns) program, resulting in Morawa being announced as one of nine SuperTowns to share in \$85.5 million of Royalties for Regions funding.
- Provided \$605,595 in Royalties for Regions funding towards a Yellow Tail Kingfish grow-out trial to demonstrate the competitive advantages of the Mid West in marine aquaculture (due to the region's strong fishing culture and warm, clean, deep and protected waters). The trial is due for completion in November and is producing valuable data regarding fish health, growth rates, diet and marketing. Proceeds of \$18,240 from initial fish sales have been reinvested into the trial, with up to \$200,000 from final sales to be reinvested into other WA aquaculture projects.
- Delivered elements of the Mid West Indigenous Arts Industry Strategic Plan, with Royalties for Regions funding used to establish the Wirnda Barna Art Centre in Mount Magnet. Wirnda Barna was officially opened by the Minister for Regional Development in September 2010 and now supports more than 50 established and emerging Aboriginal artists from throughout the upper Murchison.



- Provided Royalties for Regions funding to the Geraldton Universities Centre to support the delivery of university courses and to develop an expanded course range. The funding also helped develop new courses in business and journalism, with additional psychology and engineering courses scheduled for rollout in 2012 and 2013 respectively.
- Provided leadership and funding for the Bidi Bidi early childhood program pilot in Mount Magnet, which provides local mothers and children with critical skills that form the basis of a safe and effective parent / child relationship. With around 50 eligible children in Mount Magnet (0-4 years old), 30 are participating regularly and being supported, along with their caregivers.
- Consulted extensively with local governments to identify priority subregional infrastructure projects, and supported the development of business cases to secure funding for 13 projects from the Royalties for Regions CLGF (strategic component).



- Secured \$2.25 million of Royalties for Regions funding for the \$4.25 million Eastern Breakwater development, which will provide enhanced recreational space at the southern end of the Geraldton foreshore precinct.
- Administered the Royalties for Regions MWRGS, which included allocating \$1,842,530 in Strategic Projects funding to eight projects (contestable round announced in Q3 2011).
- Project managed regional telephone exchange upgrades in Mount Magnet, Meekatharra, Cue and Mullewa, with high speed ADSL2+ broadband services now available to government, businesses and community.
- Achieved strong results in the annual client perceptions survey, including that 91% of clients agree that the Commission makes a positive contribution towards economic development in the Mid West.

Operational Structure

Enabling Legislation

The Mid West Development Commission is a State Government statutory authority managed by a community based Board. The Commission functions under the provisions of the Regional Development Commissions Act (1993) and is one of nine regional development commissions in Western Australia.

Responsible Minister

Hon Brendon Grylls MLA,
Minister for Regional Development

Organisational Structure

Vision

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

Mission

To be a focused and efficient agency delivering real outcomes for Mid West communities.

Objectives

The objectives of the Commission are to:

- Support communities to enhance their quality of life and become self determining;
- Support development of investment, trade, business and employment opportunities;
- Expand and improve community and economic infrastructure;
- Maintain and enhance the region's natural resource base; and
- Foster regional decision making and encourage a whole of government approach to managing change.

Values

The Commission's core values are:

- **Balance** - We seek to balance economic, social and environmental outcomes;
- **Client focused** - Our clients can expect consistent, timely, accurate and reliable services;
- **Ethical** - We act with integrity, honesty and loyalty;
- **Partnership** - We work with others to achieve common goals; and
- **Pro-active** - We are innovative, forward thinking, resourceful and creative.



Strategic Directions

The Commission's future direction is set out in our 'Strategic Directions 2008 - 2011' document. It is supported by an operational plan, which articulates key projects and implementation milestones.

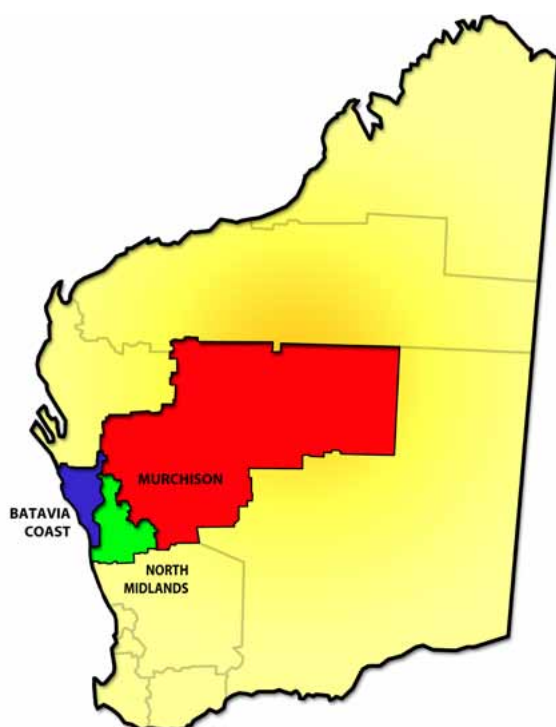
Performance against set objectives is regularly monitored through this operational plan and bimonthly reports to the Board of Management. Annual performance is reflected in the Commission's Annual Report and the State's Budget Statements.

A staff objective setting and performance review program is in place to ensure the Commission remains focused, efficient and effective in delivering its regional development services to the Mid West.

Outcomes

The three key outcomes expected of the Commission's activities are:

- Provision of timely advice and accurate information;
- Attracting new investment; and
- Expansion of infrastructure and improved access to services.



Key Result Areas

To achieve these outcomes, the Commission has focused on five key result areas, which broadly align with the State's Regional Development Policy. These are:

- **Community** – cohesive, healthy and educated communities;
- **Economy** – a strong, resilient and diversified economy;
- **Governance** – strong partnerships that add value to the social and economic development of the Mid West;
- **Infrastructure** – timely provision of strategic infrastructure; and
- **Sustainability** – a balanced approach to development which recognises the importance of the environment alongside social and economic outcomes.



Services

WORKING IN THE REGION, FOR THE REGION

The Mid West Development Commission works to promote economic and social development in the Mid West region. We assist:

- Businesses in the region looking to expand or develop;
- People with new ideas for business or industry;
- Existing and potential exporters;
- Potential investors;
- Major project proponents;
- Local governments in the Mid West;
- Community organisations;
- Government agencies; and
- Business organisations.

The services and assistance we provide include:

- Putting clients in touch with the right people;
- Providing skilled migration advice and support;
- Helping to resolve issues at a government level;
- Representing the interests of Mid West business and communities to government;
- Promoting the region and its business capability;
- Providing export development services;
- Facilitating access to government assistance programs and resources;
- Providing updates on what is happening in the region;
- Identifying and promoting investment opportunities in the region;
- Providing links and referrals to Mid West organisations and networks;
- Providing local knowledge and input to government on issues such as land, infrastructure, services, energy and new developments;
- Supporting planning and coordination to facilitate major project development;
- Assisting development of regional strategies to develop and improve infrastructure and services in the Mid West; and
- Fostering the capacity of communities to undertake economic and social development.

Information Resources

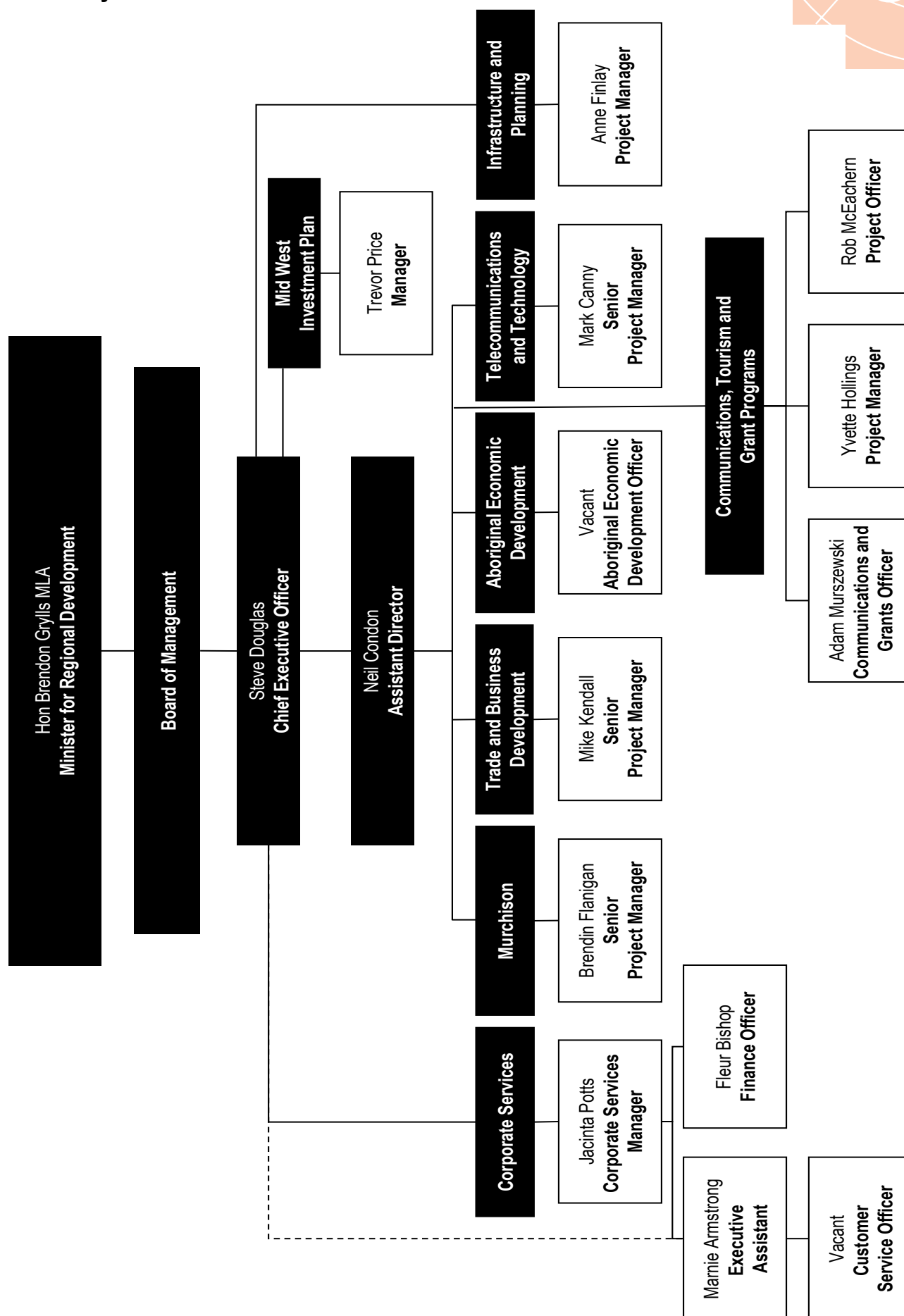
Information on the following areas is available from the Commission:

- Regional statistics and data;
- Export development;
- Grants and funding opportunities;
- Business Capability and Services Directory;
- Updates on major regional projects; and
- Investment opportunities in the region.



Organisational Chart

For the year ended 30 June 2011



Board of the Authority

The Mid West Development Commission is managed by a Board of regional representatives comprising local government, community and ministerial appointments. The Chief Executive Officer is an ex-officio member.

Board Profiles

Hon Murray Criddle - Chairperson

Murray is a primary producer and a retired Member of the WA Parliament. He was Member for the Agricultural Region from 1993 until his resignation in 2008 and Minister for Transport from 1998 to 2001. During his time in Parliament, Murray was a member of a number of Standing Committees including Estimates and Financial Operations, Ecology and Sustainable Development and Public Administration and Finance. He was also a member of a number of Select Committees including Select Committee for Native Title and Select Committee for Cape Range National Park and Ningaloo Marine Park. Murray was appointed to the MWDC Board in 2009 as a Ministerial Appointment and Chairman for a three year term.



Mr Andrew Pitcher – Deputy Chairperson

Andrew has extensive finance and management experience in the Mid West and is currently Regional Manager, Northern WA for Rabobank. In this role he supervises an area including the entire Mid West Region, Eastern Wheatbelt and pastoral regions through to Port Hedland and subsequently has an excellent understanding of issues in the Mid West and rural Western Australia. Andrew was appointed to the Board in 2009 as a Community Appointment for a three year term and Deputy Chairman for one year.

Ms Yvonne Messina

Yvonne is a retired School Principal. During her principalship at Mullewa District High School, the school was nominated and won 'Outstanding School' in Awards for Aboriginal Education, and Yvonne was nominated for a State Government Award for Excellence in Community Service. Highlights of working at Mullewa include Aboriginal education and appreciation for culture, mentoring graduate teachers and local Aboriginal trainees into successful teaching careers. Yvonne has served on the Commission Board since 2008 as a Ministerial Appointment.

Mr John Thomson

As Managing Partner for RSM Bird Cameron in Geraldton, with senior management responsibilities for the Mid West, John has particular interest in regional investment. John is a consultant to clients with primary production, fishing including aquaculture, meat processing and transport interests in the region. He also has a particular interest in working with key stakeholders to develop and implement vertically integrated strategies promoting the development of regional resources. John was appointed to the Commission Board in 2008 as a Community Appointment for a three year term.

Ms Meredith Wills

Meredith is Director of the Geraldton Universities Centre. She has been involved in the university, TAFE and labour market sectors since 1974. Through an interest in the plight of youth and mature aged unemployed she gained a teaching qualification and subsequently helped develop and teach on Anglicare's labour market programs. Meredith then spent seven years with TAFE (the VET sector) in the areas of adult education, leadership and community development. She is interested in the collaboration between schools, DIT, university and industry to meet our regional workforce needs. Meredith was appointed to MWDC's Board as a Community Appointment in 2008 for a three year term.

