



KIMBERLEY
DEVELOPMENT COMMISSION

Annual Report 2011/2012



GOVERNMENT OF
WESTERN AUSTRALIA



Contact Details

Kununurra Office

George Gardiner House
7 Ebony Street
PO Box 620
KUNUNURRA WA 6743

Tel: 08 9168 1044
Fax: 08 9168 1473

Derby Office

West Kimberley House
Loch Street
PO Box 845
DERBY WA 6728
Tel: 08 9193 1444
Fax: 08 9193 1445

Broome Office

Cnr Napier & Dampier Tce
PO Box 172
BROOME WA 6725
Tel: 08 9193 6795
Fax: 08 9193 6142

Website

www.kimberley.wa.gov.au

Statement of Compliance

The Hon Brendon Grylls MLA
Minister for Regional Development; Lands
Minister Assisting the Minister for State Development
Level 14, Dumas House
2 Havelock Street
WEST PERTH WA 6005

In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Kimberley Development Commission for the financial year ending 30 June 2012.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and Section 32 of the *Regional Development Commissions Act 1993*.



Cr Ralph Addis
Chairperson

Date: 7 September 2012



Jeff Gooding, PSM, JP
Accountable Officer

Date: 7 September 2012

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The 2011/2012 Annual Report of the Kimberley Development Commission has been compiled in accordance with the requirements set out in the *Public Sector Commissioner's Circular 2012-01 Annual Reporting*, the Public Sector Commission's Annual Reporting Framework for the 2011/2012 Reporting Year, Treasurer's Instructions, relevant legislation and Government policy.

Overview

Executive Summary

The Kimberley Development Commission is a Statutory Authority established under the *Regional Development Commissions Act 1993* to promote socio-economic development in the Kimberley region. The Commission is responsible to the Minister for Regional Development and has a Board of ten regional people that sets the Commission's strategic direction, consistent with legislation and Government policy.

Committed to achieving diverse outcomes for the Kimberley has continued to be a major focus for the Commission in 2011/2012. With 14 staff in three offices, in Kununurra, Broome and Derby, the Commission has surpassed its Key Performance Indicators for 2011/2012 to provide efficient and effective services and contribute to the Government's regional policy and statewide goals.

The Royalties for Regions program has enabled the Commission to broaden regional development across the Kimberley through the following:

- coordinating the Kimberley Aboriginal Community Housing Project (\$15 million) designed to provide up to 30 new houses across three Kimberley locations and securing additional funding to extend this project;
- continuing to monitor and support Kimberley Regional Grants Scheme funded projects reach completion (\$9.9 million and 94 projects since 2008/2009);
- assisting the four Kimberley Shires in the development and selection of a regional project proposal for Country Local Government funding; and
- providing policy input and prioritising Kimberley relevant applications to the inaugural round of the Regional Development Council Action Agenda 2010/2011 (\$80 million across Regional WA).

Throughout the year, the Commission has supported the Chief Executive's appointment as Chairperson of the Warmun Aboriginal Community Re-establishment Taskforce, formed as part of Governments emergency response to flood devastation of the Community in March 2011. In 12 months, in partnership with the Warmun Community, Taskforce Ministers and Agencies, the Taskforce has facilitated the return of the evacuated community to Warmun, and the rebuild or refurbishment of 76 community houses and the majority of the community's social infrastructure and maintained Community services. Consistent with Warmun residents aspirations, local skills development, employment and capacity building has been incorporated into the rebuild.

Concurrent to these major initiatives, the Commission has worked to enhance regional capabilities, investment, infrastructure and services in partnership with government, industry and the community. This has involved, providing a regional perspective to potential resource and agricultural industry investors, advocating to government on regional policy and planning matters, contributing to native title agreement and implementation processes, participating in the Ord Agricultural Expansion land release assessment process and sponsoring regional events.

Throughout, the Commission has maintained a high level of integrity and governance and worked to conceptualise major regional infrastructure and service projects for the forthcoming year.

Chairperson's Report

It is a great pleasure to provide my first Report as Chairman of the Kimberley Development Commission, and to reflect on the contributions made by the Commission to our region during 2011/2012.

At the outset, I acknowledge the outstanding contribution of Patrick Dodson as Chairman of the Commission from 2003 to 2012. Patrick brought an uncommon wisdom to the role, perhaps best reflected by his musing that regional development is akin to “re-painting the canvas of the Kimberley”. I’m sure his commitment and leadership will positively shape our region into the future.

The year in review commenced with the Commission playing a key role, as Chair of the Warmun Re-establishment Taskforce, in the transition back to community of 300 evacuated Warmun residents following the devastating flood event of March 2011. By the end of the year, 76 community houses had been re-built or refurbished, and a large portion of the community’s social infrastructure had been returned to operation. Through the Taskforce, the Commission has played a key role in bringing together all tiers of government, the community, contractors and service providers to achieve remarkable progress, and this stands as a proud example of what can be achieved with a shared purpose, a clear mandate, and local decision-making.

In the short three years of the Royalties for Regions program, the roles and responsibilities of the Commission have changed rapidly as we’ve played a role in facilitating Royalties for Regions funded projects across the Kimberley. It has been pleasing to see the positive impact of projects ranging from improved regional services such as the RFDS Skin Cancer Screening program, to Aboriginal Community Housing in Fitzroy Crossing, Halls Creek and Kununurra, to the Ord/East Kimberley Expansion (\$517million).

Looking ahead, we will be working hard to implement the outcomes of the Review of Regional Development (the Duncan Review). In particular the Commission will be engaging with our regional partners in community, industry, and all tiers of government to improve the focus and coordination of regional planning, culminating in the first Kimberley Regional Investment Blueprint. The Blueprint will pull together key regional priorities from various planning processes, and will provide a powerful tool for guiding and aligning effort in the region, including priorities for Royalties for Regions investment.

The Kimberley remains a rich, diverse and largely undeveloped region, with equal measure of challenges and opportunities. Together with our local and government partners, the Commission will provide leadership and focus on those most critical to our regions prosperity, and to the achievement of Kimberley people’s potential, including affordable housing, quality health and education, and critical infrastructure.

The Commission’s effectiveness is underpinned by the commitment and talents of the people behind it. I thank our Chief Executive and staff for their ongoing efforts to make

the Kimberley a great place to live, work and prosper. I also acknowledge the contribution of retiring Board members, and welcome five new members, each of whom brings valuable skills, experience and diversity to our task. Finally, I recognise the ongoing vision, leadership, and support for the Kimberley from the Minister, the Hon Brendon Grylls.



Cr Ralph Addis
Chairperson

Date: 7 September 2012

The Kimberley Region

Located in the far north of the state, the Kimberley is a vast region of abundant resources, natural attractions and investment opportunities.

With a geographic area in excess of 420,000 square kilometres, equivalent to one sixth of Western Australia, the Kimberley boasts a wide range of flora and fauna set amongst a backdrop of spectacular scenery. The environment is both tropical and arid with distinct wet and dry seasons. The wet season brings tropical rains that can cause significant flooding, with the dry season providing warm days and mild evenings.

Rich in both natural and cultural assets, the Kimberley enjoys a broad-based, diverse economy. The main industries in the region are resources, construction, retail, tourism, irrigated agriculture, pastoral and pearling.

The population of the Kimberley is characterised by its strong growth and Indigenous representation. The Estimated Resident Population in 2011 was 36,532.

There are four local governments: the Shire of Broome, Shire of Derby/West Kimberley, Shire of Halls Creek and the Shire of Wyndham East Kimberley and six towns: Broome, Derby, Fitzroy Crossing, Halls Creek, Kununurra and Wyndham, in the region.

The Kimberley has a 44 per cent Indigenous population, which provides a strong impetus to develop appropriate economic and social activities that embrace different aspects of its multicultural society. There are approximately 160 Indigenous communities with more than 30 traditional Indigenous languages spoken across the region. Indigenous arts, eco and cultural tourism and the pastoral industry are established and expanding industries, which incorporate strong Indigenous involvement.

Expansive distances between major population centres, coupled with large numbers of isolated, small, Indigenous communities and the remoteness of local industries to major domestic markets, presents the Kimberley with unique challenges in providing appropriate infrastructure. Strong expansion in economic activity also provides challenges and opportunities for industry expansion and government service delivery.

Operational Structure

This section details the Commission's legislative base, responsible Minister, organisational structure and Board Member profiles.

Enabling Legislation

The Commission was established as a Statutory Authority under the *Regional Development Commissions Act 1993* (as amended).

Responsible Minister

The Commission is responsible to the Hon Brendon Grylls, MLA, Minister for Regional Development; Lands; Minister Assisting the Minister for State Development.

Reporting Structure



Board Profiles

The Kimberley Development Commission's Board comprises:

- three members representing the regional community;
- three members representing Local Government;
- three members appointed at the Minister's discretion; and
- the Kimberley Development Commission's Chief Executive.

The Board is appointed by, and responsible to, the Minister for Regional Development. The Kimberley Development Commission is an accountable authority and advises the Minister on matters affecting the development of the region. It sets the strategic directions for the Commission.

The Members of the Board at 30 June 2012 were:

Cr Ralph Addis, Chairperson

Local Government representative – appointed 2009 - term expires 2012

Cr Addis is Deputy President of the Shire of Wyndham East Kimberley and a member of the Ord/East Kimberley Expansion Project Community Reference Group. He has lived with his family in the East Kimberley since 1996, and has been involved in Aboriginal economic development strategies and commercial projects in tourism, agriculture and construction across the Kimberley, working in both the government and non-government sectors. Cr Addis is a Chartered Accountant, holds a Masters of Economic Studies, and is a Graduate Member of the Australian Institute of Company Directors. He is a member of the Warmun Aboriginal Community Re-establishment Taskforce and has held his current position of Chief Executive, Warmun Aboriginal Community for the majority of the post March 2011 flood re-establishment of the Community.