Cr Simon Broad

Simon manages Milly Milly and Beringarra Stations in the Murchison Shire. He has served on the Murchison Shire Council since 1987 and is currently Shire President and has held that position for 12 years. Simon was made a Freeman of the Shire of Murchison in April 2010. In recent years he has been a strong influence in the Shire developing the Murchison Community Futures Plan, which led to a tripartite arrangement with the Shire, Mid West Development Commission and CSIRO to progress a diversification plan for the Shire and the greater Murchison area. Simon was also a member of the Carnarvon Regional Advisory Committee for many years and in 2002 was appointed to the new Carnarvon Zone Control Authority. He resigned from this position in 2010 after eight years. Simon has been a strong supporter of the Murchison Country Zone and was Deputy Chairman for six years, resigning in 2009 after being elected to State council to represent the Murchison Zone. Simon has served on the Board since 2003 as a Local Government member.

Cr Pauline Forrester

Pauline is a Councillor with the Shire of Chapman Valley and is a Shire delegate on the Planning and Community Development Building Committee, Bushfire Advisory Group, Tourism and Reserve Committee and Finance and Audit Committee. Pauline is also a member of the Creating a Better Yuna Committee, Yuna Townscape Committee, Nanson Townscape Committee, Mid West Justice of the Peace Committee and is an Ambulance Officer and Justice of the Peace. She is also the Ladies President of the Northampton Bowling Club. Pauline has been actively involved with the Yuna Primary School since 1976 where in the past she has worked as an Education Assistant and is currently the swimming teacher. Pauline has served on the Commission Board as a Local Government Appointment since 2004.



Cr John Sewell

John is a primary producer in the Kojarena area, and he has been involved in local government since 1992. He was president of the Shire of Greenough Council from 2003 until its amalgamation in 2007. John was Chair of the Finance, Town Planning and Airport Committees at the Shire of Greenough and also chaired the Geraldton Greenough Regional Council. John was a City of Geraldton-Greenough Councillor until its amalgamation with the Shire of Mullewa on 1 July 2011, representing the City on numerous Committees. John also represents local government on the State Coastal Planning and Coordination Council and is a representative on the Mid West Regional Planning Committee. John was appointed to the Board as a Local Government representative in 2009.

Ms Vickie Petersen

Vickie, a former City of Geraldton Mayor, her previous roles included the Administration Manager / Part Owner of Boss Transport and Services from 1983-2006, President of the Mid West Chamber of Commerce and Industry from 2000-2001, Mayor of the City of Geraldton from 2001-2006, Co-Director of Garden Mart Pty Ltd, Consultant for Employment Directions Network, Project Manager – Midnight Basketball with the City of Geraldton-Greenough and Senior Youth Outreach Officer also at the City. In 2003 Vickie was a State Finalist in the Telstra Business Woman of the Year Award. Vickie was appointed as a Ministerial member in 2008 for a three year term but resigned as a Board member in December 2010. Her position has been left vacant pending the review of Regional Development Commissions.

Mr Steve Douglas

Steve is Chief Executive Officer of the Commission and is a member of the Board in this capacity.

Senior Officers

Mr Steve Douglas (Chief Executive Officer)

Steve was born and educated in Perth where he completed a Bachelor of Arts and a Diploma of Education at UWA. He has since also attained a Graduate Diploma of Regional Development also from UWA.

Steve joined the Mid West Development Commission in 1995 to prepare an economic development strategy for the Mid West region of WA and assumed a variety of other positions at the Commission culminating in his appointment as Chief Executive Officer in February 2006.

Not surprisingly, Steve has a strong passion for the development of the Mid West, which he describes as having a fantastic lifestyle based around its superb climate, great fishing and marine assets, and second to none sporting, recreation and cultural facilities.



Commission Board Members (from left): Vickie Petersen, Steve Douglas, John Thomson, Yvonne Messina, Pauline Forrester, Andrew Pitcher, Meredith Wills, Simon Broad, Murray Criddle (Chairman).
~ Absent: John Sewell ~

Administered Legislation

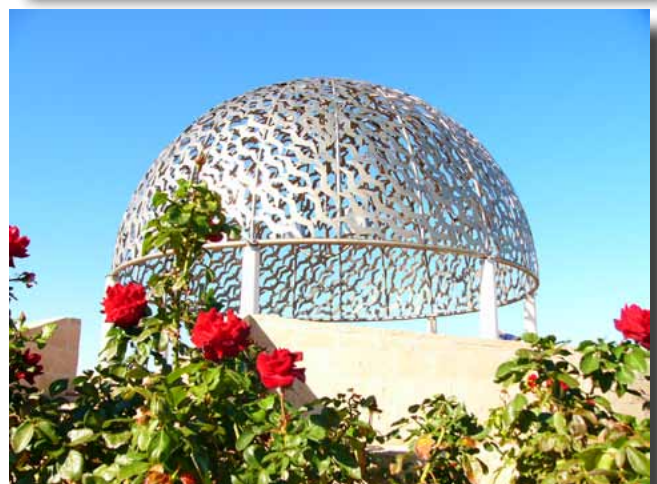
The Mid West Development Commission also administers the following related Acts:

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

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

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

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



Performance Management Framework

Outcome Based Management Framework

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



Government Goal	Desired Outcome	Services
Stronger Focus on the Regions: Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.	An environment conducive to the balanced economic and social development of the Mid West region.	1. Information and Advice 2. Investment Facilitation 3. Infrastructure and Services Development in the Mid West

Service 1: Information and Advice

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

Service 2: Investment Facilitation

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

Service 3: Infrastructure and Services Development in the Mid West

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

Changes to Outcome Based Management Framework

The Commission's Outcome Based Management Framework did not change during 2010-11.

Shared Responsibilities with Other Agencies

The Commission did not share any responsibilities with other agencies in 2010-11.



AGENCY PERFORMANCE

Report on Operations

Service 1: Information and Advice

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

AGENCY ACTIVITIES

- Administered the Royalties for Regions Mid West Regional Grants Scheme (MWRGS), which included:
 - Producing the MWRGS User Guide as an additional means of supporting applicants through the grant process;
 - Determining the third round of contestable MWRGS funding, which resulted in \$818,404 being allocated to 23 projects;
 - Allocating \$1,842,530 in MWRGS Strategic Projects funding to eight projects;
 - Providing \$6,000 to one project under the MWRGS Small Grants Scheme; and
 - Supporting recipients to effectively report on and acquit their grants.

(Please refer to the tables at the end of this Report on Operations section for full details of MWRGS allocations).

- Provided advice and assistance to clients with project planning and development, identification of suitable grant opportunities and applications for grant funding.
- Allocated \$457,560 of residual Mid West Regional Development Scheme (RDS) funding to eleven valuable regional projects (please refer to the table at the end of this Report on Operations section for full details).
- Assisted the Abrolhos Islands Council and consultants to complete the Mid West Emergency Helicopter Feasibility Study.

- Facilitated a four day visit from the WA Regional Development Trust, which coincided with the first full Trust Board meeting held outside of Perth. Together with the MWDC, the Trust Chairman toured several Mid West communities including Wiluna, Meekatharra, Cue, Mount Magnet, Morawa and Dongara, as well as the Karara minesite, enabling discussion with stakeholders about regional priorities and strategic future uses of Royalties for Regions funding. The Commission and Trust jointly hosted a forum with stakeholders from Local and State Government representatives and industry stakeholders, which included the launch of the 'Mid West: a region in profile' publication.
- Produced a new edition of the Commission's Major Projects Summary for distribution to regional, national and international businesses, industry associations and government agencies.
- Updated the Mid West Mining Register that contains information on operational and emerging mines in the Mid West. The register is updated and distributed as developments occur.
- Progressed regional and strategic planning in the Mid West to identify and address challenges, capture opportunities and inform all levels of government on future investment decisions. Key initiatives included:
 - Developing the Mid West Investment Plan (MWIP) to identify the region's infrastructure priorities, and securing \$220 million from Royalties for Regions over four years of State funding to support its implementation, along with an additional \$3 million over four years to secure additional resources to support implementation;



- As a Member of the Mid West Regional Plan Steering Committee, supporting preparation of a draft Mid West Regional Infrastructure and Planning Framework. The Framework provides the strategic context for the MWIP and identifies the key infrastructure and planning needs of the region; and
- Supporting preparation of the *'Mid West: a region in profile'* publication, in partnership with the Department of Regional Development and Lands (RDL), which provides a snapshot of key economic and social data on the Mid West.
- Facilitated several science and Information and Communications Technology networking opportunities including:
 - Australasian Square Kilometre Array Industry Consortium breakfast;
 - Mid West Centre for Regional Sustainability and Climate Change Workshop; and
 - Mid West Broadband Opportunities Workshop.



- Organised and hosted the third annual Mid West Science Summit in partnership with the WA Chief Scientist; Geraldton Universities Centre; Durack Institute of Technology; Department of Agriculture and Food WA; Department of Commerce; City of Geraldton-Greenough; Curtin University; University of Western Australia; Questacon; Australasian Square Kilometre Array Industry Consortium; RSM Bird Cameron; WA Institute of Skin Cancer Medicine and Rural Health; iVEC; CSIRO; Geraldton Regional Community Education Centre; Combined University Centre for Rural Health; and NBN Co.
- A key outcome of the Summit, which was attended by 150 national, state and regional professionals, was the progression of a Mid West Science Engagement Strategy and a decision to develop a Mid West Digital Economy Strategy as a blueprint for Mid West technology projects.
- Supported the Geraldton Regional Community Education Centre and key stakeholders to host the Mid West Youth Science Forum, which provided over 100 year 9 and 10 high school students from various schools a unique opportunity to collaborate and engage creatively in science. This provided students with a greater understanding of science related jobs and career pathways via direct engagement with scientists and industry professionals. The Forum also addressed the recognised industry skill shortage areas where a science based education can be utilised, such as health, environment, engineering and technology.
 - Administered the Mid West Strategic Infrastructure Group (MWSIG) and the Commission's Agency Working Group, which work collaboratively to resolve infrastructure bottlenecks and provide a forum for government agencies to share information on major projects in the region.
 - Through membership of the Oakajee Team Leaders Meeting, assisted the Department of State Development to progress planning for Oakajee.

- Continued to provide statistical data relating to social, economic, employment and industry growth and development within the Mid West.
- In partnership with the Australian Bureau of Statistics (ABS), completed the majority of work for the Mid West Spotlight project, which will provide social, economic and environmental statistical indicators for all Mid West local governments. The project's launch is scheduled for Q3 2011.
- Presented at the ABS Census 2011 workshop to inform minority group stakeholders of the importance of an accurate census to regional capacity building.
- Through presentations at a number of major industry conferences, raised awareness of the challenges and opportunities arising from major projects, including those involving resources and the SKA.
- Organised a workshop in conjunction with the Office of Energy (OoE) to brief key stakeholders and provide input on the Strategic Energy Initiative Directions Paper (March 2011). The workshop included representatives from OoE, Dampier Bunbury Pipeline, Durack Institute of Technology, Department of Planning, Department of Transport, Department of Water, Geraldton Iron Ore Alliance, RDL and local governments. The Commission subsequently drafted a submission to the Directions Paper.
- Assisted the Rangelands NRM group to organise a workshop to identify and prioritise significant natural resources in the region.
- Deliver grants forums throughout the Mid West to assist clients applying to MWRGS and other Royalties for Regions programs for projects that will improve economic and community infrastructure and services in the region.
- Produce updated editions of the Commission's Major Projects Summary for distribution to businesses, industry associations and government agencies in WA, nationally and overseas.
- Update the Mid West Mining Register as developments occur. The Register contains information on both operational and emerging mines in the Mid West.
- Continue to support the Commission's Agency Working Group and MWSIG, which work collaboratively to resolve infrastructure bottlenecks and provide a forum for agencies to share information on major projects in the region.
- Provide ongoing support to the Department of State Development in its endeavours to progress Oakajee's development.
- Work with ABS to complete and launch the Mid West Spotlight project, which will provide information relating to social, economic and environmental indicators over time for each of the region's local governments.
- Project manage the development of a Mid West Digital Economy Strategy, which will establish a framework to utilise digital technologies, skills and opportunities to contribute to a prosperous, sustainable and vibrant region, as well as provide key directions and business case development on major digital technology initiatives.
- Facilitate the 2012 Mid West Science Summit in partnership with the WA Chief Scientist and relevant agencies, to progress Mid West science initiatives aimed at supporting sustainable regional development outcomes.



Major Planned Initiatives for 2011-12

- Promote the MWRGS and other Royalties for Regions grants, and assist clients to develop partnerships and progress strategic projects that will improve economic and community infrastructure and services in the Mid West.
- Consult with Mid West clients to determine the impact of the MWRGS over its first three years of operation to enable improvements in delivery of the Scheme.

- Support the 2011 Mid West Youth Science Forum for regional high school and tertiary students to inform them of regional science initiatives and career pathway options.
- Work with the WA Land Information System in conjunction with the Mid West Regional Planning Committee to implement the WA Location Information Strategy in the Mid West. This will produce a virtual model that enables project partners and planners to understand the relationships between existing and planned infrastructure and services, as well as environmental and land management constraints on priority developments. The longer term urban developments required to support growing populations can also be carefully planned and modelled.
- Support the finalisation and implementation of the Mid West Workforce Development Plan to ensure the region's future workforce needs are met.
- Support the Wiluna Aboriginal Regional Partnership Agreement committee to produce positive economic and social outcomes for the Shire of Wiluna.

- Assist the Local Advisory Committee and newly appointed Trustee of the Mid West Community Foundation to wind up the organisation and distribute funds to support eligible projects or activities.

Service 2: Investment Facilitation

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

AGENCY ACTIVITIES

- Partnered Tourism Western Australia to deliver \$100,000 of special grant funding to four Mid West projects, which will enable dry-season affected communities to diversify their economy through enhanced tourism opportunities.
- Reviewed and updated the Action Plan for the Geraldton-Greenough Tourism Strategy – a 10 year vision for tourism development in Geraldton-Greenough and surrounds.
- Assisted the City of Geraldton-Greenough, Geraldton Yacht Club and other key stakeholders to secure Geraldton as a stopover port for the 2011-12 Clipper Round the World yacht race.
- Worked with Murchison Shires on tourism initiatives including production and distribution of an updated Gascoyne Murchison Outback Pathways tourist brochure for Shires, visitor centres, regional tourism operators and other tourism outlets.
- Successfully advocated for the Mid West region to be included in the Regional Centres Development Plan (SuperTowns) program. This resulted in Morawa being selected as one of nine inaugural SuperTowns in the southern half of WA and should provide flow on benefits to the North Midlands subregion.
- Supported the Yamaji NRM group, via the Indigenous Coordination Centre, to establish Indigenous "Green Teams" for on ground works and certification, with environmental training and employment outcomes expected in the longer term.



- Supported Australia's bid to host the international €2.5 billion Square Kilometre Array (SKA) and the establishment of the Australian Square Kilometre Array (ASKAP) project at the Murchison Radio-astronomy Observatory (MRO) by:
 - Assuming the role of Acting Chair of, and providing executive support to, the Western Australian Regional Advisory Group (WARAG), which reports to the Australian and New Zealand SKA Coordinating Committee (ANZSCC) and provides it with advice from regional stakeholders;
 - Securing funding (through the MWIP) to support development of the ASKAP power plant;
 - Providing ongoing advice and assistance to support Australia's bid for the SKA; and
 - With the City of Geraldton-Greenough, undertook planning and developed material to jointly host a booth at the 2011 International SKA Forum in Canada (July 2011).
- Supported the development of a finfish aquaculture industry in the Mid West by:
 - Providing MWRGS funding provided to the Batavia Coast Maritime Institute (BCMI) to establish a viable research and development facility; and
 - Working closely with industry and research institutions to establish a Yellow Tail Kingfish grow-out trial to demonstrate the competitive advantages of marine aquaculture in the Mid West region. The trial was funded primarily by the Commission with \$605,595 from Royalties for Regions Regional Grants Scheme – Strategic Projects.
- Assisted the biomass energy sector by providing MWRGS funding for a project to improve the viability of essential oil extraction, and working with the industry group to install necessary equipment.
- Supported local businesses resolve export issues by providing liaison between Austrade in Australia and abroad.



- As a Regional Certifying Body, assisted local businesses to overcome skilled labour shortages by:
 - Providing immigration information and advice in the region on behalf of the Commonwealth Department of Immigration and Citizenship; and
 - Visiting businesses that apply for skilled labour to assess the veracity of their need and understand the business and industry training effort.
- Provided advice to the local abattoir on their proposal for government assistance to add a new beef chain to their existing small animal operation.
- Delivered elements of the Mid West Indigenous Arts Industry Strategic Plan, including:
 - Developing a business and development plan for an Indigenous Art Centre in the upper Murchison;
 - Securing funding and providing ongoing support for the Wirnda Barna Art Centre in Mount Magnet, which supports Aboriginal artists from upper Murchison communities including Mount Magnet, Cue, Yalgoo, Meekatharra, Karalundi, Yulga Jinna and Sandstone. Wirnda Barna was officially opened by the Hon Brendon Grylls MLA, Minister for Regional Development in September 2010; and
 - Supporting Aboriginal art exhibitions including Connection 2 Place and Good Heart. Good Heart generated more than \$90,000 in direct sales, with Artists also securing commissions worth approximately \$20,000.

- Supported the Midwest Mining and Aboriginal Economic Development in Partnership (MMAEDiP) to develop strategies to increase employment opportunities for Indigenous people in the Mid West mining sector, which included the establishment of the Mid West Aboriginal Workforce Development Centre in Geraldton.
- Supported a number of proponents to progress renewable energy initiatives in the Mid West, including those involving wind, solar and geothermal energy sources. Of particular note is the Greenough River Solar Farm (allocated \$10 million from Royalties for Regions), which will start construction in 2011-12.

Major Planned Initiatives for 2011-12

- Partner the University of Western Australia (UWA) to assess the feasibility of developing a research centre in the Mid West in association with GUC.



- Work with the Kalbarri Visitor Centre and other local tourism stakeholders to:
 - Develop a short term Action Plan aimed at alleviating the impact on Kalbarri of a national tourism downturn, and
 - Facilitate strategic planning that will enable all stakeholders to identify and implement future pathways towards a more sustainable local tourism industry.
- Work with Murchison Shires on tourism initiatives including:
 - Developing a marketing plan to establish the Murchison as a significant tourism destination;
 - Supporting the development of Gascoyne Murchison Tourism Inc as a strong regional tourism entity; and
 - Investigating options to develop Indigenous pathways to complement the existing Gascoyne Murchison Outback Pathways drive trails.
- Work with stakeholders to maximise outcomes from the \$100,000 secured from Tourism WA for dry-season affected communities.
- Progress the development of marine aquaculture in the Mid West by supporting:
 - BCMI's marine aquaculture research and development activities; and
 - The Yellow Tail Kingfish grow-out trial with industry and research organisations to demonstrate the competitive advantages of marine aquaculture in the Mid West.
- Work with the Shire of Morawa on its SuperTowns initiative, including:
 - Establishing governance arrangements to oversee the process;
 - Identifying and addressing gaps in current planning to support preparation of a Morawa Growth Plan; and
 - Commencing the implementation of Morawa's Growth Plan.
- Promote an Industry and Business Development assistance program to government.

- Liaise with aquaculture industry groups, WA Department of Fisheries, Department of Environment and others to ensure the proposed establishment of Marine Aquaculture Zones in WA waters considers all stakeholder views.
- Continue to deliver the Mid West Indigenous Arts Industry Strategic Plan, with major priorities being:
 - Providing ongoing support to the newly established Wirnda Barna Art Centre in Mount Magnet to service the upper Murchison subregion; and
 - Supporting Yamaji Art in its expanded role as a subregional art organisation servicing Geraldton and hinterland communities.
- Through WARAG provide ongoing support for:
 - Australia's bid to host the international €2.5 billion SKA radio astronomy project (decision expected Q1 2012); and
 - The successful completion and commissioning of the ASKAP radio astronomy project.
- Continue to support major projects that can leverage off the establishment of ASKAP at the MRO and its related support facility at GUC.
- Progress the establishment of renewable energy projects in the Mid West by providing information, advice and assistance to secure funding and develop common user infrastructure where appropriate.
- Work with industry on a biomass demonstration trial to produce power that improves supply and reliability of electricity for 'edge of grid' communities. This trial will also determine employment potential of a small industry in rural and remote communities.

Service 3: Infrastructure and Services Development in the Mid West

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



AGENCY ACTIVITIES

- Coordinated workshops with regional groupings of local governments that have an agreed interest in funding larger scale infrastructure projects. Thirteen regionally significant projects covering telecommunications, roads, power, tourism, health, recreational facilities, environment and aged care were identified as priorities. These were subsequently supported with funding from the strategic component of the Royalties for Regions Country Local Government Fund (CLGF).
- Actively participated in a number of important regional workshops including:
 - LandCorp workshops to assist progress of the Oakajee Industrial Estate Structure Plan, released for public comment in April 2011;
 - Department of Transport workshop to determine priorities for the Regional Freight Plan that will define the principle freight network for the region; and
 - Main Roads WA meetings for the Geraldton North South Highway Planning Study. The proposed highway is intended to redirect heavy 'through traffic' away from built up Geraldton-Greenough areas.
- As a member of the GUC Board, supported GUC to become financially sustainable by:
 - Establishing GUC as an incorporated body with a new governance (community based Board) and financial model; and
 - Establishing partnerships with universities from across Australia to deliver courses relevant to the local community.

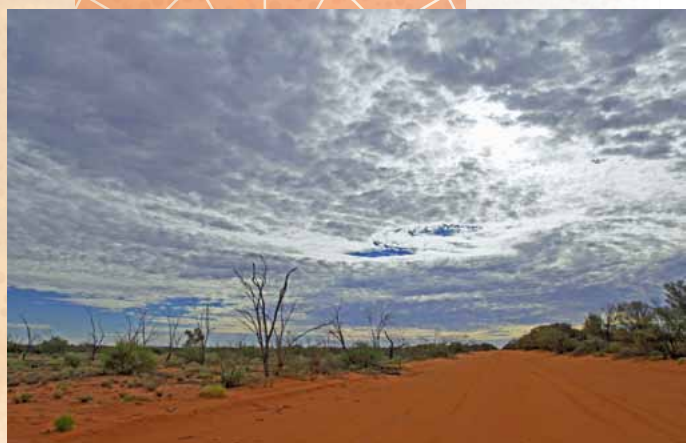
- Supported the progress of the Mid West Energy Project (330kV line) through the regulatory process.
- Through the MWIP, assumed the lead agency role to ensure that social infrastructure in the Mid West is developed in a timely manner to support regional development in general and the rapid growth of the resources sector in particular.
- Successfully advocated for the Department of Water to commence a Mid West Water Supply Plan, which will outline available water resources and forecast supply against demand. It will also result in a water supply augmentation schedule with likely timing and triggers for additional supplies and the most appropriate supply options.
- In partnership with the Office of Energy, secured funding to undertake the development of a Mid West Energy Plan.
- Worked in partnership with Edith Cowan University on stage one of a study to determine the barriers for the adoption of Broadband technology in regional areas.
- Project managed the upgrade of regional telephone exchanges with ADSL2+ broadband infrastructure in Mount Magnet, Meekatharra, Cue and Mullewa providing high speed broadband services to government, businesses and the community.
- Raised industry awareness of Oakajee by:
 - Hosting visits by potential industrial estate users; and
 - Facilitating the timely exchange of information between agencies and resource proponents.
- Continued to support development of port, rail and associated infrastructure at Oakajee by:
 - Providing information and advice to government regarding the social impact assessment work completed to date;
 - Representing the interests of the region on the Oakajee Implementation Group;
 - Maintaining ongoing liaison with major resource proponents;
 - Working collaboratively with the Department of State Development on a communication strategy for the Oakajee Mid West Development project;
 - Participating in a number of Oakajee Port and Rail stakeholder consultation workshops to identify, mitigate and capture opportunities from the social impacts of its deepwater port and rail project; and
 - Facilitating the timely exchange of information between agencies and resource proponents.
- Through MWSIG:
 - Provided feedback to the Department of Planning for the Oakajee Narngulu Infrastructure Corridor, stressing the importance of this project coinciding with the development of Oakajee;
 - Raised the profile, through appropriate channels, of inadequate water and power infrastructure to support major project development; and
 - Provided information and support to agencies investigating long term power and water solutions for the Mid West.



- Supported the Geraldton Foreshore Redevelopment and Central Business District Revitalisation project by:
 - Assisting the City of Geraldton-Greenough to secure \$2.25 million of Royalties for Regions funding for the \$4.25 million development of the Eastern Breakwater;
 - Providing funding to the City as part of the State Government's overall commitment of \$13.3 million for the project; and
 - Supporting a reallocation of funding to enable the installation of a new Exeloo toilet at the Forrest Street end of the foreshore (to be installed in 2011/12).
- Continued to work with stakeholders to expedite the development of land sold as part of the Batavia Coast Marina Redevelopment (Stage 1). The commencement of the joint development of Lots 80 and 81 highlights the Commission's success in getting a number of owners of small freehold lots to develop their land in a timely manner. These are the last two lots remaining for development along Foreshore Drive.
- Worked with LandCorp, the City of Geraldton-Greenough, the Public Transport Authority and other stakeholders to progress stage two of the Batavia Coast Marina redevelopment.
- Worked with the City of Geraldton-Greenough on its '2029 and beyond Sustainable Future Greater Geraldton City Region' project to support the growth and development of Geraldton-Greenough and surrounding areas. This included:
 - Providing extensive feedback and input on the City's 'Mid West Region Investability' reports;
 - Chairing and participating in the Sustainable Future City Region Project Working Group, which oversees a range of high priority planning initiatives supported by the Commission via the MWRGS; and
 - Providing funding for the preparation of the City's submission to the Sustainable Population Enquiry for Australia.
- Supported the Mid West Sports Federation through the Mid West Academy of Sport pre-establishment phase, which has included substantial planning and efforts to secure funding for the Academy's proposed commencement in 2011-12. The Academy will support the development of talented sub elite athletes, coaches and officials from within their home environment.
- Continued to support the Bidi Bidi early childhood development program pilot in Mount Magnet, which offers innovative new childcare services based on the delicate relationships between Aboriginal children and their caregivers. The project is unique in Australia and may provide a blueprint for other early Aboriginal childhood development services.
- Led a professional support network for the region's local government Community Development Officers, which provides professional development opportunities, collegueship and mentoring.
- Supported the operations and future viability of Karalundi Aboriginal Education Centre (KAEC) by:
 - Supporting the development of phase two of its Karalundi Outdoor Personal Enrichment (KOPE) facility with MWRGS funding. The facility supports leadership and personal development programs for students and the community and its use by the corporate sector provides Karalundi with a valuable source of additional income. This facility is now open for business to the broader community; and
 - Assisting KAEC to apply for funding to resurface its community road network, including expansions to support new housing developments.