Cr Sciona Browne, Deputy Chairperson

Local Government representative – appointed 2012 - term expires 2015

Cr Browne is a commercial pilot and has had a long standing career in the aviation industry in WA, the USA and Asia, working in senior management positions in research and development and risk assessment and mitigation. She has expertise in private industry - commercialising new technologies, evaluating start-up businesses, project management and capital-raising. Sciona has been based in Halls Creek since 2007, working in community development, as Executive Director of the Better Life Project, and subsequently Director, Housing Outreach Program. In 2009 she was elected to the Shire of Halls Creek Council and became President in 2011.



Sciona has a strong interest in supporting education and wellbeing initiatives for children and youth; developing appropriate and sustainable economic development in the region; and ensuring local people and communities are at the forefront of decision-making. She has recently taken up a position with Save the Children Australia, as their Regional Manager, East Kimberley.

Mr Kevin McLeish, Member

Ministerial representative – appointed 2009 - term expires 2012

Kevin is the Global Practice Leader at Rio Tinto for Health, Safety, Environment and Communities.

Kevin commenced his career with BHP in the steel industry. He joined Rio Tinto in 1989 and has held operational management roles in Aluminium, Iron Ore, Copper and Diamond businesses in Australia and internationally and most recently as Managing Director of Argyle Diamonds, Perth.

Currently a board member of the Rio Tinto WA Future Fund, Kimberley Development Commission and Leadership Western Australia, Kevin holds both a Degree in Metallurgy and a MBA from the University of Wollongong. He is married with two teenage boys, and lives in Perth.



Mr Rob Watson, Member

Community representative – appointed 2006 - term expires 2012

Mr Watson is the Vice Chairperson of Balginjirr Community, Vice Chairman of the Kimberley Aboriginal Pastoralist Association and a Committee Member on the West Kimberley Juvenile Justice Committee. He is a graduate of the Australian Rural Leadership Program and holds a TAFE Certificate 4 in workplace assessment and training and TAFE Certificates 1, 2 & 3 in beef cattle production.

Robert is actively involved in hosting and facilitating mens programs at Balginjirr Community with a strong emphasis on mental health and suicide prevention through individual pathway planning that encourages young men to identify and embrace Kimberley career opportunities.



Mr Watson would like to see the Kimberley develop with a more productive pastoral industry especially on Indigenous properties. He considers a key issue impacting on economic development in the Kimberley for Indigenous people is the need for research and development in agriculture to identify alternative land use opportunities that can underpin business diversification and Indigenous micro-businesses that compliment cattle stations and also support communities.

Cr Elsia Archer, Member

Local Government representative – appointed 2008 - term expires 2012

Cr Archer has lived and worked in Derby since 1957 and managed a Derby based store for twenty four years prior to her recent retirement from business.

Cr Archer is a Justice of the Peace and has served on the Shire of Derby West Kimberley Council for twenty years, including two years as Deputy President and is now in her eleventh year as President. She has been a local government representative on the Regional Development Council of WA and has previously served three years as President of the WA Local Government Association's Kimberley Zone and is a current member. Cr Archer is a member of other regional groups including Home and Community Care, Health Consumers, Roadwise (formerly Safer WA) and the Small Business Centre Derby. She is also Council's representative on the Native Title Working Group and a Board Member, Regional Development Australia (Kimberley).



Tireless in her pursuit of improvement within the community and particularly all aspects of the health service, Cr Archer also champions the promotion of cultural events in this remote area.

Ms Doreen Green, Member

Community representative - appointed 2012 - term expires 2015

Ms Green is a member of the Jaru language group and people of the East Kimberley region. She is a long term resident of Halls Creek and is a local school teacher who has a personal commitment to building and restoring the capacity of Kimberley people through education, training and employment. She has held a range of voluntary appointments including: Member of the Halls Creek Music Festival Committee 2010-2012, Member, Advisory Committee COAG, 2008-2011, Chairperson, Halls Creek Community Reference group, Department of Housing lead Halls Creek Project Management 2006-2007, Member of the Elders Reference Group 2004-2006, and Member, National Education Advisory (NT) 1995-1998. In 2007-2008 Doreen successfully campaigned for the introduction of alcohol restrictions in Halls Creek.



Ms Green is a strong advocate for ensuring that young people have the best education and training in our region that will lead to full time employment and reduce reliance on welfare payments. She considers the need to work more closely with Traditional Owners on land management and land use, improve employment, housing, education, childcare and other socio-economic outcomes through quality leadership, as key issues.

Ms Eunice Yu

Community representative – appointed 2012 - term expires 2015

Ms Yu is a Yawuru person currently employed by the Kimberley Institute, in Broome.

Ms Yu's preferences for development in the Kimberley are for all residents to benefit economically, socially and culturally with development decisions being made at a local / regional level, based on inclusive engagement of relevant stakeholders and also at a cross-sectoral level. Places that are valued by the Community should be protected and the region promoted and celebrated.



She considers her potential contribution to the Board includes personal attributes of level headedness, integrity, loyalty, honesty and accountability, an Indigenous woman's perspective and views, networks and linkages with engagement opportunities and stakeholders. Ms Yu's community profile is gained through employment, volunteering and representation.

Ms Yu sees the State's changing demography, Native Title determinations, displacement of community members and associated impact on communities, subsequent service delivery pressures and the need for balanced economic social and cultural imperatives with appropriate access to resources, as key issues.

Mr Robert Banfield, Member

Ministerial representative – appointed 2012 - term expires 2015

Robert Banfield is Managing Director of Willie Creek Pearls and has owned the business with his family since 1989. He has lived in Broome for over 20 years, and has been a significant part of the business community.



Robert's focus is on providing strategic leadership and vision for the diverse portfolio that has expanded to include six Willie Creek Pearls showrooms in Broome and Perth, the multi award winning Willie Creek Pearl Farm, Broome Sightseeing Tour, Pearl Luggers Tour and Banfield Property Developments. During his career, he has led the organizational growth of the company in the Tourism, Retail and Property Industries, including overseeing the company's national and international presence. Robert has been an active participant on committees in Broome industry and is currently a Board Member, Australia's North West Tourism.

Considering diversification and strategic investment as essential elements to successful business outcomes, Robert's vision is for a strong economic base across all Kimberley industries that provides the essential support and social services required to maintain a regional balance.

Mr Robert Boshammer, Member

Ministerial representative - appointed 2012 - term expires 2015

Mr Boshammer is a graduate of Queensland Agricultural College and has been a prominent and leading Ord River Irrigation Area grower for over 20 years. He has a development and equity position in a number of associated businesses including nurseries, forestry management services, tourism, produce marketing and irrigation and pastoral business development and describes his passion as the empowerment of people in regional areas to facilitate world-class business development.



Mr Boshammer's preferences for development in the Kimberley focus on increasing local decision making and decision making by Indigenous people with 'less control and rubber stamping' from above and streamlined bureaucratic processes that allow small business and communities to develop and 'have a go'. He would also like to see increased availability of affordable living blocks in support of people that wish to move ahead.

He considers his potential contribution to the Board includes expertise in small business, management and development and an ability to identify and articulate major hurdles holding back business development. Rob believes that small business is most attuned to people and worker's needs, in particular Indigenous people.

Mr Jeff Gooding – Member, Ex Officio

Chief Executive

Mr Gooding has held the position of Chief Executive of the Kimberley Development Commission since the Commission's establishment and is a Member of the Board of the Commission. He is a long term resident of Kununurra and the Kimberley, has qualifications in town and regional planning, is a graduate and fellow of the Australian Rural Leadership Foundation, Member of the Australian Institute of Company Directors and is a Justice of the Peace and former Shire Councillor.



Having participated in the negotiation process which culminated in the Ord Final Native Title Agreement, Mr Gooding continues to be substantially involved in its implementation as a Member of the Ord Enhancement Scheme Management Committee and a Director of the Miriuwung Gajerrong Community Foundation. He has been closely involved in the development, and initial implementation, of the Ord/East Kimberley Expansion Project, most recently as a Member of the Ord Land Release Panel and the Community Reference Group.

Other regional roles in 2011/2012 have included membership of the Kimberley Regional Planning Committee and the WA Coastal Shipping Monitoring group. In March 2011 Mr Gooding was appointed as the Chairman of the Warmun Community Re-establishment Taskforce established by Cabinet to coordinate the response to flood devastation of that Community.

Advisory Committees

The Board is empowered to appoint advisory committees to assist in providing specialist advice to the Board. Such committees are formed on a needs basis and currently include the Risk Management and Audit Sub-Committee which is an active sub-committee and the Kimberley Aviation Tourism Development Committee.

Senior Officers

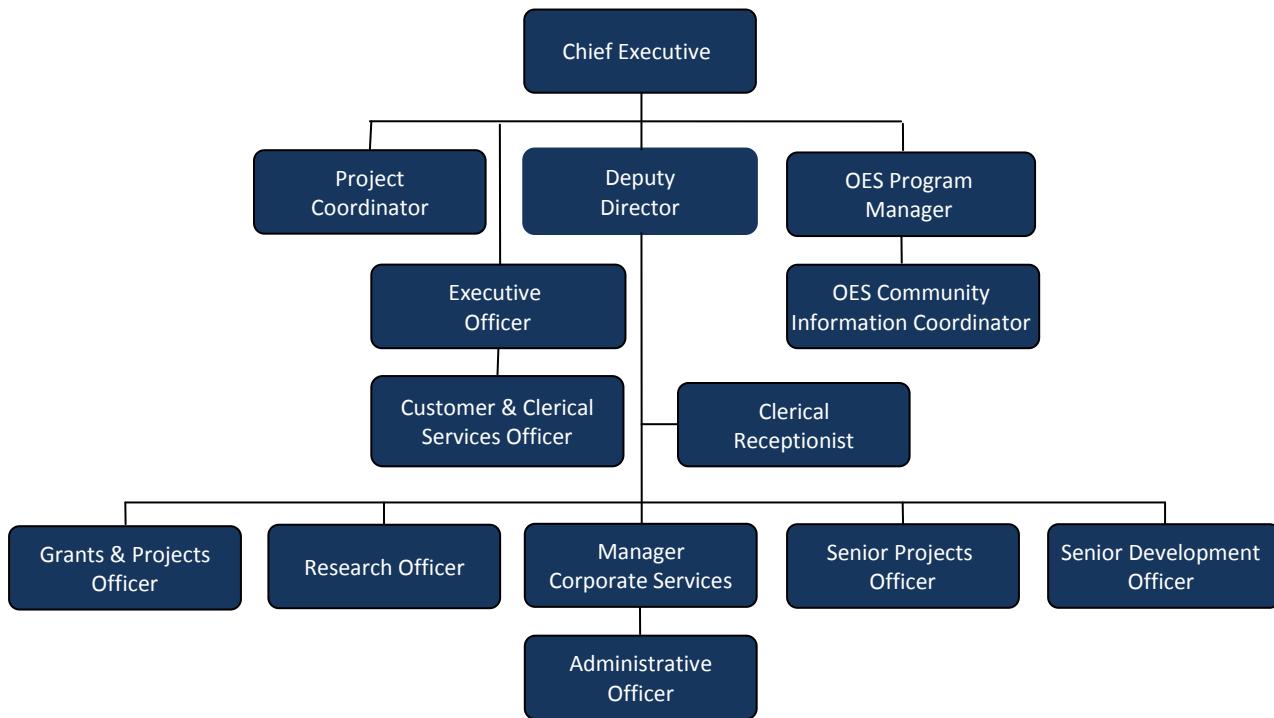
Mr Jeff Gooding, Chief Executive

Mr Gooding has a background in planning and extensive regional development and leadership experience gained through the WA Public Sector and involvement with regional industry.

Mr Kelvin Barr, Deputy Director

Mr Barr has lived and worked in the Kimberley for over twenty years and has a background in regional business development and considerable relevant experience in Public Sector programs and management gained at a State, Commonwealth and Community level.

Organisational Chart – Staff



Legislation impacting on the Commission's Activities

In performing its functions, the Kimberley Development Commission complies with every written law including the:

- *Regional Development Commissions Act 1993*
- *Financial Management Act 2006*
- *Auditor General Act 2003*
- *Royalties for Regions Act 2009*
- *Contaminated Sites Act 2003*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Freedom of Information Act 1992*
- *Fringe Benefits Tax Act 1986*
- *Government Employees Housing Act 1964*
- *Government Employees Superannuation Act 1987*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Supply Commission Act 1991*
- *Workers Compensation and Injury Management Act 1981*

The Commission also exercises controls which provide reasonable assurance that the receipt, expenditure and investment of monies, the acquisition and disposal of public property and incurring of liabilities are in accordance with legislative provisions.

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

Performance Management Framework

The Kimberley Development Commission is a Western Australian Statutory Authority, State Government Agency established in accordance with *the Regional Development Commissions Act 1993* to work on behalf of the Kimberley regional community.

Statutory Objectives and Functions

In accordance with Section 23 (1) of the *Regional Development Commissions Act 1993*, the objectives of the Commission are to:

- maximise job creation and improve career opportunities in the region;
- develop and broaden the economic base of the region;
- identify infrastructure services to promote economic and social development within the region;
- provide information and advice to promote business development within the region;
- seek to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area; and
- generally take steps to encourage, promote, facilitate and monitor the economic development in the region.

The Commission is committed to a ‘whole of government’ approach to fulfilling its Statutory Objectives and Functions and simultaneously contributes towards the Governments Goals:

- **State Building – Major Projects** - Building strategic infrastructure that will create jobs and underpin Western Australia’s long-term economic development.
- **Financial and Economic Responsibility** - Responsibly managing the State’s finances through the efficient and effective delivery of services and encouraging economic activity to enhance the region’s attractiveness for investment.
- **Outcomes Based Service Delivery** - Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.
- **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.
- **Social and Environmental Responsibility** - Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the Region and the State.

Outcome Based Management Framework

The Commissions Outcome Based Management Framework comprises an annual Resource Agreement between the Minister, the Commission and the Treasurer. This provides the basis for the Commission's work, budget appropriation and reporting to government by establishing a desired outcome consistent with the Commission's legislative responsibilities and the Governments Goals for: *An environment conducive to the balanced economic and social development of the Kimberley region*; agreed targets for efficiency and effectiveness; and two high level services/result areas:

Service 1: The Commission will provide effective regional development policies and strategies together with accurate and accessible information on the region to facilitate and support the economic and social development of the region.

Service 2: The Commission will identify, co-ordinate and promote through its major strategies the establishment, improvement and diversification of the region's infrastructure, industries and enterprises.

Strategic Planning

To meet its legislative obligations, optimise its contribution toward the Government Goals, and achieve high level and lasting outcomes for the Kimberley, the Commission regularly engages in a strategic planning process. This adds detail to its performance management framework and guides its work with regional stakeholders. The Strategic Plan describes the Board's:

- Vision for the region;
- Corporate Intent; and
- the Major Strategies employed to provide services and meet the desired outcome above.

Corporate Intent

Our vision is for a prosperous Kimberley region, characterised by proactive cooperation and respect among its people who all enjoy the benefits of economic, social and cultural development, a unique environment and healthy lifestyle.

Strategic Project Development, Support and Coordination

Corporate Management and Leadership Development

Regional Information, Promotion and Advocacy

Regional and Strategic Planning

Development Processes, Partnerships and Government Policies

Infrastructure & Services: Identification, Development and Monitoring

Business and Industry Development and Diversification

Facilitate Access to Funding and Regional Initiatives

Changes to Outcome Based Management Framework

The Commission's Outcome Based Management Framework has not changed in 2011/2012.

Shared Responsibilities with Other Agencies

In accordance with the *Regional Development Commissions Act 1993 Part 2 Division 2 section 23 clause (1) (e)* the Commission has responsibilities: "to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area".

Examples of the Commission's shared responsibilities with Agencies, in 2011/2012 include:

- working with the Department of Regional Development and Lands to facilitate the roll-out in the Kimberley of the inaugural round of the Regional Development Council Action Agenda Funding Scheme as a component of the Royalties for Regions program;
- progressing regional planning through the Kimberley Regional Planning Committee in partnership with the Department of Planning and other Agencies;
- partnering the Department of Training and Workforce Development in the preparation of a Regional Workforce Development Plan;
- continuing to provide leadership and collaborate with Warmun Aboriginal Community Re-establishment Taskforce Agencies to complete the rebuild of the Community post March 2011 flood disaster.

Agency Performance

This section summarises the Commission's performance, major achievements and highlights in 2011/2012 against its Resource Agreement, Budget Statements, the eight strategic areas identified in its Corporate Intent and the five Government Goals.

Report on Operations

Priority areas for the Commission in 2011/2012 have continued to be the implementation of the Royalties for Regions Program in the Kimberley; the Re-establishment of the Warmun Community and the implementation of the Kimberley Aboriginal Community Housing Project together with a diverse range of regional development initiatives. The Commission has also reviewed its operations in readiness for new priority projects in 2012/2013 and administered and supported the Ord Enhancement Scheme Management Committee.

Table A (page 22) provides the Commission's project areas matched against the two Service Areas identified in its Resource Agreement 2011/2012 and the five Government Goals. Asterisks are used to denote project area contributions towards each Government Goal.

Achievement Area	Service Areas 1 & 2		Government Goals					
	Regional Development Policies, Strategies & Information	Diversification of Industries & Infrastructure	State Building – Major Projects	Financial & Economic Responsibility	Outcomes Based Service Delivery	Stronger Focus on the Regions	Social & Environmental Responsibility	
Royalties for Regions Program	*	*	*	*	*	*	*	
Warmun Aboriginal Community Re-establishment Project	*	*	*	*	*	*	*	
Strategic Project Development	*	*	*	*	*	*	*	
Corporate Management & Leadership Development	*	-	-	*	*	*	*	
Regional Information Promotion & Advocacy	*	-	-	*	*	*	*	
Business & Industry Development & Diversification	-	*	*	*	-	*	*	
Development Processes, Partnerships & Government Policies	*	*	*	*	*	*	*	
Infrastructure & Services: Identification, Development & Monitoring	-	*	*	*	*	*	*	
Facilitating Access to Funding for Regional Initiatives	-	*	*	*	*	*	*	
Ord Enhancement Scheme	*	-	-	*	*	*	*	
Regional Workforce Development Plan	*	*	*	*	*	*	*	

Table A Showing the Commission's Achievements 2011/2012 matched against its Service Areas & Government Goals

Royalties for Regions Program

The State Government's Royalties for Regions program was established to return the equivalent of 25 per cent of the State's mining and onshore petroleum royalties to the State's regional areas each year as an additional investment in projects, infrastructure and community services.

At a Kimberley level the Commission facilitates and administers the Kimberley Regional Grants Scheme and also provides input into a range of other Royalties for Regions initiatives that enhances project development opportunities in the Kimberley.

Regional Development Council Action Agenda Funding Scheme

The first round of Regional Development Council (RDC) Action Agenda Funding Scheme closed in July 2011. The Action Agenda sets out the policy and project priorities that the RDC has identified in securing regional development outcomes utilising Royalties for Regions funding support.

The Scheme has been designed by the Regional Development Council to financially support projects of regional significance that attracts investors and visitors, encourages new residents to regional areas and enabling increased amenities for existing residents.

The Commission encouraged regional applicants to apply to the Scheme for projects that were consistent with the objectives of the Scheme and the priorities of the Commission's Strategic Plan.

Following the lodgement of applications to the Regional Development Council the Commission provided regional experience and knowledge to provide input into the assessment process. A range of Kimberley projects have benefitted from the RDC Action Agenda funding in 2011/12.

Country Local Government Fund

The Country Local Government Fund is a component of the Royalties for Regions program with the primary objective of addressing infrastructure needs across the country local government sector and assist groups of country local governments to fund regional significant infrastructure projects.

In 2011/2012 the Commission facilitated a partnership with the four Local Governments that form the Kimberley Group of Local Governments to develop project concepts. Three concepts were considered worthy of further investigation and the Commission facilitated the development of three supporting business cases. After careful consideration the Kimberley Zone, with the assistance of the Commission, has applied to access funding for housing for key Local Government workers.

It is expected that the Commission will continue to work with the four Kimberley Shires to facilitate the development of projects that have potential for funding through the Country Local Government Fund to enhance regional cooperation to deliver regional projects.