- Worked with the Northern Agricultural Catchments Council to develop the “Alice Nannup Walk Trail” site of significance, which is an on ground natural resource management initiative in Geraldton.
- Supported Access to Leisure and Sport (ATLAS) with planning and efforts to secure funding for its proposed Universal Challenge Course facility. The facility consists of high and low elements that will provide unique training, leadership and personal development opportunities and is designed and promoted in a way that enables access by people with and without disabilities.
- Worked in partnership with stakeholders to develop an application for Federal Digital Regions Initiative funding for innovative information technology projects relating to health, education and emergency services.
- Worked with the Murchison Executive Group to identify opportunities for local government collaboration and resource sharing in the Murchison subregion. Each local government has responsibility for certain portfolios to support one another with compliance and administrative workloads.



Major Planned Initiatives for 2011-12

- Support the Western Australian Museum to prepare a Masterplan for its Geraldton site in order to:
 - Enhance the Geraldton Museum’s status as one of the best regional museums in Western Australia; and
 - Identify and progress new projects and initiatives that will maximise the vibrancy, attractiveness and amenity of the Batavia Coast Marina precinct.
- Support the Department of Water with the development of the Mid West Water Supply Plan to forecast future water supply against demand. The Plan will detail a water supply augmentation schedule showing likely timing and triggers for additional supplies and the most appropriate supply options. This document will be the first of its kind in WA and is due for completion in 2011-12.
- In partnership with the Office of Energy, produce a Mid West Energy Plan that will assess current and future power demands and determine different supply alternatives.
- Continue support for the development of a port, rail and associated infrastructure at Oakajee by:
 - Providing information and advice to the State government regarding the community infrastructure required to support this development;
 - Maintaining ongoing liaison with major resource proponents; and
 - Facilitating the timely exchange of information between regional organisations and resource proponents.
- Through the MWSIG:
 - Continue to push for the timely development of supply chain infrastructure from minesite to port; and
 - Provide information and support to communities, agencies and industry representatives exploring long term power solutions for the Mid West.
- Facilitate the second round of CLGF (strategic component) for collaborative local government projects.

- Assist the Mid West Sports Federation to establish a Mid West Academy of Sport to assist the development of sub elite athletes from their home environment. A major focus of the establishment phase will be service and personnel development and securing cornerstone funding to underpin the Academy's early years of operation.
- Continue to support Access to Leisure and Sport (ATLAS) to progress the development of its proposed Universal Challenge Course facility, which will provide training, leadership and personal development opportunities for people with and without disabilities.
- Facilitate the timely development of community infrastructure required to support major resource projects by:
 - Coordinating the determination of priority (collaborative) projects for funding through the regional collaborative component of CLGF;
 - Implementing the MWIP, which has determined the public and private infrastructure investment required to capture maximum benefit from major projects in the region; and
 - Supporting the development of a Mid West Regional Infrastructure and Planning Framework and its implementation through the State's Infrastructure Coordinating Committee.
- Work with the proponents of the Bidi Bidi early childhood development centre pilot to:
 - Continue to support government and non government agencies to attract funding for this program to continue beyond 2011; and
 - Address the Murchison's relatively poor Australian Early Development Index (AEDI) results.
- Work with LandCorp, City of Greater Geraldton, Public Transport Authority and other stakeholders to secure Government support for commencing Stage Two of the Batavia Coast Marina redevelopment.
- Expedite the development of a hotel on land sold as part of Stage One of the Batavia Coast Marina redevelopment.
- Work with the City of Greater Geraldton on its '2029 and beyond Sustainable Future Greater Geraldton City Region' project to support the growth and development of Geraldton and surrounds.
- Continue to lead a professional support network for the region's local government Community Development Officers to provide professional development opportunities, collegiality and mentoring.
- Project manage the upgrade of regional telephone exchanges with new ADSL2+ broadband infrastructure in Leeman, Coorow, Mingenew, Three Springs and Eneabba, providing high speed broadband services to government, businesses and community.
- Work with local governments, business and community to develop a Mid West Digital Economy Strategy to promote the uptake of broadband and information technology in the region. A particular focus will be opportunities arising from:
 - The recently completed Perth to Geraldton fibre-optic connection;
 - The roll out of the National Broadband Network in and around Geraldton;
 - ASKAP (and hopefully SKA) projects at the MRO; and
 - Large-scale mining projects planned or proposed in the Mid West.
- Work with local governments, business and community to deliver the Regional Mobile Communications Project, which will extend mobile phone coverage in the region and help solve issues with mobile phone blackspots on major highways.
- Partner the City of Greater Geraldton on the major redevelopment of Eadon-Clarke Sporting Reserve to increase capacity of the site and provide high quality multipurpose, lit outdoor sporting facilities.



Royalties for Regions Small Grant Scheme

The Commission supported one project for funding from the Mid West Small Grants Scheme. The following project was funded.

Small Grants Scheme Funded Projects for 2010-11		
Organisation	Project Name	Funding (ex GST)
Coorow Community Resource Centre	Meeting Hall for Marchagee	\$6,000
1 PROJECT	TOTAL	\$6,000

Royalties for Regions Regional Grant Scheme – Strategic Projects

The Commission supported eight projects for funding from the Regional Grants Scheme - Strategic Projects. The following projects received funding.

Regional Grants Scheme - Strategic Projects for 2010-11		
Organisation	Project Name	Funding (ex GST)
Mid West Chamber of Commerce and Industry	Procurement Officer	\$40,000*
Shire of Meekatharra	BITE (Broadband Integration and Technology Enablement) – SMART Mid West initiative	\$106,300
Marine Fishfarmers Association	WA Yellow tail kingfish grow-out trial	\$605,595
Wirnda Barna Artists Inc	Wirnda Barna Art Centre development	\$200,000
Chrysalis Support Services Inc	Chrysalis House building extensions	\$117,635
Geraldton Institute Inc T/A Geraldton Universities Centre	Geraldton Universities Centre sustainability, (Stage 2)	\$138,000**
Shire of Coorow	Coorow-Carnamah ADSL2+ exchange upgrades	\$75,000**
Mid West Development Commission	New office fit-out	\$600,000**
8 PROJECTS	TOTAL	\$1,882,530

* Grant subsequently withdrawn

** Endorsed by Cabinet in July 2011

Royalties for Regions Regional Grant Scheme

The Commission supported 23 projects for funding from the Mid West Regional Grants Scheme totalling \$818,404 during 2010-11.

The projects were not formally endorsed by Cabinet until September 2011 so will be reported on in the 2011-12 annual report.



Regional Development Scheme

The Commission supported 11 projects for funding from the Mid West Regional Development Scheme. The following projects received funding.

Regional Development Scheme Funded Projects for 2010-11		
Organisation	Project Name	Funding (ex GST)
stepUP Geraldton	stepUP Geraldton two day youth motivation event	\$5,000
Geraldton Regional Community Resource Centre	Construction of new Outside School hours Child Care Association (OSCCA) facility	\$65,000
Shire of Coorow	Leeman & Green Head planning strategy	\$50,000
Mid West Development Commission	Mid West Regional Spotlight analytical commentary	\$32,355
Mid West Development Commission	Mid West Investment Plan	\$150,000
Mid West Development Commission	Mid West Energy Plan	\$70,000
Shire of Wiluna	Community Infrastructure Plan and Mining Needs Study	\$18,600
Midwest Economic Employment and Development Aboriginal Corporation (MEEDAC)	Cut flowers production project	\$9,795
Marine Fishfarmers Association	Yellow tail kingfish taste masking trial	\$18,240
WA Museum	WA Museum Geraldton masterplan	\$20,000
Midwest Economic Employment and Development Aboriginal Corporation (MEEDAC)	Cut flowers expansion project	\$18,570
11 PROJECTS	TOTAL	\$457,560

Actual results versus budget targets

Financial Targets

	Target \$000	Actual \$000	Variance \$000
Total cost of services (expense limit) (details from Income Statement)	7,882	6,842	(1,040)
Net cost of services (details from Income Statement)	7,821	6,715	(1,106)
Total equity (details from Balance Sheet)	3,170	5,230	2,060
Net increase/(decrease) in cash held (details from Cash Flow Statement)	(2,247)	(3,144)	(897)
Approved full time equivalent (FTE) staff level	14	14.2	0.2

The target total cost of services and net cost of services both assumed \$4 million of Royalties for Regions funding would be received and \$6 million spent in 2010-11 for the MWRGS. MWRGS recipients are paid in installments, which often results in the related expense being reflected over more than one financial year.

Actual costs for 2010-11 also reflect:

- Only \$1.8 million received for the MWRGS against \$4 million budgeted. Further draw downs on this funding will occur in future years as project milestones are met; and
- Payment of instalments in 2010-11 for MWRGS grants awarded in 2008-09 and 2009-10.

The combined effect of the above was that MWRGS expenses in 2010-11 were approximately \$1.4 million below target. This was partially offset by \$289,000 of expenditure on the Geraldton Foreshore Redevelopment project, some of which was carried over from 2008-09.

The variance in total equity largely reflects the delayed expenditure of funding received in prior years for the MWRGS and the Geraldton Foreshore Redevelopment.

The actual net decrease in cash in 2010-11 reflects the adoption of a cash management strategy that more closely aligns with MWRGS funding with actual requirements.

For explanation on Income Statement variances, refer to Note 31 of the Financial Statements on page 63 of this report.



Summary of Key Performance Indicators

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



	Target	Actual	Variance
Outcome: An environment conducive to the balanced economic and social development of the Mid West region <i>Key Effectiveness Indicators</i> <ul style="list-style-type: none"> • Clients agreeing that the Commission reduced obstacles to economic growth and employment • Clients agreeing that the Commission contributed to the development of a new business opportunity • Clients agreeing that the Commission contributed to more trade activity • Clients agreeing that the Commission contributed to the retention of staff and/or expansion of employment opportunities 	42% 58% 28% 28% 	39% 67% 37% 32% 	-3% 9% 9% 4%
Service 1: Information & Advice <i>Key Efficiency Indicators</i> <ul style="list-style-type: none"> • Cost per client visit • Cost per client inquiry 	 	 	
Service 2: Investment Facilitation <i>Key Efficiency Indicator</i> <ul style="list-style-type: none"> • Average cost per project 	 	 	
Service 3: Infrastructure and Services Development in the Mid West <i>Key Efficiency Indicator</i> <ul style="list-style-type: none"> • Average cost per project 	 	 	

Key Effectiveness Indicators

The Commission's effectiveness indicators are measured through an annual client perceptions survey, conducted by an independent market research company. Surveys were sent to 203 clients that had contact with the Commission during 2010-11, with 144 completed surveys returned (response rate of 70.9%). A further 100 non clients were also surveyed.

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

The Key Effectiveness indicators for 2010-11 were generally above target despite the Commission no longer providing TradeStart export services to Mid West businesses on behalf of Austrade (ceased 30 June 2010).



Key Efficiency Indicators

Average unit costs for **Service 1 – Information and Advice** were below target because the total number of contacts with clients was considerably higher than forecast. The total number of visits was below 2009-10 due mainly to the cessation of the TradeStart contract with Austrade, but remained high due to the Commission's engagement with clients throughout the region through:

- Administration of the Royalties for Regions MWRGS;
- Facilitation of local government workshops to determine priorities for the collaborative component of the Royalties for Regions CLGF;
- Extensive consultation relating to preparation of the Commission's Mid West Investment Plan;
- Planning for the development of Oakajee, major resource projects and major technology projects (including the €2.5 billion SKA radio astronomy project, NBN, ADSL2+ Broadband rollout); and
- Ongoing involvement with projects including the Geraldton Universities Centre, Batavia Coast Marina, Mid West Indigenous Arts Industry Strategy, Bidi Bidi early Aboriginal childhood development centre, marine aquaculture sector and renewable energy initiatives.

Total costs for **Service 2 – Investment Facilitation** were significantly above target due to unbudgeted expenses relating to establishment of the Wirnda Barna Indigenous art centre and extensive consultations associated with the MWIP. This equated to a notably higher average cost per project.

The average cost per project for **Service 3 – Infrastructure and Services Development** was significantly lower than 2009-10, mainly due to the total number of projects increasing by around 10%. The total cost was roughly the same as 2009-10.

For further explanation on variances refer to page 70. Please note that within the audited Key Performance Indicators, target and actual total costs and unit costs have been adjusted to exclude Grants and Subsidies Expense.

SIGNIFICANT ISSUES IMPACTING THE AGENCY

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



- The Commission's Mid West Investment Plan has been allocated \$220 million in Royalties for Regions funding over the next four years to deliver "Flagship" initiatives that primarily target communities seeking to capture opportunities from major projects. A further \$3 million has been allocated over four years to support its implementation
- Timely investment in economic and social infrastructure and services is required to support the developing region, particularly resulting from the growing resources sector and major projects such as the Australian Square Kilometre Array Pathfinder (ASKAP), Oakajee deepwater port, rail and industrial estate.
- The development of major projects, including the proposed development of Oakajee and large scale resource ventures, will continue to have considerable social and economic impacts for a number of Mid West communities and businesses.
- Strategic regional planning being undertaken will better position the region to deal with challenges and capture opportunities in line with community values.
- Major projects, particularly in the resources sector, will continue to create workforce demands and the need for additional education, training and employment support programs, including specific programs and opportunities for Indigenous people.
- Lack of funding to retain the position of Aboriginal Economic Development Officer at the Commission will create challenges meeting current and future demands.
- Reliance of the region's economy on primary commodity exports exposes it to market fluctuations and climate change impacts, creating demands for initiatives that diversify the region's economic base eg science, aquaculture, tourism, renewable energy, alternative land use etc.
- Record low puerulus settlement in the West Coast Rock Lobster fishery is limiting the total allowable catch and having a considerable impact on Mid West Rock Lobster fishers and some coastal communities.
- The developing marine based aquaculture industry holds significant potential for the region's economy and could provide opportunities for workers displaced from the traditional fishing industry.
- Access to tertiary education in the Mid West is being enhanced through expansion of courses offered by the Geraldton Universities Centre, with increasing student numbers and research programs critical to the Centre's sustainability.
- Proposed construction of a 330kV line from Pinjar to Eneabba and ultimately Geraldton could create major opportunities for the region's developing renewable energy industry and provides additional support for major industry development.

- Major technology infrastructure initiatives, including the ASKAP project, National Broadband Network and Regional Backbone Blackspots Project, provide opportunities to leverage additional outcomes for regional communities.
- Several new Royalties for Regions funding programs, such as Regional Centres Development Plan (SuperTowns) and the Regional Development Council Action Agenda Funding Scheme, provide additional opportunities to leverage lasting social and economic outcomes for the region.
- Approximately 83% of the Mid West region is classified as remote, which presents a challenge in resource allocation to provide and maintain infrastructure and services.
- Health and early childhood development initiatives need to be a focus in areas with high Aboriginal populations, to address the region's relatively poor Australian Early Development Index results and low literacy, health and unemployment levels.
- Although progressing well, the Mid West Indigenous arts industry is still developing and requires ongoing support to realise its full potential.
- The outcomes of the review of the State's nine regional development commissions may result in changes to the Commission's activities and resource needs.
- Relocation of the Commission's offices in late 2011 may create short term service disruption but will ultimately enhance profile and the Commission's strategic positioning.



DISCLOSURES AND LEGAL COMPLIANCE

Financial Statements

Certification of Financial Statements

MID WEST DEVELOPMENT COMMISSION

CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 30 June 2011.

The accompanying financial statements of the Mid West Development Commission have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2011 and the financial position as at 30 June 2011.

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.

J POTTS
CHIEF FINANCIAL OFFICER
9 September 2011



HON M CRIDDLE
CHAIRMAN
9 September 2011



S DOUGLAS
CHIEF EXECUTIVE OFFICER
9 September 2011



Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	2011 \$	2010 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	1,420,777	1,376,200
Supplies and services	7	539,241	556,288
Depreciation and amortisation expense	8	21,649	11,881
Accommodation expenses	9	174,538	155,988
Grants and subsidies	10	4,674,303	2,813,247
Other expenses	11	11,331	14,994
Total cost of services		6,841,839	4,928,598
Income			
Revenue			
Commonwealth grants and contributions	12	-	206,837
Other revenue	13	127,267	107,138
Total Revenue		127,267	313,975
Total income other than income from State Government		127,267	313,975
NET COST OF SERVICES		6,714,572	4,614,623
Income from State Government			
Service appropriation	14	1,578,000	1,522,000
Resources received free of charge	14	12,590	10,823
Royalties for Regions Fund	14	1,800,000	1,225,000
State Government grants & subsidies	14	149,091	26,499
Total income from State Government		3,539,681	2,784,322
DEFICIT FOR THE PERIOD		(3,174,891)	(1,830,301)

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

Statement of Financial Position

As at 30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	26	408,289	597,114
Restricted cash and cash equivalents	15, 26	3,546,825	6,502,194
Receivables	16	281,564	131,041
Amounts receivable for services	17	20,000	30,000
Other current assets	18	-	1,155
Total Current Assets		4,256,678	7,261,504
Non-Current Assets			
Amounts receivable for services	17	137,000	119,000
Property, plant and equipment	19	2,628,843	2,608,662
Intangible assets	20	11,356	5,275
Total Non-Current Assets		2,777,199	2,732,937
TOTAL ASSETS		7,033,877	9,994,441
LIABILITIES			
Current Liabilities			
Payables	22	338,707	195,844
Provisions	24	356,831	291,248
Total Current Liabilities		695,538	487,092
Non-Current Liabilities			
Amounts due to the Treasurer	23	960,000	960,000
Provisions	24	148,120	142,239
Total Non-Current Liabilities		1,108,120	1,102,239
TOTAL LIABILITIES		1,803,658	1,589,331
NET ASSETS		5,230,219	8,405,110
EQUITY			
Contributed equity	25	355,946	355,946
Reserves	25	1,872,761	1,872,761
Accumulated surplus	25	3,001,512	6,176,403
TOTAL EQUITY		5,230,219	8,405,110

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

Statement of Changes in Equity

For the year ended 30 June 2011

	Note	Contributed equity	Reserves	Accumulated surplus/ (deficit)	Total equity
		\$	\$	\$	\$
Balance at 1 July 2009	25	355,946	1,336,398	8,006,704	9,699,048
Total comprehensive income/(loss) for the year		-	536,363	(1,830,301)	(1,293,938)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	536,363	(1,830,301)	(1,293,938)
Balance at 30 June 2010		355,946	1,872,761	6,176,403	8,405,110
Balance at 1 July 2010	25	355,946	1,872,761	6,176,403	8,405,110
Total comprehensive loss for the year		-	-	(3,174,891)	(3,174,891)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	(3,174,891)	(3,174,891)
Balance at 30 June 2011		355,946	1,872,761	3,001,512	5,230,219

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

Statement of Cash Flows

For the year ended 30 June 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		1,550,000	1,484,000
Holding account drawdowns		20,000	38,000
Royalties for Regions Fund		1,800,000	1,225,000
State Government grants and subsidies		-	26,499
Net cash provided by State Government		3,370,000	2,773,499
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,344,067)	(1,290,828)
Supplies and services		(491,296)	(550,425)
Accommodation		(168,446)	(165,118)
GST payments on purchases		(508,333)	(329,872)
GST payments to taxation authority		(11,646)	(31,904)
Grants and subsidies		(4,582,297)	(2,721,853)
Other payments		(11,331)	(14,994)
Receipts			
Commonwealth grants and contributions		-	206,837
Sale of publications		5,236	5,026
GST receipts on sales		6,600	31,272
GST receipts from taxation authority		501,890	386,594
Other receipts		137,408	106,739
Net cash used in operating activities	26	(6,466,282)	(4,368,526)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(47,912)	(10,287)
Purchase of non-current intangible assets		-	-
Receipts			
Proceeds from sale of non-current physical assets		-	-
Net cash used in investing activities		(47,912)	(10,287)
Net decrease in cash and cash equivalents		(3,144,194)	(1,605,314)
Cash and cash equivalents at the beginning of period		7,099,308	8,704,622
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	26	3,955,114	7,099,308

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

Notes to the Financial Statements

For the year ended 30 June 2011

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Authority has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Commission for the annual reporting period ended 30 June 2011.

Note 2. Summary of significant accounting policies

(a) General statement

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

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

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

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land which has been measured at fair value.

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

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Commission's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

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

(c) Reporting entity

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

Notes to the Financial Statements

For the year ended 30 June 2011

Note 2. Summary of significant accounting policies (continued)

(d) Contributed equity

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

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

(e) Income

Revenue Recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised for the major business activities as follows:

Sale of goods

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

Provision of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Service Appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Grants, donations, gifts and other non-reciprocal contributions

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

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

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Commission obtains control over the funds. The Commission obtains control of the funds at the time the funds are deposited into the Commission's bank account.

Gains

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

Notes to the Financial Statements

For the year ended 30 June 2011

Note 2. Summary of significant accounting policies (continued)

(f) Property, plant and equipment

Capitalisation/expensing of assets

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

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

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

Subsequent measurement

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

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

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

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

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

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

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

Depreciation

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

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

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

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

Land is not depreciated.

Notes to the Financial Statements

For the year ended 30 June 2011

Note 2. Summary of significant accounting policies (continued)

(g) Intangible assets

Capitalisation/expensing of assets

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

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

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

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

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

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

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

Computer software

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

Web site costs

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

(h) Impairment of assets

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

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

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

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

Refer to note 21 'Impairment of assets' for the outcome of impairment reviews and testing.

Notes to the Financial Statements

For the year ended 30 June 2011

Note 2. Summary of significant accounting policies (continued)

(i) Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount or fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

(j) Leases

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

(k) Financial instruments

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

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial Liabilities

- Payables
- Amounts due to the Treasurer

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(l) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(m) Accrued salaries

Accrued salaries (see note 22 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its net fair value

(n) Amounts receivable for services (holding account)

The Commission receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement. Refer to note 14 'Income from State Government' and note 17 'Amounts receivable for services'.

Notes to the Financial Statements

For the year ended 30 June 2011

Note 2. Summary of significant accounting policies (continued)

(o) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. Refer also to note 2(k) 'Financial Instruments' and note 16 'Receivables'.

(p) Payables

Payables are recognised when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days. Refer to note 2(k) 'Financial Instruments' and note 22 'Payables'.

(q) Amounts due to the Treasurer

Initial recognition and measurement, and subsequent measurement, is at the amount repayable. Although there is no interest charged, the amount repayable is equivalent to fair value as the period of the borrowing is for less than 12 months with the effect of discounting not being material. Refer to note 23 'Amounts due to the Treasurer'.

(r) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. Refer to note 24 'Provisions'.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

The liability for annual leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

The provision for annual leave is classified as a current liability as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Long service leave

The liability for long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (GESB) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Notes to the Financial Statements

For the year ended 30 June 2011

Note 2. Summary of significant accounting policies (continued)

(r) Provisions (continued)

Superannuation (continued)

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

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

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Commission makes concurrent contributions to GESB on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS.

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

Provisions - Other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(s) Superannuation expense

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

(t) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the Commission would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services are received from another State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(u) Comparative figures

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

Note 3. Judgements made by management in applying accounting policies

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

Notes to the Financial Statements

For the year ended 30 June 2011

Note 4. Key sources of estimation uncertainty

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

Note 5. Disclosure of changes in accounting policy and estimates

(a) Initial application of an Australian Accounting Standard

The Commission is not required to apply any initial application of an Australian Accounting Standard for annual reporting periods beginning on or after 1 July 2010.

(b) Voluntary changes in accounting policy

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

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

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Commission has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Commission. Where applicable, the Commission plans to apply these Standards and Interpretations from their application date:

Operative for reporting periods beginning on/after

AASB 2009-11	The amendment to AASB 7 <i>Financial Instruments: Disclosures</i> requires modification to the disclosure of categories of financial assets. The Commission does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.	1 Jan 2013
AASSB 2009-12	This Standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised Standard.	1 Jan 2011
AASB 1053	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Commission. However it may affect disclosures in the financial statements of the Commission if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.	1 July 2013
AASB 2010-2	This standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities. The Standard is not expected to have any financial impact on the Commission. However this Standard may reduce some note disclosures in the financial statements of the Commission. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	1 July 2013

Notes to the Financial Statements

For the year ended 30 June 2011

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

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

Operative for reporting periods beginning on/after

AASB 2011-2	This Amending Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	1 July 2011
AASB 2010-5	This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Statements. There is no financial impact resulting from the application of this revised Standard.	1 Jan 2011
AASB 2010-6	<p>This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.</p> <p>The Standard is not expected to have any financial impact on the Commission. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p>	1 July 2011
AASB 9	<p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued on 6 Dec 2010 and the Department is currently determining the impact of the Standard. DTF has not yet determined the application or the potential impact of the Standard for agencies.</p>	1 Jan 2013
AASB 2010-7	This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 <i>Financial Instruments</i> in December 2010. DTF has not yet determined the application or the potential impact of the Standard for agencies.	1 Jan 2013
AASB 1054	This Standard, in conjunction with AASB 2011-1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i> , removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.	1 July 2011
AASB 2011-1	This Amending Standard, in conjunction with AASB 1054 <i>Australian Additional Disclosures</i> , removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.	1 July 2011

(d) Changes in accounting estimates

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

Notes to the Financial Statements

For the year ended 30 June 2011

		2011	2010
		\$	\$
Note 6. Employee benefits expense			
Wages and salaries	(i)	1,274,306	1,245,688
Superannuation - defined contribution plans	(ii)	124,436	114,032
Other related expenses		22,035	16,480
		1,420,777	1,376,200

(i) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(ii) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

Employment on-costs such as workers' compensation insurance are included at note 11 'Other expenses'. Employment on-costs liability is included at note 24 'Provisions'.