Kimberley Regional Grants Scheme

The Kimberley Regional Grants Scheme (KRGS) was established as a component of the State Government's Royalties for Regions program. Through the KRGS, the Commission has provided direct financial contributions towards projects that contribute positive economic and social outcomes in the Kimberley and that are consistent with the Commission's Strategic Plan and the Royalties for Regions objectives. The Commission works to leverage these funds with project contributions from other public and private sector stakeholders to maximise the level of resources available to projects.

The following payments were made in 2011/2012 to KRGS projects from previous years.

Proponent	Project Title	Grant Amount
Bidyadanga Aboriginal Corporation	Food Store Fit-Out	\$45,814
Broome Aged & Disabled Services	Bran Nue Dae Breakfast Club	\$50,000
Broome Visitor Centre	Promoting Indigenous Tourism Product	\$42,500
Books in Homes	Books in Kimberley Homes	\$80,000
Catholic Education Office	Kununurra Out of School Hours Care Facility	\$360,000
Derby Volunteer Marine Rescue Group	Internal Fit-Out and Rescue Equipment	\$30,000
Djarindjin Aboriginal Corporation	Community and Commercial Kitchen	\$118,350
Jarlmadangah Aboriginal Corporation	Kimberley Dreamtime Eco Retreat	\$209,536
Karrayili Adult Education Centre	Facility Expansion	\$200,000
Kapulungu Aboriginal Women's Association	Kapulungu Disability Upgrade	\$90,000
Kimberley Mental Health and Drug Service	Broome Community Networked Recovery Centre	\$244,266
Kununurra Visitor Centre	Argyle Downs Homestead Museum Redevelopment Project	\$60,000
Marninwarntikura Women's Resource Centre	Fitzroy Crossing Community Garden	\$39,966
Men's Outreach Service	Alive and Kicking Goals – Suicide Prevention Project	\$50,000
MG Corporation	Preparing MG New Conservation Areas for Tourism	\$90,000
Ngallagunda Aboriginal Corporation	Store Relocation and Refurbishment	\$70,000
Ngunga Women's Group Resource Centre	Upgrade to Wet Areas	\$18,100
Role Models WA	Broome Girl's Academy	\$36,200
Rural Clinical School of WA	Establishment of a Rural Clinical School in Kununurra	\$55,750
Shire of Derby West Kimberley	Derby Visitor Centre Construction	\$250,000
Shire of Wyndham East Kimberley	East Kimberley Economic Development Package – Development Officer	\$100,000
WA Fish Foundation	Lake Kununurra Barramundi Restocking Project	\$70,000

In addition, the following projects were funded through the KRGS 2010/2011 round of funding that was implemented in 2011/2012:

Proponent	Project Title	Grant Amount
Billard Learning Centre	Blank Page Summit <i>Hard Yarn Youth Mob</i>	\$30,000
Birdwood Downs Company	Rural Operations Plus	\$91,624
Broome Volunteer Sea Rescue Group	Storage Shed and Operational Headquarters	\$200,000
Jungarni-Jutiya Aboriginal Corporation	Halls Creek Community Garden	\$20,700
Kimberley Performing Arts Council	Mobile Grandstand	\$50,000
Puranyangu-Rangka Kerrim Aboriginal Radio	Nguyuru Waaringarrem Halls Creek Music Festival	\$50,000
Role Models Australia	Broome Girl's Academy	\$30,000
Role Models Australia	Kimberley <i>Up4it</i> Leadership	\$50,000
Royal Flying Doctor Service	Skin Cancer Screening	\$98,255
Waringarri Arts Aboriginal Corporation	Arts & Cultural Development Accommodation Support	\$70,000
Kalumburu Aboriginal Corporation	Services for the Kalumburu Community Resource Centre	\$200,000

A total of 94 projects have received \$9.9 million of allocations through KRGS funding rounds between 2008/2009 and 2010/2011 that includes a range of projects that have been implemented in 2011/2012. These allocations enabled projects valued at \$47.2 million to be implemented across the Kimberley. The Scheme has contributed toward the Commission's strategic objectives for social and economic development in the Kimberley.

Examples of KRGS projects include:

Derby Visitor Centre

The Shire of Derby West Kimberley received \$500,000 for the construction of a new Derby Visitor Centre. The purpose built Centre was opened on 6 December 2011 and provides a facility that will significantly contribute towards enhancing visitor experiences in Derby. It is prominently located to maximise exposure and will provide broad economic benefits to the town and surrounding tourism operations.



Storage Shed and Operational Headquarters

Broome Volunteer Sea Rescue Group received funding of \$200,000 for the construction of a storage shed for its primary search and rescue vessel and associated training requirements. The facility will act as headquarters for the Group.

Skin Cancer Screening

The Royal Flying Doctor's Service received funding of \$98,255 to assist with the expansion of a community skin cancer screening program to all Kimberley towns. The program also generated data to support research to assist ongoing primary health care efforts in the region.



Jandamarra Returns Kimberley Tour

Bunuba Films developed the *Jandamarra Returns* stage production in July and August 2011. The production highlighted a regionally important story that has special significance for the Indigenous people of the Fitzroy Valley. Funding of \$143,269 was provided to enable the production to be toured across the Kimberley providing wide reaching social benefits

Kimberley Aboriginal Community Housing Project

In June 2010 State Cabinet allocated \$15 million of Royalties for Regions funds from the Regional Infrastructure and Headwork's Program, for an innovative project aimed at new ways of delivering Aboriginal Community housing in the Kimberley.

To deliver the project the Kimberley Development Commission has worked with local partners in Kununurra, Halls Creek, and Fitzroy Crossing. The local partners provide the land, on which the State funds the housing construction. The local partner organisations agree that the resulting housing is to be made available for Aboriginal housing for the next 25 years and that the houses will be managed and maintained by a third party property manager. All housing will remain with the local partners, at the end of the 25 years.

The project enables local leadership in addressing what is a regional and national housing challenge. Houses constructed through this project will be made available to tenants who are unable to qualify for State social housing but are unable to pay the high rental rates of the mainstream private rental market. This initiative will provide affordable housing and in the process improve capacity for Kimberley Aboriginal people to fully benefit from the many opportunities offered by a growth region. Houses will be made available for purchase by Aboriginal people in the three locations.

In Kununurra, the project partner is Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation (MG Corp). In Halls Creek it is the Shire of Halls Creek and in Fitzroy Crossing it is Bunuba Incorporated (Bunuba Inc).

MG Corp has chosen to use its partnership funds to construct one house on each of its ten Priority "A" Community Living Areas (CLAs). The CLAs range from 15 to 35 Kilometres outside of Kununurra and provide a quality living option for MG people working in the town.

Additional to the \$5 million share of the Royalties for regions funds, the MG Corp housing initiative has benefitted from a further \$1 million from the Ord Enhancement Scheme (OES). The OES funds have been used to upgrade community infrastructure to ensure that essential services are able to cope with additional houses.



Practical completion for the ten MG Corp houses is due in July 2012, with plans for occupation in August. The houses will be managed and maintained by Community Housing Limited (CHL).

In Fitzroy Crossing Bunuba Inc has allocated a freehold block in the town centre area, to the housing project. Land assembly has involved the removal of a restrictive condition from the block, and the amalgamation of a small portion of an adjoining lot to rationalise the boundaries. Construction will comprise four town

houses and two detached houses that will be twin keyed. Additional land will be required for completion of the Fitzroy Crossing project.

Construction in Fitzroy Crossing is due to commence in August 2012 with the occupation of houses planned for April 2013.

In Halls Creek the Shire has purchased a large lot in the Garden Area where a Group Housing development of eight dwellings is planned. Development should be underway by late 2012.

The Commission has been successful in securing \$4.5 million to extend the project in Halls Creek and Kununurra, enough for two group housing developments for a total of 9 dwellings. These nine houses will be completed by June 2013.

Across the three towns the Kimberley Aboriginal Community Housing Project will, through local initiative, bring 37 new houses. The houses will all be managed by a third party and provide broadened tenancy opportunities. There will be opportunities for home ownership.

Warmun Aboriginal Community Re-establishment

In March 2011 widespread flooding in the Kimberley resulted in the affected areas being proclaimed as an Emergency area and invoked the natural Disaster Funding Arrangements between the State and Commonwealth Governments.



Three hundred people were evacuated from the devastated Warmun Community in which 90% of the community housing was destroyed or rendered uninhabitable and community/social infrastructure was similarly devastated.

The State Government's rapid response included the formation of the Warmun Re-establishment Taskforce, chaired by the Chief Executive Officer, Kimberley Development Commission, to coordinate the interagency response, planning and rebuild of the Warmun Community. The Taskforce comprised representatives from

the Warmun Community, Fire and Emergency Services, the Departments of Housing, Aboriginal Affairs and Child Protection, Building Management and Works, the Shires of Wyndham East Kimberley and Halls Creek and a Commonwealth Government representative.

The Rebuild

To date the Taskforce's work has included:

- securing Commonwealth and State Government funding for and planning the rebuild;
- working with FESA to determine eligibility for Western Australian National Disaster Relief and Recovery Arrangements (WANDRRA) to support eligible Community residents and the rebuild of community/social infrastructure;
- working with the Warmun Community, Department of Planning, Department of Water and Shire of Halls Creek to develop a new Community Layout Plan (CLP) endorsed by the Western Australian Planning Commission on 8 November 2011 and now the official guide to land use and development at Warmun. Importantly this will assist mitigate against the impact of further flooding;
- facilitating housing construction in 3 Phases comprising a total of 57 rebuilds and 19 refurbishments;
- the establishment of a 200 bed temporary village in Warmun (\$15 million State/Commonwealth funding) and temporary community and social infrastructure that, with Phase 1 housing, allowed the evacuated community to return to Warmun within 14 weeks of evacuation;
- decommissioning and dismantling the Temporary Warmun Village; and
 - ensuring continuity of Government and non Government services to Warmun residents throughout.

The Taskforce also funded and facilitated the temporary re-establishment of the Warmun Art Centre whilst re-construction of the damaged Art Centre occurred and a new Commonwealth funded high level wet season storage for historical and heritage Art work occurred.