		2011	2010
		\$	\$
Note 7. Supplies and Services			
Communications		24,246	26,585
Consultants and contractors		162,378	147,314
Consumables		43,921	83,605
Travel		66,474	53,953
Equipment repairs and maintenance		13,595	14,050
Operating leases - vehicles		30,444	28,363
Board fees		56,622	53,295
Other		141,561	149,123
		539,241	556,288

		2011	2010
		\$	\$
Note 8. Depreciation and amortisation expense			
<u>Depreciation</u>			
Plant and equipment		12,238	6,452
Total depreciation		12,238	6,452
<u>Amortisation</u>			
Computer software		4,136	-
Website		5,275	5,429
Total amortisation		9,411	5,429
Total depreciation and amortisation		21,649	11,881

		2011	2010
		\$	\$
Note 9. Accommodation expenses			
Lease rentals		146,817	136,543
Electricity		27,287	18,703
Repairs and maintenance		434	742
		174,538	155,988

Notes to the Financial Statements

For the year ended 30 June 2011

		2011 \$	2010 \$
Note 10. Grants and subsidies			
<u>Recurrent</u>			
Regional Development Scheme	(i)	352,093	407,965
Royalties for Regions Fund - Regional Grant Scheme - Round 1 (2009)		2,255,968	1,086,870
Royalties for Regions Fund - Regional Grant Scheme - Round 2 (2010)		1,721,174	17,122
Wirnda Barna		19,790	-
Mount Magnet Vermin Fence		20,000	-
Rural Health West		4,000	-
WA Local Government Association		5,000	-
Department of Sport & Recreation		5,000	-
Peel Development Commission		2,220	5,000
Yamaji Art		-	4,000
Geraldton City RSL		-	1,440
Shire of Dandaragan		-	5,000
Midwest Chamber of Commerce and Industry		-	500
<u>Capital</u>			
City of Geraldton-Greenough - Foreshore Redevelopment		289,058	1,285,350
		4,674,303	2,813,247

(i) Includes the reallocation to new recipients of funds granted in earlier rounds of the Regional Development Scheme (RDS) which were either not utilised at all or exceeded the actual requirements of the original recipients. These funds were returned to the RDS funding pool and allocated to or available for allocation to new projects.

		2011 \$	2010 \$
Note 11. Other expenses			
Employment on-costs	(i)	8,598	5,606
Other insurance		2,733	9,388
		11,331	14,994

(i) 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 24 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

		2011 \$	2010 \$
Note 12. Commonwealth grants and contributions			
TradeStart		-	72,337
Department of Broadband, Communications & the Digital Economy		-	22,500
Commonwealth Scientific and Industrial Research Organisation		-	2,000
Department of Environment & Heritage		-	110,000
		-	206,837

		2011 \$	2010 \$
Note 13. Other revenue			
Sundry Income		34,575	38,639
Sale of publications		2,305	5,026
Refund of unused RDS grants	(i)	44,805	12,994
Refund of unused RGS grants	(ii)	10,034	-
Batavia Coast Marina - Liquidated Damages		35,548	50,479
		127,267	107,138

(i) These amounts reflect refunds from grant recipients of unused Regional Development Scheme (RDS) grants paid to grant recipients in earlier years.

(ii) These amounts reflect refunds from grant recipients of unused Regional Grants Scheme (RGS) grants paid to grant recipients in earlier years.

Notes to the Financial Statements

For the year ended 30 June 2011

		2011 \$	2010 \$
Note 14. Income from State Government			
Appropriation received during the year:			
Service appropriation	(i)	1,578,000	1,522,000
		1,578,000	1,522,000
Resources received free of charge			
Determined on the basis of the following estimates provided by agencies:			
Department of Treasury and Finance	(ii)	12,590	10,823
		12,590	10,823
Royalties for Regions Fund:			
- Regional Infrastructure and Headworks Account	(iii)	-	1,125,000
- Regional Community Service Account	(iii)	1,800,000	-
- Country Local Government Fund		-	100,000
		1,800,000	1,225,000
Grants and subsidies:			
During the 2010/11 financial year the Mid West Development Commission received revenue from the following sources:			
- Tourism Western Australia		100,000	-
- Office of Energy		49,091	-
- Central West TAFE - Midwest Science Forum		-	800
- Department of Racing, Liquor & Gaming - Mid West Sports Academy		-	5,000
- Department of Commerce, Science & Innovation - Midwest Science Forum		-	909
- Department of Culture and the Arts - Wirnda Barna Art Workshops		-	19,790
		149,091	26,499
		3,539,681	2,784,322

(i) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

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

(iii) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

Notes to the Financial Statements

For the year ended 30 June 2011

	2011	2010
	\$	\$
Note 15. Restricted cash and cash equivalents		
Use of the following cash holdings is restricted to the purpose(s) for which the funds were provided:		
Batavia Coast Marina Redevelopment	466,723	426,084
Country Local Government Fund	36,630	100,000
Gascoyne Murchison Outback Pathways project	17,748	18,117
Geraldton Foreshore Redevelopment	312,321	552,321
Midwest Digital Economy Strategy	47,500	22,500
Midwest Science Forum	4,582	7,279
Murchison IT Training & Support project	20,000	20,000
Pacific Flora 2004	3,091	3,091
Regional Development Scheme - Round 3 (2004)	-	7,000
Regional Development Scheme - Round 4 (2005)	6,000	15,500
Regional Development Scheme - Round 5 (2006)	-	18,075
Regional Development Scheme - Round 6 (2007)	41,336	61,586
Regional Development Scheme - Round 7 (2008)	31,100	165,968
Regional Development Scheme - Round 8 (2009)	81,000	152,424
Regional Development Scheme - Reallocated	301,571	45,244
Regional Development Scheme - unallocated	76,279	410,469
Regional Education & Training	408	11,635
Royalties for Regions Fund - Round 1 (2009) (i)	988,819	3,335,188
Royalties for Regions Fund - Round 2 (2010) (i)	1,111,717	1,086,087
Wirnda Barna Art Centre	-	43,626
	3,546,825	6,502,194

(i) Unspent funds are committed to projects and programs in WA regional areas.

	2011	2010
	\$	\$
Note 16. Receivables		
<u>Current</u>		
GST receivable	59,129	57,066
Other receivables for Goods and Services	222,435	73,975
	281,564	131,041

	2011	2010
	\$	\$
Note 17. Amounts receivable for services		
<u>Current</u>		
Current	20,000	30,000
Non-current	137,000	119,000
	157,000	149,000

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

	2011	2010
	\$	\$
Note 18. Other assets		
<u>Current</u>		
Prepayments	-	1,155
	-	1,155

Notes to the Financial Statements

For the year ended 30 June 2011

	2011	2010
	\$	\$
Note 19. Property, plant & equipment		
<u>Computer Hardware</u>		
At Cost	32,419	10,961
Accumulated Depreciation	(7,011)	(10,961)
	<u>25,408</u>	<u>-</u>
<u>Office equipment</u>		
At Cost	36,738	31,239
Accumulated Depreciation	(26,939)	(16,213)
	<u>9,799</u>	<u>15,026</u>
<u>Land</u>		
At fair value	(i) 2,593,636	2,593,636
	<u>2,593,636</u>	<u>2,593,636</u>
	<u>2,628,843</u>	<u>2,608,662</u>

(i) The carrying value of land at 30 June 2011 is based on a market value provided by Western Australian Land Information Authority (Valuation Services) less GST (using the margin scheme).

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out below:

	Computer Hardware \$	Office Equipment \$	Land \$	Total \$
2011				
Carrying amount at the start of year	-	15,026	2,593,636	2,608,662
Additions	32,419	-	-	32,419
Depreciation	(7,011)	(5,227)	-	(12,238)
Carrying amount at end of year	25,408	9,799	2,593,636	2,628,843
	Computer Hardware \$	Office Equipment \$	Land \$	Total \$
2010				
Carrying amount at the start of year	376	10,815	2,057,273	2,068,464
Additions	-	10,287	-	10,287
Revaluation increments	-	-	536,363	536,363
Depreciation	(376)	(6,076)	-	(6,452)
Carrying amount at end of year	-	15,026	2,593,636	2,608,662

Notes to the Financial Statements

For the year ended 30 June 2011

	2011 \$	2010 \$
Note 20. Intangible assets		
<u>Computer Software</u>		
At Cost	48,084	32,592
Accumulated Amortisation	(36,728)	(32,592)
	<u>11,356</u>	<u>-</u>
<u>Website</u>		
At Cost	18,096	18,096
Accumulated Amortisation	(18,096)	(12,821)
	<u>-</u>	<u>5,275</u>
	<u>11,356</u>	<u>5,275</u>

Reconciliations of the carrying amounts of intangible assets at the beginning and end of the reporting period are set out below:

	Computer Software \$	Website \$	Total \$
2011			
Carrying amount at the start of year	-	5,275	5,275
Additions	15,492	-	15,492
Amortisation	(4,136)	(5,275)	(9,411)
Carrying amount at end of year	<u>11,356</u>	<u>-</u>	<u>11,356</u>
	Computer Software \$	Website \$	Total \$
2010			
Carrying amount at the start of year	-	10,704	10,704
Amortisation	-	(5,429)	(5,429)
Carrying amount at end of year	<u>-</u>	<u>5,275</u>	<u>5,275</u>

Notes to the Financial Statements

For the year ended 30 June 2011

Note 21. Impairment of assets

There were no indications of impairment of property, plant and equipment and intangible assets at 30 June 2011.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2011 have either been classified as assets held for sale or written-off.

	2011	2010
	\$	\$
Note 22. Payables		
<u>Current</u>		
Accounts payable for Goods and Services	117,556	153,035
Accrued Expenses:		
- Board fees & expenses	5,159	6,765
- Communications	134	-
- Consultants & contractors	22,858	-
- Consumables	893	-
- Credit Card Expenses	-	1,300
- Electricity	14,424	7,979
- Employee Reimbursements	665	-
- Equipment repairs & maintenance	665	-
- Fringe Benefits Tax	3,364	2,958
- Grants & subsidies	117,205	-
- Lease rentals	263	-
- Operating Lease - Motor Vehicle	43	-
- Other supplies & services	15,277	-
- Telephone	800	800
- Travel	975	-
- Salaries	29,169	18,561
- Superannuation	6,566	1,755
- Pacific Flora 2004	2,691	2,691
	338,707	195,844

	2011	2010
	\$	\$
Note 23. Amounts due to the Treasurer		
Non-Current	960,000	960,000
	960,000	960,000

A liability of \$5,000,000 relating to capital works at the Geraldton Foreshore and Marina was transferred to the Geraldton Mid West Development Authority (now the Mid West Development Commission) by the Department of Marine and Harbours on 30th June 1993. Since that time repayments totalling \$4,040,000 have been made to the Consolidated Fund thereby reducing the outstanding indebtedness to \$960,000. The loan is interest free and has no set repayment terms. Accordingly it has been carried at face value.

Notes to the Financial Statements

For the year ended 30 June 2011

		2011	2010
		\$	\$
Note 24. Provisions			
<u>Current</u>			
<i>Employee benefits provision</i>			
Annual Leave	(i)	206,642	185,071
Long Service Leave	(ii)	142,188	99,647
		<u>348,830</u>	<u>284,718</u>
<i>Other provisions</i>			
Employment on-costs	(iii)	8,001	6,530
		<u>356,831</u>	<u>291,248</u>
<u>Non-current</u>			
<i>Employee benefits provision</i>			
Long Service Leave	(ii)	144,799	139,049
<i>Other provisions</i>			
Employment on-costs	(iii)	3,321	3,190
		<u>148,120</u>	<u>142,239</u>

(i) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2011	2010
	\$	\$
Within 12 months of the end of the reporting period	91,524	81,041
More than 12 months after the reporting period	115,118	104,030
	<u>206,642</u>	<u>185,071</u>

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

	2011	2010
	\$	\$
Within 12 months of the end of the reporting period	55,229	-
More than 12 months after the reporting period	231,758	238,696
	<u>286,987</u>	<u>238,696</u>

(iii) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers compensation insurance. The Commission considers the carrying amount of employee on-costs approximates the net fair value. The associated expense is located at note 11 'Other expenses'.

Movements in Other Provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below:

	2011	2010
	\$	\$
<u>Employment on-cost provision</u>		
Carrying amount at start of year	9,720	7,922
Additional provisions recognised	3,395	3,792
Payments/other sacrifices of economic benefits	(2,222)	(1,994)
Carrying amount at end of year	<u>10,893</u>	<u>9,720</u>

Notes to the Financial Statements

For the year ended 30 June 2011

Note 25. Equity

The Government holds the equity interest in the Commission on behalf of the community. Equity represents the residual interest in the net assets of the Commission. The asset revaluation surplus represents the portion of equity resulting from the revaluation of non-current assets.