Rebuilds and refurbishment of Community infrastructure is well underway to include a new Community Hall, Community Offices, Recreation facilities and Mechanics Workshop. Planning is in progress for a new facility (design pending) located adjacent to the Disability House.



Skills Development, Employment and Capacity Building

From the outset of the rebuild, the Taskforce supported the Warmun Community's desire to transform the disaster into a positive future for the Community, through skills development, employment in the rebuild and enhanced socio-economic outcomes. Construction contracts have been awarded conditional upon Indigenous employment and a \$7.5 million commitment by the Commonwealth towards an enhanced Community Development and Employment Program (CDEP) has enabled Community residents to engage in a range of practical projects associated with the rebuild. An additional Commonwealth contribution of \$2.5 million has supported the implementation of the Warmun New Start program, which aims to deliver socio-economic outcomes in community targeted areas.

The Warmun Community Re-establishment has challenged the three tiers of government and the Community and placed pressure on resources in the East Kimberley.

In addition to forging strong linkages between many participants, it has highlighted regional capacity and complexities in natural disaster planning, preparation and short and long term responses within the Kimberley and opened a series of opportunities for relevant policy review.

The Commission has had considerable involvement in the Warmun re-establishment through the Chief Executive's appointment as Chair of the Taskforce and the commitment of staff to assist with administration, executive services and various project, research, planning and policy work including:

- undertaking significant analysis to ensure State and Community benefits were maximised through WANDRRA;
- a pivotal role in the Community Layout Plan amendment in partnership with the Department of Planning and Warmun Community.

The Commission has supported other Agencies involved with the rebuild as required over the last year. It is likely that the Commission's role in support of the Warmun project will extend till at least the end of calendar 2012.

Other Achievements

Strategic Project Development, Support and Coordination

The Commission facilitates strategic projects across the Kimberley, consistent with priorities identified in its strategic planning processes. It does this through direct project development or through support of industry and other agencies and/or organisations. Initiatives in 2011/2012 have included maintaining a substantial implementation role in the Royalties for Regions Program detailed in pages 22 - 27.

Providing ongoing coordination through the Commission's role to lead the Warmun Aboriginal Community Re-establishment Taskforce of the Community rebuild detailed in pages 28 - 29.

Identifying and conceptualising potential regional infrastructure and service projects for the Regional Development Council's funding considerations.

Having participated in the global negotiations that culminated in the Ord Final Agreement between the Mirriuwung Gajerrong Traditional Owners and the State Government and been significant in establishing the funding arrangements for the **Ord/East Kimberley Expansion Project** the Commission is now represented on the Community Reference Group and provides a supporting role to government and industry. The socio-economic benefits of the project are designed to benefit the whole community and to enable the Mirriuwung Gajerrong Traditional Owners to further participate in the mainstream economy.

Regional and Strategic Planning

Regional and Strategic planning is an essential part of the Commission's work that underpins its approach to regional development, identification and prioritisation of service and infrastructure projects and achieving cost effective outcomes.

Strategic planning within projects, for example the Warmun Aboriginal Community Re-establishment project, has been critical to overcoming the challenges of distance and remoteness in the Kimberley.

Research, data analysis and the provision of accurate regional data to Community, Industry and Government has assisted in business planning, leveraging funding, attracting regional investment and informing government service delivery at a regional and state level.

The Commission Chairs an alliance of local industry, business and community and government stakeholders to develop a Kimberley Workforce Development Plan. The Plan will provide an important guide to developing an appropriate workforce conducive to the social and economic development in the Kimberley.

Corporate Management and Leadership Development

Across its regional development activities the Commission seeks to enhance corporate management and leadership development in the many small community organisations across the region. It has achieved this in 2011/2012, for example, by remaining current in Public Sector policy, contributing to selection and recruitment processes, providing input into the Australian

Rural Leadership Program and supporting leadership development in the Warmun Community Re-establishment.

To build regional capacity the Commission has facilitated collaboration between government, community and industry. A key example is the development and implementation of Royalties for Regions funded projects, Commonwealth East Kimberley Development Package projects and to maximise benefits from regional resource projects.

Regional Information Promotion and Advocacy

An important Commission role is the advocacy of the region to facilitate industry investment and improvements to government service delivery. This includes providing comprehensive briefings to Ministers, industry investors, non-government service providers and advocating local skills development, employment and business content for regional projects.

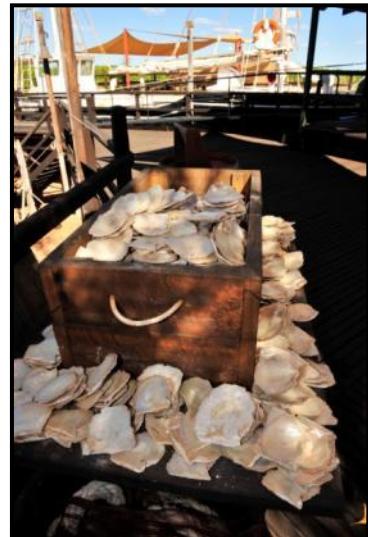
The Commission engages with a wide range of industry stakeholders to promote a diverse economic base to underpin development of regional communities. Complementary to these activities the Commission provides support for regional planning to encourage appropriate regional investment. A range of socio-economic data is compiled and distributed by the Commission to assist local stakeholders in planning and project development. A range of easily accessible information is available through the Commission's recently re-developed website at www.kimberley.wa.gov.au.

Business and Industry Development and Diversification

The online Kimberley Business Capability and Services Register www.kimberleybiz.com.au is administered by the Commission and is designed to match the requirements of major contractors with local businesses that have the capacity to supply goods and services. The Register has industry support and is contributing towards generating local economic benefits from major regional projects.

To build capacity in regional business, the Commission has provided seed funding and/or sponsorship to the regional Chambers of Commerce in support of forums and initiatives that include the Kimberley Economic Forum and Small Business and Tourism Awards that promote and recognise local services and achievements.

The agricultural industry is supported in the development of new cropping and processing options and the Commission is engaged in developing potential opportunities for agricultural expansion in the West Kimberley. The Commission worked with key stakeholders during the uncertainties that characterised live cattle export access to key markets.



The Commission is a source of advice and support for the resources sector seeking to engage with the local community and recognises this activity as a key opportunity for contributing towards regional imperative of improving Indigenous disadvantage.

Regional tourism development consolidates the Kimberley as a key tourism destination in Western Australia in a difficult global economic environment for the industry. Commission input has been provided in the development of the National Landscapes initiative to further showcase the region. The Commission also supports air route development which includes advocating for the establishment of a Broome/Singapore air service in partnership with Tourism WA and other key tourism and transport stakeholders.

The construction industry is one of the largest growing in the Kimberley and supports a range of social and economic projects. The Commission works with local organisations, industry and government to facilitate innovative Aboriginal housing development and management and transitional housing programs that act as an employment and retention incentive.

Development Processes, Partnerships and Government Policies

Given the demographics of the region (almost equal percentages of Indigenous and non-Indigenous people), Native Title negotiations and the implementation of Agreements is critical to the region's future. The Commission has continued to support the State Government role in the implementation of the Ord Final Agreement in partnership with Miriuwung Gajerrong Traditional Owners. That agreement underpins the Ord/East Kimberley Expansion project, the Ord Enhancement Scheme (detailed after this section) and the \$14 million MG Community Foundation Trust.



As the Ord agricultural expansion has progressed, the Commission has supported the Assessment Panel for Proponents that have expressed interest in developing the 8,000 hectares of new irrigated agricultural land in the Goomig Farm Area.

The Commission has also contributed input into initiatives with outcomes for Aboriginal people in education, skills development and employment, including the Public Sector Commission Traineeship program.

Acting as a Regional Certifying Body for the Commonwealth Government's Regional Sponsored Migration Scheme, the Commission has facilitated the practical use of migration programs and has advocated a balance between regional migration and regional skills development to Government, Industry and Business.

Infrastructure and Services: Identification, Development and Monitoring

This area of the Commission's work is especially relevant to the rapidly growing Kimberley and has involved identifying priorities for regional investment in readiness for future funding rounds.

Simultaneously, the Commission has worked to enhance regional Community housing through the Kimberley Aboriginal Community Housing Project and supported regional stakeholders in the development of the West Kimberley Regional Prison, the Broome North housing development and the East Kimberley Regional Airport Terminal expansion.

Monitoring regional services, for example housing, air and coastal shipping services, identifying gaps, working to build regional service capacity, facilitating innovative solutions and recommending funding sources complements infrastructure development and are ongoing roles for the Commission..

Facilitating Access to Funding for Regional Initiatives

Over the past four years the Commission has facilitated the Kimberley Regional Grants Scheme (KRGS) that has provided funding to a large number of organisations to develop a diverse range of projects that contribute to regional development and collectively benefit all sectors of the Kimberley community. KRGS funding of \$9.4 million has leveraged significant funding into the Kimberley.

In addition, the Commission provides advice to organisations seeking to access funding through other Royalties for Regions programs as well as other State and Commonwealth funding sources to contribute towards developing regional projects.

The Ord Enhancement Scheme

In May 2006 the MG Ord Enhancement Scheme (OES) was established under the Ord Final Agreement as a new State Government program administered in partnership between the State of Western Australia and MG Traditional Owners. The MG OES management committee comprises seven representatives of the MG Corporation and the Chief Executive Officer of the Kimberley Development Commission as the State Representative.

Current MG OES Management Committee members are Helen Gerrard (Chairperson), Carol Hapke, Erica Ward, Edna O'Malley, Ephrem Kennedy, Annie Wilson, Myra Chulung and Jeff Gooding.

With total funding of \$11.195 million over four years, the purpose of MG OES is to address some of the impacts of the development of the Ord River Irrigation Scheme Stage 1 on the MG People.

MG OES targets a range of outcomes including:

- education;
- youth at risk;
- health;
- language and culture; and
- MG small business development.

This work complements and contributes to meeting achievements under both Service 1 and 2 of the Commission's Resource Agreement.

As well as providing funding to local service providers to establish or strengthen programs in these outcome areas, OES also plays a critical role in assisting providers constructively connect with the MG community.

In 2011/12, MG OES supported the following new programs:

- Gawooleng Yawoodeng Management Capacity Project
- Miriuwung Gajerrong Cultural Archive
- MG Community Housing Project
- Waringarri Strong Men's Program
- Wunan Indigenous Hip-Hop Program

Gawooleng Yawoodeng Management Capacity

OES has provided support to build the management capacity of the Gawooleng Yawoodeng Aboriginal Corporation (GY) for the benefit of the MG Community through improved services. GY has established a process that includes stakeholder consultation to create a Strategic Plan for the services delivered by the organisation. The Plan will identify the current and future capacity needs of GY and link these needs with potential avenues to build its capabilities. OES has also brokered a partnership between GY and Save the Children with the purpose of strengthening the Pindan Stepping Stones program that assists pre-kindergarten children develop transition to the school environment. This process has resulted in a report on GY's Children Services which assists with program planning and delivery and accessing further funding for the service's ongoing sustainability.

Waringarri Strong Men's Program

The MG Ord Enhancement Scheme funds two key activities of the Strong Men's Program that relate to youth engagement and diversion. Firstly, the Back to Country program which funds vehicles and costs associated with arranging cultural trips out bush to link MG elders with MG youth who have been identified as 'at risk'. OES also funds the Waringarri Horsemanship Youth Engagement which trains young MG men how to break in wild horses provided by Pastoral Stations.



MG Community Housing Project

OES provided the original seed funding for this important program which then enabled a \$5 million commitment from the State Government. The OES contribution finances pre-build site works and essential services that permits the construction of ten new houses on Priority MG Community Living Areas. This ensures that the new houses constructed through the project are provided adequate and quality site preparations and essential services.

Miriuwung Gajerrong Cultural Archive

OES and Gelganyem Trust have funded an MG Cultural Archive facility to be built into the Joint MG Corp and Gelganyem Trust Offices. Cultural items and documentation significant to the MG people and that are currently scattered across the Kimberley region will be returned to Kununurra to be stored in this facility. It will be climate controlled and include the use of fire resistant materials and storage cabinets to ensure the protection of cultural items and documents. A records management and access system will be created in consultation with MG people.

Wunan Indigenous Hip-Hop Program

This program provided in-school and after school based Indigenous Hip Hop Program (IHHP) workshops that use hip hop, dance, music, art and media to influence positive change in children, young men and women. Workshops were primarily based on high-energy physical activity (hip hop and dance) as a vehicle for the dissemination of information relating to community identified issues.

Actual Results against Budget Targets

Financial Targets

	2011/12 Target \$000	2011/12 Actual \$000	Variation
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	9,107	8,916	(191)
Net cost of services (sourced from Statement of Comprehensive Income)	8,633	8,219	(414)
Total equity (sourced from Statement of Financial Position)	3,723	6,218	2,495
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	(5,215)	(3,557)	(1,658)
Approved full time equivalent (FTE) staff level	14	14	0

The variation between target and actual **total** cost of services is primarily attributed to underspend on payment of grants.

The variations between target and actual in **net** cost of services is primarily due to underspend on payment of grants together with a recoup of expenses associated with the Warmun Aboriginal Community Re-Establishment Taskforce

The variation between target and actual in **Total equity** and **Net increase/(decrease) in cash held** is primarily attributed to lower than anticipated grant spending together with additional revenue from Royalties for Regions Fund, other revenue and interest received on funds held for the Ord Enhancement Scheme.

These matters are further explained in the notes to the Financial Statements.

Summary of Key Performance Indicators

As in previous years, this summary again demonstrates a high level of effective and efficient service delivery consistent with agreed targets. Of note is that the Commission has been successful in maintaining a high level of regional development service delivery, whilst undertaking a significant role in the re-establishment of Warmun Aboriginal Community.

1. Comparison of actual results against targets for effectiveness indicators.

	2011/2012 Target	2011/2012 Result	Reason for Significant Variation between Target and Result
Delivers effective activities in assisting economic and social development.	90%	94%	Reflects the continuing work of the Commission in delivery of its services and programs.
Makes a positive contribution to economic and social development in the Kimberley	90%	94%	Reflects the continuing work of the Commission in delivery of its services and programs.
Provides a reliable source of information and advice.	90%	91%	
Is an accessible source of information and advice.	90%	91%	

2. Comparison of actual results against targets for efficiency indicators.

	2011/2012 Target	2011/2012 Result	Reason for Significant Variation between Target and Result
Service 1: Policies, strategies, plans and regional promotion			
Average cost per project hour	\$158	\$162	
Service 2: Industry and infrastructure identification, coordination and development			
Average cost per project hour	\$156	\$161	

Significant Issues Impacting the Commission

Current and emerging issues and trends

Significant issues impacting on the Commission in 2012/2013 and highlighted in the State Budget for that year include its focus on:

- leading in the implementation of the Government's regional development policy priorities with structured partnerships through the creation and implementation of Regional Blueprints and associated investment plans focused upon development of regional business and community service outcomes;
- providing key strategic input to the Regional Development Council and Trust to support Governments regional development policy agenda through the implementation of Royalties for Regions funding arrangements for major outcome-based regional social and economic infrastructure;
- developing its coordinating role in regional planning enlisting whole of government cooperation and providing leadership to engage with stakeholders to ensure social and economic growth and the implementation of State and Regional priorities;
- facilitating innovative projects aimed at leveraging improvements in housing affordability and availability and building upon the Royalties for Regions Kimberley Aboriginal Community Housing Project will develop social and economic benefits in areas of high need and limited capacity;
- encouraging commercial partnerships across the Kimberley to provide industry, government and Indigenous people with improved access and engagement with the mainstream economy to grow their participation levels;
- providing strategic input and leadership with resource project developments will be required to ensure regional benefits packages and policies target long-term sustainable benefits and programs, focused on employment and stimulating further investment in the regional economy;
- developing social infrastructure projects to support population growth, enhanced access to services and improved quality of life; and
- contributing leadership to strategic labour market planning with State and regional stakeholders to enable labour market supply and demand considerations to be managed to enhance social and economic benefits for all regional residents.

Economic and social trends

The Kimberley holds a unique economic and social environment within which the Commission and other regional stakeholders operate. A selection of economic and social trends below highlight some of the key issues impacting the Commission in undertaking its role of social and economic development:

- The resident population has grown by 19% between 2006 and 2011. Economic and lifestyle opportunities have encouraged a large number of people to the region. This provides challenges in meeting current and future infrastructure and service requirements.
- At the 2011 ABS Census one third of all people in the Kimberley were new to the region since the 2006 ABS Census. This highlights the transient nature of the region and impacts upon the capacity of businesses to retain key staff.
- A consistent Kimberley unemployment rate above the state average provides challenges in the development of local workforce capacity.
- The value of building approvals has risen from \$62 million in 2002/2003 to \$183 million in 2010/2011 demonstrating significant activity underway across the Kimberley.
- A regional median age of 30 which is well below the State median of 36.
- An Indigenous population of around 44 per cent is considerably higher than the State average of 3.4 per cent.
- Averaged across all goods and services, the 2011 Regional Prices Index found that it was 20 per cent more expensive to live in the Kimberley compared with Perth. Housing is the most expensive item in the region and is a key focus of the Commission.
- The Kimberley is geographically remote and has a sparse population across a vast area of land that provides challenges for infrastructure development and service delivery.

(The above data has been sourced from the ABS unless otherwise indicated.)

Changes in Written Law

There have been no changes to written law that impact significantly on the Commission.

Likely Developments and Forecast Results of Operations

It is anticipated that in 2012/2013 the Commission will continue to play a pivotal role in the implementation of the Royalties for Regions program in the Kimberley. This is expected to include the identification and conceptualisation of new priority projects to attract Royalties for Regions funding and playing a coordinating role with regional stakeholders to implement funded projects.

The rebuild of Warmun Aboriginal Community will continue to place demands on the Commission in the first half of the year as will the implementation of the final stages of the *Review of the Responsibilities and Functions of the Regional Development Commissions*.

Disclosures and Legal Compliance

Opinion of the Auditor General

(Financial Statements and Key Performance Indicators)



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

KIMBERLEY DEVELOPMENT COMMISSION

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

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 Kimberley Development Commission at 30 June 2012 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.

Report on Controls

I have audited the controls exercised by the Kimberley Development Commission during the year ended 30 June 2012.

Controls exercised by the Kimberley Development Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Commission's Responsibility for Controls

The Commission is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Opinion

In my opinion, the controls exercised by the Kimberley Development Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Kimberley Development Commission for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Commission's Responsibility for the Key Performance Indicators

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 and for such controls as the Commission determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

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 and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commission's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Opinion

In my opinion, the key performance indicators of the Kimberley 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 2012.

Independence

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

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Kimberley Development Commission for the year ended 30 June 2012 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL ASSURANCE SERVICES
Delegate of the Auditor General for Western Australia
Perth, Western Australia
14 September 2012

Financial Statements

KIMBERLEY DEVELOPMENT COMMISSION CERTIFICATION OF FINANCIAL STATEMENTS For the year ended 30 June 2012

The accompanying financial statements of Kimberley 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 ending 30 June 2012 and the financial position as at 30 June 2012.

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



Cr Ralph Addis
Chairman of Accountable Authority

Date: 7 September 2012



Jeff Gooding, PSM, JP
Member of Accountable Authority

Date: 7 September 2012



Steve Winter
Chief Finance Officer

Date: 7 September 2012

**KIMBERLEY DEVELOPMENT COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2012**

	Note	2012 \$	2011 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	7	1,945,425	1,642,906
Supplies and services	8	950,217	722,846
Depreciation and amortisation expense	9, 22	19,419	16,496
Accommodation expenses	10	263,966	231,479
Grants and subsidies	11	5,736,469	4,984,948
Other expenses	12	152	1,654
Total cost of services		8,915,648	7,600,329
Income			
Revenue			
User charges and fees	13	0	9,864
Interest Revenue	14	332,963	457,797
Other revenue	15	363,515	233,104
Total revenue		696,478	700,765
Total income other than income from State Government		696,478	700,765
NET COST OF SERVICES		8,219,170	6,899,564
INCOME FROM STATE GOVERNMENT	17		
Service appropriation		2,334,000	2,279,000
Resources Received Free of Charge		9,704	-
Royalties for Regions Funds		1,783,635	1,058,372
Total income from State Government		4,127,339	3,337,372
(DEFICIT)/SURPLUS FOR THE PERIOD		(4,091,831)	(3,562,192)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(4,091,831)	(3,562,192)

See also note 37 "Schedule of Income and Expenses by Service".