	2011	2010
	\$	\$
Contributed equity		
Balance at start of period	355,946	355,946
Balance at end of period	355,946	355,946
 Reserves		
<u>Asset revaluation surplus</u>		
Balance at start of year	1,872,761	1,336,398
Net revaluation increments - land	-	536,363
Balance at end of period	1,872,761	1,872,761
 Accumulated surplus/(deficit)		
Balance at start of year	6,176,403	8,006,704
Result for the period	(3,174,891)	(1,830,301)
Balance at end of period	3,001,512	6,176,403
 Total Equity at end of period	5,230,219	8,405,110

Notes to the Financial Statements

For the year ended 30 June 2011

Note 26. Notes to the Statement of Cash Flows

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2011	2010
	\$	\$
Cash and cash equivalents	408,289	597,114
Restricted cash and cash equivalents (refer to Note 15 'Restricted cash and cash equivalents')	3,546,825	6,502,194
	3,955,114	7,099,308

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

	2011	2010
	\$	\$
Net cost of services	(6,714,572)	(4,614,623)
<u>Non-cash items:</u>		
Depreciation and amortisation expense	21,649	11,881
Resources received free of charge	12,590	10,823
Adjustment for other non-cash items	(8,000)	(8,000)
<u>(Increase)/decrease in assets:</u>		
Receivables ⁽ⁱ⁾	(148,460)	5,443
Exclude Receivables movements relating to:		
- Revenues from State Government	157,092	-
Prepayments	1,155	(1,155)
<u>Increase in liabilities:</u>		
Payables	142,863	100,557
Annual leave provision	21,571	33,023
Long service leave provision	48,291	45,320
On-costs on leave liabilities	1,602	1,798
Net GST receipts/(payments)	(11,489)	56,090
Change in GST in receivables/payables	9,426	(9,683)
Net cash used in operating activities	(6,466,282)	(4,368,526)

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

Notes to the Financial Statements

For the year ended 30 June 2011

	2011	2010
	\$	\$
Note 27. Commitments		
Non-cancellable operating lease commitments		
Commitments for minimum lease payments are payable as follows:		
Within 1 year	23,493	21,555
Later than 1 year and not later than 5 years	15,761	22,618
Later than 5 years	-	-
	<u>39,254</u>	<u>44,173</u>

The operating lease commitment amounts represent non-cancellable motor vehicle leases with terms ranging from 26 to 30 months. Lease payments are made on a monthly basis. There are no restrictions imposed by these leasing arrangements on other financing transactions.

	2011	2010
	\$	\$
Other expenditure commitments		
Other expenditure commitments contracted for at the balance sheet date but not recognised as liabilities, are payable as follows:		
Within 1 year	3,546,825	5,249,981
Later than 1 year and not later than 5 years	-	-
	<u>3,546,825</u>	<u>5,249,981</u>

Other expenditure commitments comprise the following:

Geraldton Foreshore Redevelopment	312,321	552,321
Country Local Government Fund	36,630	-
Gascoyne Murchison Outback Pathways project	17,748	18,117
Murchison IT Adviser project	20,000	20,000
Midwest Digital Economy Strategy	47,500	-
Midwest Science Forum	4,582	7,279
Batavia Coast Marina Redevelopment	466,723	426,084
Regional Development Scheme grants	537,286	876,266
Royalties for Regions Fund	2,100,536	3,335,188
Regional Education and Training	408	11,635
Pacific Flora 2004 - WA Regional Initiatives Scheme grant	3,091	3,091
	<u>3,546,825</u>	<u>5,249,981</u>

These commitments are all exclusive of GST.

Note 28. Contingent asset

Liquidated damages being charged in relation to development obligations at the Batavia Coast Marina have previously been disputed by the land owner. To date the matter has not been pursued, but if the land owner was successful it may result in some or all past liquidated damages paid being refunded. Conversely, additional liquidated damages may be payable to the Commission if the land owner's claims were proved to be unfounded.

Note 29. Events subsequent to balance date

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

Notes to the Financial Statements

For the year ended 30 June 2011

Note 30. Schedule of income and expenses by service

	Information & Advice		Investment Facilitation		Infrastructure & Services Development in the Mid West		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
COST OF SERVICES								
<u>Expenses</u>								
Employee expense benefit	507,527	517,962	490,710	429,228	422,540	429,010	1,420,777	1,376,200
Supplies and services	282,227	240,759	148,123	194,964	108,891	119,435	539,241	556,288
Depreciation and amortisation expense	7,216	3,961	7,216	3,960	7,217	3,960	21,649	11,881
Accommodation expenses	58,138	51,944	58,261	53,228	58,139	51,946	174,538	155,988
Grants and subsidies	263,908	136,082	708,961	328,948	3,701,434	2,348,217	4,674,303	2,813,247
Other expenses	3,777	4,998	3,777	4,998	3,777	4,998	11,331	14,994
Total cost of services	1,122,793	955,706	1,417,048	1,015,326	4,301,998	2,957,566	6,841,839	4,928,598
<u>Income</u>								
Commonwealth grants and contributions	-	-	-	182,337	-	24,500	-	206,837
Other revenue	189	20,655	27,912	35,019	99,166	51,464	127,267	107,138
Total income other than income from State Government	189	20,655	27,912	217,356	99,166	75,964	127,267	313,975
NET COST OF SERVICES	1,122,604	935,051	1,389,136	797,970	4,202,832	2,881,602	6,714,572	4,614,623
INCOME FROM STATE GOVERNMENT								
Service appropriation	526,000	565,000	526,000	476,000	526,000	481,000	1,578,000	1,522,000
Resources received free of charge	4,197	3,607	4,197	3,608	4,196	3,608	12,590	10,823
Royalties for Regions Fund	300,000	351,393	288,236	422,190	1,211,764	351,417	1,800,000	1,225,000
State Government grants and subsidies	2,389	118,944	125,081	67,933	21,621	(60,378)	149,091	26,499
Total income from State Government	832,586	1,038,944	943,514	969,731	1,763,581	775,647	3,539,681	2,784,322
Surplus/(deficit) for the period	(290,018)	103,893	(445,622)	171,761	(2,439,251)	(2,105,955)	(3,174,891)	(1,830,301)

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

Notes to the Financial Statements

For the year ended 30 June 2011

Note 31. Explanatory statement

Significant variances between actual results for 2010 and 2011

Details and reasons for significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those equal to or greater than 5% and \$20,000.

	2011	2010	Variance	Variance
	\$	\$	\$	%
<u>Income</u>				
Commonwealth grants and contributions	-	206,837	(206,837)	-100%
Other revenue	127,267	107,138	20,129	19%
Royalties for Regions Fund	1,800,000	1,225,000	575,000	47%
State Government grants & subsidies	149,091	26,499	122,592	463%
<u>Expenses</u>				
Grants and subsidies	4,674,303	2,813,247	1,861,056	66%

Commonwealth grants and contributions

The \$206,837 decrease is due to no further funding being received from the Department of Environment, Water, Heritage and the Arts for the Wirnda Barna Artists Incorporated project and the discontinuation of funding for the TradeStart Program.

Other revenue

The variance is mainly due to the return and write back of grant funding in relation to the Regional Development Scheme and the Regional Grants Scheme, this is partially offset by a reduction in liquidated damages relating to Batavia Coast Marina Stage 1.

Royalties for Regions Fund

The Royalties for Regions funding received was increased to match expected cash flow requirements for the financial year.

State Government grants & subsidies

The \$122,592 increase is primarily due to funding being received from Tourism Western Australia and the Office of Energy.

Grants and subsidies

The majority of this increase relates to:

- \$1.2 million increase in grants provided for the Royalties for Regions Fund, Round One (2009). The project payments vary from year to year depending on the milestones achieved in accordance with grant funding conditions.
- \$1.7 million increase in grants provided for the Royalties for Regions Fund, Round Two (2010). The project payments vary from year to year depending on the milestones achieved in accordance with grant funding conditions.

The increase in grants is partially offset by a decrease of \$1.0 million in grants provided for the City of Greater Geraldton's Foreshore Redevelopment & CBD Revitalisation project. The project's funding requirements vary from one year to the next depending on the milestones achieved and the Commission's contribution level.

Notes to the Financial Statements

For the year ended 30 June 2011

Note 31. Explanatory statement (cont'd)

Significant variations between estimated and actual results for 2011

Details and reasons for significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those equal to or greater than 5% and \$20,000.

	2011 Estimates	2011 Actual	Variance	Variance
	\$	\$	\$	%
<u>Income</u>				
Other revenue	61,000	127,267	66,267	109%
Royalties for Regions Fund	4,000,000	1,800,000	(2,200,000)	-55%
State Government grants & subsidies	-	149,091	149,091	n/a
<u>Expenses</u>				
Employee benefits expense	1,263,000	1,420,777	157,777	12%
Supplies and services	190,000	539,241	349,241	184%
Accommodation expenses	153,000	174,538	21,538	14%
Grants and subsidies	6,117,000	4,674,303	(1,442,697)	-24%
Other expenses	139,000	11,331	(127,669)	-92%

Other revenues

The variance is due to the Commission receiving unbudgeted funds from liquidated damages relating to the Batavia Coast Marina Stage 1 and the return and write back of grant funding from the Regional Development Scheme and the Mid West Regional Grants Scheme.

Royalties for Regions Fund

The \$2.2 million variance is due to the timing of funding drawn down to meet actual requirements.

State Government grants & subsidies

The variance is due to the Commission receiving unbudgeted funds from the following:

- \$100,000 Tourism Western Australia funding to support several tourism initiatives in the region; and
- \$49,091 Office of Energy funding towards the development of a Mid West Energy Plan.

Employee benefits expense

The variance is mainly due to the Commission requiring additional resources for the development of the Mid West Investment Plan.

Supplies and services

The variance is due to a number of unbudgeted project costs mainly related to the collaborative component of the Country Local Government Fund, Mid West Investment Plan and production of the Mid West Emergency Helicopter Feasibility Study.

Accommodation expenses

The variance is due to higher than expected rent and electricity charges.

Grants and subsidies

The \$3.8 million variance is primarily due to MWRGS grant recipients being paid in instalments over the period of their project, which often results in related expenditure being reflected over more than one financial year. However the 2010-11 Budget assumed:

- \$4.0M of Royalties for Regions funding for the Mid West Regional Grants Scheme (MWRGS) would be received and expensed in 2010-11; and
- carry over funding of Royalties for Regions for the MWRGS from 2009-10 would be expensed in the 2010-11 financial year.

Other expenses

The variance is due to the reclassification of expense that has resulted in a number of actual expense categories being reported in supplies and services instead of other expenses.

Notes to the Financial Statements

For the year ended 30 June 2011

Note 32. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Commission are cash and cash equivalents, loans, receivables and payables. The Commission has limited exposure to financial risks. The Commission's overall risk management policy focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission. The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 32(c) 'Financial Instrument Disclosures' and Note 16 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debtors is minimal. At balance sheet date there were no significant concentrations of credit risk.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 32(c) 'Financial Instruments Disclosure'.

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due. The Commission is exposed to liquidity risk through its trading in the normal course of business.

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

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments.

The Commission does not trade in foreign currency and is not materially exposed to other price risks. The Commission is not exposed to interest rate risk because all cash and cash equivalents are non-interest bearing and it has no borrowings other than amounts due to the Treasurer which are also non-interest bearing.

(b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2011 \$'000	2010 \$'000
<u>Financial Assets</u>		
Cash and cash equivalents	408	597
Restricted cash and cash equivalents	3,547	6,502
Loans and receivables (i)	439	223

Financial Liabilities

Financial liabilities measured at amortised cost	1,299	1,156
--------------------------------------------------	-------	-------

(i) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

(c) Financial Instrument Disclosures

Credit Risk and Interest Rate Risk Exposures

The following table discloses the Commission's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the balance sheet date is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

The Commission does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Commission does not hold any financial assets that had their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Notes to the Financial Statements

For the year ended 30 June 2011

Note 32. Financial instruments (cont'd)

(c) Financial Instrument disclosures (cont'd)

Interest rate exposures and ageing analysis of financial assets

		<u>Interest rate exposure</u>			<u>Past due but not impaired</u>					
	Weighted Average Effective Interest Rate	Carrying Amount	Variable interest rate	Non interest bearing	Up to 3 months	3 - 12 months	1-2 years	2-5 years	More than 5 years	Impaired financial assets
<u>Financial Assets</u>	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011										
Cash and cash equivalents	-	408	-	408	-	-	-	-	-	-
Restricted cash and cash equivalents	-	3,547	-	3,547	-	-	-	-	-	-
Receivables (i)	-	282	-	282	282	-	-	-	-	-
Amounts receivable for services	-	157	-	157	-	-	-	-	-	-
		4,394	-	4,394	282	-	-	-	-	-
2010										
Cash and cash equivalents	-	597	-	597	-	-	-	-	-	-
Restricted cash and cash equivalents	-	6,502	-	6,502	-	-	-	-	-	-
Receivables (i)	-	74	-	74	74	-	-	-	-	-
Amounts receivable for services	-	149	-	149	-	-	-	-	-	-
		7,322	-	7,322	74	-	-	-	-	-

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

Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial liabilities

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure		Maturity dates				
			Variable interest rate	Non interest bearing	Up to 3 months	3-12 months	1-2 years	2-5 years	More than 5 years
<u>Financial Liabilities</u>	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011									
Payables	-	339	-	339	-	-	-	-	-
Amounts due to the Treasurer	-	960	-	960	-	-	-	-	-
		1,299	-	1,299	-	-	-	-	-
2010									
Payables	-	196	-	196	-	-	-	-	-
Amounts due to the Treasurer	-	960	-	960	-	-	-	-	-
Total financial liabilities		1,156	-	1,156	-	-	-	-	-

Interest rate sensitivity analysis

Interest rate sensitivity analysis has not been performed as the Commission has no exposure to this risk.

Fair Values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Notes to the Financial Statements

For the year ended 30 June 2011

Note 33. Remuneration of members of the accountable authority and senior officers

Remuneration of Members of the Accountable Authority

The number of members of the accountable authority, whose total of fees, salaries, superannuation, non monetary benefits and other benefits for the financial year, fall within the following bands are:

	2011	2010
\$0 - \$10,000	6	10
\$10,001 - \$20,000	2	-
\$20,001 - \$30,000	-	1
\$160,001 - \$170,000	-	1
\$170,001 - \$180,000	1	-
	\$	\$
The total remuneration of members of the accountable authority	<u>227,027</u>	<u>224,820</u>

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

No members of the accountable authority are members of the Pension Scheme.

The Regional Development Commissions Act states that the Chief Executive Officer is a member of the Board by virtue of his office and as such is included in the figures for the accountable authority.

A separate table for remuneration of Senior Officers has not been provided as the Chief Executive Officer is the only Senior Officer of the Commission and the remuneration for this position has already been disclosed in the table for the accountable authority.

Note 34. Remuneration of auditor

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

	2011	2010
	\$	\$
Auditing the accounts, financial statements and key performance indicators	<u>22,400</u>	<u>16,500</u>

Key Performance Indicators

Certification of Key Performance Indicators

MID WEST DEVELOPMENT COMMISSION

CERTIFICATION OF KEY PERFORMANCE INDICATORS

For the year ended 30 June 2011.

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate to for assisting users to assess the Mid West Development Commission's performance, and fairly represent the performance of the Mid West Development Commission for the financial year ended 30 June 2011.

**HON M CRIDDLE
CHAIRMAN
9 September 2011**

A handwritten signature in black ink, appearing to read 'Murray Criddle', written in a cursive style.

**S DOUGLAS
CHIEF EXECUTIVE OFFICER
9 September 2011**

A handwritten signature in blue ink, appearing to read 'S Douglas', written in a cursive style.

Additional Key Performance Indicator Information

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

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



Government Goal	Desired Outcome	Services
Stronger Focus on the Regions: Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.	An environment conducive to the balanced economic and social development of the Mid West region.	1. Information and Advice 2. Investment Facilitation 3. Infrastructure and Services Development in the Mid West

The targets for the services listed in the above table are based on information published in the Western Australian Government 2011-12 Budget Statements presented to the Legislative Assembly on 19 May 2011.



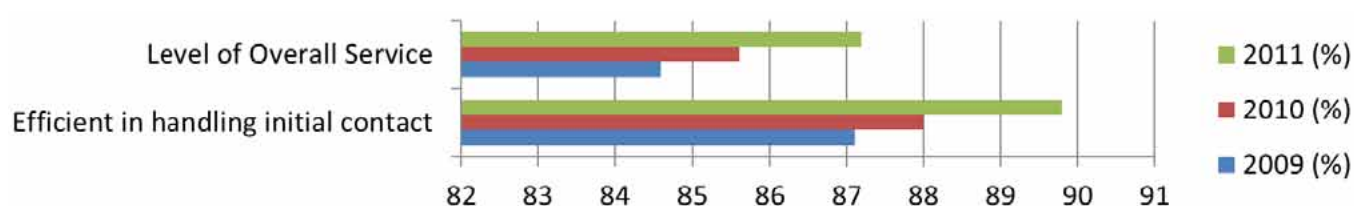
Detailed Information in Support of Key Performance Indicators

1. Effectiveness Indicators

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

Surveys were sent to 203 clients who had contact with the Commission in the previous 12 months. One hundred and forty four (144) completed surveys were received, achieving a response rate of 70.9%. Based on population homogeneity calculations, the survey results demonstrate an overall sampling error within +/- 5% at the 95% confidence level for the overall results for clients of the Commission. One hundred non clients were also surveyed.

Among the highlights from the customer perceptions survey were that 89.8% of clients rated handling of initial contacts as 'at least good' (↑1.8% from 2009-10); and 87.2% of clients rated the level of overall service as 'at least good' (↑1.6% from 2009-10). This continues a steady improvement over the past three years, as indicated below:



In addition, 91% of clients agreed that the Commission makes a positive contribution towards economic development in the Mid West. This rating has been steady over the past three reporting periods.

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

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

Survey Question	Actual 2007-08	Actual 2008-09	Actual 2009-10	Target 2010-11	Actual 2010-11
Reduced obstacles to growth	37%	40%	38%	42%	39%
Developed new business opportunities	64%	68%	69%	58%	67%
More trade activity	29%	33%	34%	28%	37%
Retention of staff / expansion of employment opportunities	34%	25%	28%	28%	32%

Comments

Although some actual results for 2010-11 vary significantly from target (generally above target) they are generally consistent with results from 2009-10. The strong results are despite the Commission no longer providing TradeStart export services to Mid West businesses on behalf of Austrade (contract ceased 30 June 2010).



2. Efficiency indicators

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

2.1 Service 1 – Information and Advice

Service Description

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

Performance Measures	Actual 2007-08	Actual 2008-09	Actual 2009-10	Target 2010-11	Actual 2010-11
Total cost of Service ^{(1) (2)}	\$653,417	\$670,862	\$819,631	\$708,201	\$858,886
Client contacts (inquiries)	4,263	3,870	5,925	3,500	5,434
Cost per client inquiry	\$77	\$87	\$69	\$101	\$79
Client visits	427	438	788	285	487
Cost per client visit	\$765	\$766	\$520	\$1,242	\$882

Note:

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

Comments

Total costs increased by around 5% from 2009-10 mainly due to a net increase of direct project costs during 2010-11. The actual total cost of service in 2010-11 differs to target due to costs associated with the identification and development of collaborative projects for the Country Local Government Fund (CLGF) and preparation of the Mid West Emergency Helicopter Feasibility Study (on behalf of the Abrolhos Islands Council), both of which were unbudgeted.

Although the 2010-11 number of client inquiries was 55% above target it represents a decrease of 8.3% from 2009-10. A reduction in staffing, due to the completion of the TradeStart export services contact with Austrade, would have negatively impacted the 2010-11 number of client inquiries. Despite this and the challenging economic conditions, there has been solid demand for Commission services in a variety of areas including advancing projects, assistance with securing grant funding, promotion and advocacy, Indigenous workforce development, skilled migration services and broadband telecommunications.

Assisting this demand is the State Government's continued support for projects such as the Australian Square Kilometre Array Pathfinder and the proposed development of the Square Kilometre Array and the Oakajee deepwater port and industrial estate. This combined with the Commission's growing involvement with various Royalties for Regions funding programs and the extensive consultation undertaken for the Mid West Investment Plan (MWIP) and CLFG have contributed to the number of client contacts being well above target.

The decline in client visits between 2009-10 and 2010-11 correlates with the cessation of the TradeStart export advisory service the Commission performed for Austrade, which involved considerable client visits. The total number of client visits in 2010-11 was still 71% above target, reflecting the Commission's high level of engagement with clients throughout the region.

2.2 Service 2 – Investment Facilitation

Service Description

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

Performance Measures	Actual 2007-08	Actual 2008-09	Actual 2009-10	Target 2010-11	Actual 2010-11
Total cost of Service ⁽¹⁾	\$498,712	\$492,962	\$686,374	\$542,243	\$708,089
Projects relating to investment facilitation undertaken	16	15	16	15	16
Average cost per project	\$31,170	\$32,864	\$42,898	\$36,150	\$44,256

Note:

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



Comments

Total costs for 2010-11 were significantly above target due to the establishment of the Wirnda Barna Indigenous art centre in Mount Magnet and the consultations associated with the MWIP, both of which were unbudgeted. The higher total cost of service results in an increase in the average cost per project.





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

Service Description

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

Performance Measures	Actual 2007-08	Actual 2008-09	Actual 2009-10	Target 2010-11	Actual 2010-11
Total cost of Service ⁽¹⁾	\$563,260	\$596,794	\$609,345	\$515,052	\$600,562
Projects undertaken relating to Infrastructure and Services development in the Mid West	15	16	18	15	20
Average cost per project	\$37,551	\$37,300	\$33,853	\$34,337	\$30,798

Note:

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

Comments

Total cost of service for 2010-11 was above target due to a general increase in corporate overheads for the agency. This included increases in costs for temporary staffing, electricity and water, communication and salaries. Average cost per project fluctuates with the number and size of projects being undertaken as well as the timing of their expenditure. The higher number of projects in 2010-11 resulted in a lower average project cost.

Ministerial Directives

No Ministerial Directives were received during the financial year.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

MID WEST DEVELOPMENT COMMISSION

Report on the Financial Statements

I have audited the accounts and financial statements of the Mid West Development Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Commission's Responsibility for the Financial Statements

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

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Mid West Development Commission at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Mid West Development Commission

Report on Controls

I have audited the controls exercised by the Mid West Development Commission. The Commission is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Commission based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the controls exercised by the Mid West Development Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Mid West Development Commission. The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the key performance indicators of the Mid West Development Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2011.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and the Australian Auditing Standards, and other relevant ethical requirements.



COLIN MURPHY
AUDITOR GENERAL
14 September 2011

Other Financial Disclosures

Pricing policies of services provided

The Commission does not issue any fees or charges and this reporting requirement, therefore, does not apply.

Capital Works

Capital projects incomplete

The Commission did not have any incomplete capital works projects during 2010-11.

Capital projects complete

The Commission did complete any capital works projects during 2010-11.

Employment and Industrial Relations

In 2010-11, the Mid West Development Commission operated with up to 16 staff all of whom were located at the Commission's Geraldton office.

Staff Profile

Organisation	2010-11	2009-10
Full-time permanent	8.0	7.2
Full-time contract	4.1	5.7
Part-time measured on an FTE basis	1.6	2.1
On secondment	0.5	0.0
	14.2	15.0

Staff Development

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

During the financial year, all employees received integrity and accountability training offered through the Crime and Corruption Commission. Other industry specific training and professional development was undertaken as opportunity arose.

Workers Compensation

No workers compensation claims have been made within the Commission during 2010-11.

Governance Disclosures

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

Other Legal Requirements

Advertising

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

1. Total expenditure for 2010-11 was \$26,893.
2. Expenditure was incurred in the following areas:

Class of expenditure		Organisation	Total expenditure 2010-11 (inc GST)
Advertising agencies	\$20,582	Market Creations	\$2,487*
		Adcorp Australia Ltd	\$15,092
		West Coast Media	\$1,080
Market research agencies	\$5,763	Asset Research	
Polling organisations	Nil		
Direct mailing organisations	Nil		
Media advertising organisations	\$445	Yamaji News	\$190
		Magpie Squawk	\$98
		Kalbarri Town Talk	\$65
		Chapman Valley Community Newspaper	\$30
		West Australian Newspapers	\$62

* Includes \$835 for web hosting and other internet services; and \$495 for Publication Artwork.



Disability Access and Inclusion Plan Outcomes

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

The DAIP was successfully implemented during 2007-08, and the following principles have been followed during 2010-11 to continue to address the six desired DAIP outcomes:

1. People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Commission.
 - (i) Assessment of all Commission events as to their accessibility by all people.
2. People with disabilities will have the same opportunities as other people to access the buildings and other facilities of the Commission.
 - (i) Increased staff awareness of issues of accessibility (see outcome 4).
3. People with disabilities receive information from the Commission in a format that will enable them to access the information as readily as other people are able to access it.
 - (i) Provision of all communications in clear and concise language, avoiding jargon.
4. People with disabilities receive the same level and quality of service from the staff of the Commission as other people receive from the Commission.
 - (i) Commenced an annual disability awareness training program for all Commission staff, including updating the new staff induction process to address the Commission's DAIP.
5. People with disabilities have the same opportunities to make complaints to the Commission.
 - (i) Alternative formats provided wherever the Commission's grievance procedures are displayed.
6. People with disabilities will have the same opportunities as other people to participate in any public consultation by the Commission.
 - (i) All venues assessed for accessibility when arranging public consultation events.
 - (ii) Consideration to be made whether any target groups would benefit from public consultation to encourage participation.
 - (iii) Ongoing assessment of accessibility of venues when arranging public consultation events.

Compliance with Public Sector Standards and Ethical Codes

Public Sector Management Act Section 31(1):

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

Number lodged:	Nil
Number of breaches found, including details of multiple breaches per application:	Nil
Number still under review:	Nil

Steve Douglas
Chief Executive Officer
9 September 2011

Recordkeeping Plans

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

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

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



Government Policy Requirements

Substantive Equality

As outlined in the Public Sector Commissioner's Circular 2009-23: Implementation of the Policy Framework for Substantive Equality, this reporting requirement only applies to participating agencies. The Commission is not a participant and this requirement, therefore, does not apply.

Occupational Safety, Health and Injury Management

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

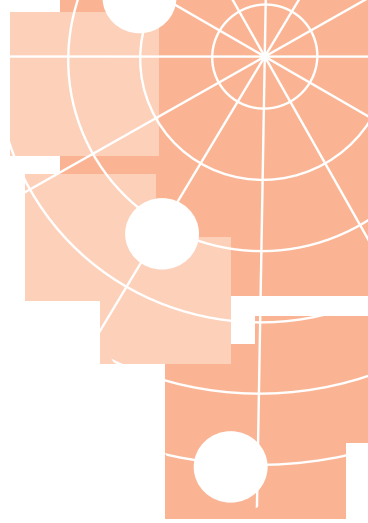
Staff are made aware of OSH policies and procedures at induction and there are continuing awareness sessions during fortnightly team meetings as necessary.

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

The Commission's annual performance report for 2010-11 against the following indicators:

Indicator	Target 2010-11	Actual 2010-11
Number of fatalities	Zero (0)	0
Lost time injury/diseases (LTI/D) incidence rate	Zero (0)	0
Lost time injury severity rate	Zero (0)	0
Percentage of injured workers returned to work within 28 weeks	0%	0%
Percentage of managers trained in occupational safety, health and injury management responsibilities	≥50%	0%







Government of Western Australia
Mid West Development Commission



MID WEST DEVELOPMENT COMMISSION

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