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

**KIMBERLEY DEVELOPMENT COMMISSION
STATEMENT OF FINANCIAL POSITION
As at 30 June 2012**

	Note	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	27	738,001	669,465
Restricted cash and cash equivalents	18, 27	6,327,445	9,953,288
Receivables	19	321,380	177,222
Amounts receivable for services	20	123,000	-
Other current assets	21	3,664	3,989
Total current assets		7,513,490	10,803,964
Non-current assets			
Amounts receivable for services	20	25,000	131,000
Property, plant and equipment	22	40,034	52,467
Total non-current assets		65,034	183,467
TOTAL ASSETS		7,578,524	10,987,431
LIABILITIES			
Current liabilities			
Payables	24	826,427	104,202
Provisions	25	405,965	338,862
Other current liabilities	24	41,479	158,366
Total current liabilities		1,273,871	601,430
Non-current liabilities			
Provisions	25	86,244	75,761
Total non-current liabilities		86,244	75,761
TOTAL LIABILITIES		1,360,115	677,191
NET ASSETS		6,218,409	10,310,240
EQUITY	26		
Contributed equity		131,000	131,000
Accumulated surplus / (deficit)		6,087,409	10,192,462
TOTAL EQUITY		6,218,409	10,310,240

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

**KIMBERLEY DEVELOPMENT COMMISSION
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2012**

	Note	Contributed equity \$	Accumulated surplus/(deficit) \$	Total Equity \$
Balance at 1 July 2010		131,000	13,741,432	13,872,432
Changes in accounting policy or correction of prior period years		-	-	-
Restated balance at 1 July 2010		131,000	13,741,432	13,872,432
Total comprehensive income for the year			(3,562,192)	(3,562,192)
Transactions with owners in their capacity as owners:				
Capital appropriations		-	-	-
Other contributions by owners		-	-	-
Distribution by owners		-	-	-
Balance at 30 June 2011		131,000	10,179,240	10,310,240
Balance at 1 July 2011		131,000	10,179,240	10,310,240
Total comprehensive income for the year			(4,091,831)	(4,091,831)
Transactions with owners in their capacity as owners:				
Capital appropriations		-	-	-
Other contributions by owners		-	-	-
Distribution by owners		-	-	-
Balance at 30 June 2012	26	131,000	6,087,409	6,218,409

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

**KIMBERLEY DEVELOPMENT COMMISSION
STATEMENT OF CASH FLOWS
For the year ended 30 June 2012**

	Note	2012	2011
		\$	\$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		2,317,000	2,261,000
Holding account drawdown		-	10,000
Royalties for the Regions Fund		1,783,635	1,058,372
Net cash provided by State Government		4,100,635	3,329,372
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,754,702)	(1,605,846)
Supplies and services		(990,393)	(669,187)
Accommodation		(227,524)	(227,156)
Grants and subsidies		(5,210,101)	(4,883,449)
GST payments on purchases		60,142	-
GST payments on taxation authority		(558,976)	(732,357)
Other payments		(86,596)	(3,500)
Receipts			
User charges and fees		-	9,864
Interest received		368,344	470,931
GST receipts on sales		(410)	1,257
GST receipts from taxation authority		558,976	2,210,074
Other receipts		313,624	249,321
Net cash provided by (used in) operating activities	27	(7,647,900)	(5,180,048)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(10,042)	(14,622)
Receipts			
Proceeds from sale of non-current physical assets		-	-
Net cash (used in) investing activities		(10,042)	(14,622)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Net cash provided by/(used in) financing activities			
Net increase/(decrease) in cash and cash equivalents		(3,557,307)	(1,865,298)
Cash and cash equivalents at the beginning of period		10,622,753	12,488,051
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	27	7,065,446	10,622,753

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

**KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012**

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Commission 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 2012.

Note 2. Summary of significant accounting policies

(a) General Statement

The Commission is a not-for-profit entity that prepares general purpose financial statements in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

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

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

(b) Basis of Preparation

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

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated. The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

**KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012**

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 the 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 is the Kimberley Development Commission.

(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 Treasurer's Instruction 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 control 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.

**KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012**

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.

(f) Borrowing Costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. Other borrowing costs are expensed when incurred.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Commission's outstanding borrowings during the year, in this case 6.3% (2011: 6.3%).

(g) 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).

**KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012**

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 their fair value at the date of acquisition.

Subsequent measurement

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

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 20 '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:

Office equipment	5 years
Computer hardware and software ^(a)	3 to 5 years
Office fit-out	10-25 years

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

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

(h) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of 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.

**KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012**

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:

Licences	up to 10 years
Research and Development Costs	3 to 5 years
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.

Licences

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

Development costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can reasonably be regarded as assured and the total project costs are likely to exceed \$50,000. Other development costs are expensed as incurred.

Computer Software

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

Web site costs

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

**KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012**

(i) 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 is 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 or 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.

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

The Commission does not have any Non-current assets or disposal groups classified as held for sale.

(k) Leases

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

The Commission holds operating leases for head office and a number of branch office buildings and 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 and vehicles.

KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

(l) 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

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.

(m) 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.

(n) Accrued Salaries

Accrued salaries (see note 24 ‘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.

(o) Amounts Receivable for Services (holding account)

The Commission receives funding 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.

(p) Inventories

The Commission does not hold any inventories for sale.

**KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012**

(q) Receivables

Receivables are recognised and carried 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 allowable amount. 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.

(r) 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 they are generally settled within 30 days.

(s) Borrowings

The Commission does not have any borrowings at the end of reporting period.

(t) Amounts due to the Treasurer

The Commission does not have any amounts due to Treasurer at the end of reporting period.

(u) Provisions

Provisions are liabilities of uncertain timing and 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.

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 end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Annual leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

**KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012**

The provision for annual leave is classified as 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 end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long service leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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. Pre-conditional and Conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (GESB) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies according to commencement and implementation dates.

Eligible employees may contribute to the Pension Scheme, a defined benefit pension scheme now 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.

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 Commission purposes because the concurrent contributions (defined contributions) made by the Commission to GESB extinguishes the Commission's obligations to the related superannuation liability

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

**KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012**

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme 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). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The Authority makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Authority's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS..

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, 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'.

(v) Superannuation Expense

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

(w) 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 received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(x) Jointly controlled operations

The Commission does not have any jointly controlled operations.

(y) Comparative Figures

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

(z) Rounding

Amounts in the financial statements have been rounded to the nearest dollar, or in certain cases, to the nearest thousand dollars.

KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

Note 3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Commission evaluates these judgements regularly.

Operating lease commitments

The Commission has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

Note 4. Key sources of estimation uncertainty

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

Long Service Leave

Several estimations and assumptions used in calculating the Commission's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Note 5. Disclosure of changes in accounting policy and estimates

Voluntary changes in Accounting Policy

There is no voluntary change in accounting policy in year 2012.

KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

Note 6. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011 that impacted on the Commission.

AASB 1054	<i>Australian Additional Disclosures</i> 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. There is no financial impact.
AASB 2009-12	<i>Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]</i> This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.
AASB 2010-4	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Int 13]</i> The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact. The amendments to AASB 101 clarify the presentation of the Statement of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity can be presented in either the Statement of Changes in Equity or the Notes. There is no financial impact.
AASB 2010-5	<i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Int 112, 115, 127, 132 & 1042]</i> This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

AASB 2010-6	<i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]</i> This Standard introduces additional disclosures relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.
AASB 2011-1	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Int 2, 112 & 113]</i> This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
AASB 2011-5	<i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]</i> This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.

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 following Australian Accounting Standards that have been issued that may impact the Commission. Where applicable, the Commission plans to apply these Standards from their application date.

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	Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued on 6 Dec 2010 and the Commission 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>
AASB10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>
AASB11	<p><i>Joint Arrangements</i></p> <p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>
AASB12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>

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AASB13	<p><i>Fair Value Measurement</i></p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013
AASB119	<p><i>Employee Benefits</i></p> <p>This Standard supersedes AASB 119 (October 2010). As the Commission does not operate a defined benefit plan, the impact of the change is limited to measuring annual leave as a long-term employee benefit. The resultant discounting of the annual leave benefit has an immaterial impact</p>	1 Jan 2013
AASB127	<p><i>Separate Financial Statements</i></p> <p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB128	<p><i>Investments in Associates and Joint Ventures</i></p> <p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB1053	<p><i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013

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AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].</i> <i>(Modified by AASB 2010-7)</i>	1 Jul 2013
AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052)</i> This Standard makes amendments to many Australian Accounting Standards, and Interpretations, to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.	1 Jul 2013
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]</i> This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 2011-2	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i> This 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. There is no financial impact.	1 Jul 2013

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AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013

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AASB 2011-9	<p><i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i></p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially re-classifiable to profit or loss subsequently (reclassification adjustments). The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2012
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is no financial impact.</p>	1 Jan 2013
AASB 2011-11	<p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jul 2013
AASB 2012-1	<p><i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AA SB 3, 7, 13, 140 & 141]</i></p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 Jul 2013

KIMBERLEY DEVELOPMENT COMMISSION
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	2012	2011
	\$	\$
Note 7. Employee benefits expense		
Wages and salaries ^(a)	1,802,122	1,524,982
Superannuation - defined contribution plans ^(b)	143,303	117,924
	1,945,425	1,642,906

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

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

Employment on-costs expenses such as workers' compensation insurance are included at note 12 'Other expenses'.

Employment on-costs liability is included at note 25 'Provisions'.

Note 8. Supplies and services

Communications	41,070	43,218
Travel and allowances	115,244	107,512
Consumables	84,659	55,983
Services & contracts	525,585	264,651
Operating leases	51,098	106,531
Other	132,561	144,951
	950,217	722,846

Note 9. Depreciation and amortisation expense

<u>Depreciation</u>		
Property, plant and equipment	19,419	16,496
Total depreciation	19,419	16,496
<u>Amortisation</u>		
Intangible assets	-	-
Total amortisation	-	-
Total depreciation and amortisation	19,419	16,496

Note 10. Accommodation expenses

Lease rentals	239,728	212,584
Repairs and maintenance	1,381	120
Cleaning	22,857	18,775
	263,966	231,479

Note 11. Grants and subsidies

<u>Recurrent</u>		
State Government	244,266	108,000
Local Government	489,150	860,000
Community	2,656,258	2,608,658
Private bodies	20,000	231,467
Royalties for Regions Funds	2,326,795	1,176,823
	5,736,469	4,984,948

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	2012	2011
	\$	\$
Note 12. Other expenses		
Employment on-costs ^(a)	152	1,654
Other expense	-	-
	152	1,654

(a) 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 23 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Note 13. User charges and fees

User Fees	-	9,864
	-	9,864

Note 14. Interest Revenue

Interest Revenue ^(a)	332,963	457,797
	332,963	457,797

(a) Interest earned was the Ord Enhancement Scheme Treasury Participating Fund.

Note 15. Other revenue

Recoups of expenditure from various bodies	129,412	12,034
Sundry income	1,358	290
Refund of grant payment	4,488	8,300
Staff rental contributions	40,657	25,380
Other receipts	187,600	187,100
	363,515	233,104

Note 16. Net gain/loss on disposal of non-current assets

Proceeds from disposal of non-current assets

Office equipment	500	-
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Costs of disposal of non-current assets

Office equipment	(3,055)	-
Net gain/(loss)	(2,055)	-

KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

	2012	2011
	\$	\$
Note 17. Income from State Government		
<u>Appropriation received during the year:</u>		
Service appropriation ^(a)	2,334,000	2,279,000
	2,334,000	2,279,000
<u>Resources received free of charge: (b)</u>		
Determined on the basis of the following estimates		
Provided by agencies:		
Department of Finance Building Management and Works	9,704	-
	9,704	-
<u>Royalties for Regions Fund:</u>		
Regional grants scheme	1,508,000	1,000,000
Regional workers incentives allowance payments	75,635	58,372
Regional community services account ^(c)	200,000	-
	1,783,635	1,058,372
	4,127,339	3,337,372

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

KIMBERLEY DEVELOPMENT COMMISSION
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	2012	2011
	\$	\$
Note 18. Restricted cash and cash equivalents		
<u>Current</u>		
Community Resource Centre Wyndham	75,000	75,000
Kimberley Regional Development Scheme	264,287	362,986
Regional Investment Fund	17,000	17,000
Telecentre	75,000	75,000
Indigenous Arts	10,000	10,000
Resource Centres	-	29,158
Kimberley Capabilities Register	24,900	29,935
Ord Enhancement Scheme	5,566,744	7,673,133
Royalties for Regions Fund	68,071	1,450,027
Warmun Re-Establishment Taskforce	204,037	216,602
KDC 27 th Pay Period	22,406	14,987
Total current restricted cash	6,327,445	9,953,288

Note 19. Receivables

<u>Current</u>		
Receivables		
Receivables	72,610	2,140
GST receivable	184,006	76,179
Interest receivable	63,522	98,903
Other receivable	1,242	-
321,380	177,222	

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

Note 20. Amounts receivable for services

Current	123,000	-
Non-current	25,000	131,000
	148,000	131,000

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.

Note 21. Other Assets

<u>Current</u>		
Prepayments		
Prepayments	3,664	3,989
	3,664	3,989

KIMBERLEY DEVELOPMENT COMMISSION
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For the year ended 30 June 2012

	2012	2011
	\$	\$
Note 22. Property, plant and equipment		
<u>Office fit-out</u>		
At cost	136,633	136,633
Accumulated depreciation	(115,410)	(102,007)
	21,223	34,626
<u>Computing equipment</u>		
At cost	19,009	19,009
Accumulated depreciation	(15,086)	(12,842)
	3,923	6,167
<u>Office equipment</u>		
At cost	17,937	20,538
Accumulated depreciation	(3,049)	(8,864)
	14,888	11,674
Total property, plant and equipment	40,034	52,467

Reconciliations

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

	Office Fit-out	Computing Equipment	Office Equipment	Total
	\$	\$	\$	\$
2012				
Carrying amount at start of year	34,626	6,167	11,674	52,467
Additions	-	-	10,042	10,042
Disposals	-	-	(12,643)	(12,643)
Depreciation	(13,403)	(2,243)	(3,773)	(19,419)
Depreciation write-back on disposal	-	-	9,587	9,587
Carrying amount at end of year	21,223	3,924	14,887	40,034

	Office Fit-out	Computing Equipment	Office Equipment	Total
	\$	\$	\$	\$
2011				
Carrying amount at start of year	48,030	-	6,311	54,341
Additions	-	6,727	7,895	14,622
Revaluation	-	-	-	-
Depreciation	(13,404)	(560)	(2,532)	(16,496)
Carrying amount at end of year	34,626	6,167	11,674	52,467

**KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012**

Note 23. Impairment of assets

There were no indications of impairment of property, plant and equipment, or intangible assets at 30 June 2012.

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 2012 have either been classified as assets held for sale or written off.

	2012	2011
	\$	\$
Note 24. Payables		
<u>Current</u>		
Trade payables	732,077	54,221
Other payables	94,350	49,981
Accrued expenses	9,961	130,138
Accrued salaries	31,518	28,228
	867,906	262,568

Note 25. Provisions

Current

Employee benefits provision		
Annual leave ^(a)	180,568	165,361
Long service leave ^(b)	182,225	140,311
	362,793	305,672
Other provisions		
Employment on-costs ^(c)	43,172	33,190
Total current provisions	405,965	338,862

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	2012 \$	2011 \$
Non-current		
Employee benefits provision		
Long service leave ^(b)	78,723	69,450
	78,723	69,450
Other provisions		
Employment on-costs ^(c)	7,521	6,311
Total non-current provisions	86,244	75,761

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

Within 12 months of the end of the reporting period	180,668	165,361
More than 12 months after reporting date	-	-
	180,668	165,361

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

Within 12 months of the end of the reporting period	96,045	77,171
More than 12 months after the reporting period	86,180	63,140
	182,225	140,311

- (c) The settlement of annual and long service leave liabilities give rise to the payment of employment on-costs including workers compensation insurance. The provision is the present value of expected future payments.

The associated expense is included at note 12 'Other expenses'.

KIMBERLEY DEVELOPMENT COMMISSION
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Movements in provisions

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

	2012	2011
	\$	\$
Employment on-cost provision		
Carrying amount at start of year	6,311	7,078
Additional provisions recognised	1,210	2,738
Payments/other sacrifices of economic benefits	-	(3,505)
Carrying amount at end of year	7,521	6,311

Note 26. 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 that portion of equity resulting from the revaluation of non-current assets.

Contributed equity

Balance at start of year	131,000	131,000
Contributions by owners	-	-
Capital contribution	-	-
Balance at end of year	131,000	131,000

Accumulated surplus/ (deficit)

Balance at start of year	10,179,240	13,741,432
Result for the period	(4,091,831)	(3,562,192)
Balance at end of year	6,087,409	10,179,240

Note 27. 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:

Cash and cash equivalent	738,001	669,465
Restricted cash and cash equivalent (refer to note 16)	6,327,445	9,953,288
7,065,446	10,622,753	

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	2012	2011
	\$	\$
Reconciliation of net cost of services to net cash flows provided by / (used in) operating activities		
Net cost of services	(8,069,112)	(6,886,342)
<u>Non-cash items:</u>		
Depreciation expense <i>(note 9)</i>	19,419	16,496
Resources received free of charge	9,704	-
Net loss on sale of plant and equipment	3,055	-
<u>(Increase)/decrease in assets:</u>		
Current receivables ^(c)	(23,087)	31,766
Other current assets	303	(2,160)
<u>Increase/(decrease) in liabilities:</u>		
Current payables ^(c)	554,646	64,744
Current provisions	24,020	12,980
Other current liabilities	(69,505)	90,383
Non-current provisions	10,483	16,322
Net GST receipts/(payments) ^(a)	(107,827)	1,475,763
Change in GST receivables/payables ^(b)	-	-
Net cash (used in) operating activities	(7,647,900)	(5,180,048)

- (a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.
- (b) This is the net GST paid/received, i.e. cash transactions.
- (c) This reverses out the GST in receivables and payables.

Note 28. Resources received free of charge

During the period the following services were provided by the Department of Finance:

Building Management and Works –

Government Accommodation	9,704	-
	9,704	-

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	2012	2011
	\$	\$

Note 29. Commitments

Lease commitments

Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:

Within 1 year	210,453	210,963
Later than 1 year and not later than 5 years	531,174	574,907
Later than 5 years	64,969	182,756
	806,596	968,626

Representing:

Cancellable operating leases	86,326	63,418
Non-cancellable operating leases	720,270	905,208
	806,596	968,626

Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year	167,301	168,343
Later than 1 year and not later than 5 years	488,000	554,109
Later than 5 years	64,969	182,756
	720,270	905,208

Office leases are due for review in 2014 and 2018 and therefore are considered as non-cancellable operating leases

Other expenditure commitments

Other expenditure commitments are purchases orders issued to the end of the reporting period but not recognised as liabilities, are payable:

	2012	2011
	\$	\$
Within 1 year	7,280	1,495
Later than 1 year and not later than 5 years	-	-
	7,280	1,495

Note 30. Contingent liabilities and contingent assets

There are no contingent liabilities or assets that the Commission is aware of as at 30 June 2012.

Contaminated Sites

Under the Contaminated Sites Act 2003, the Commission is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated – remediation required* or *possibly contaminated – investigation required*, the Commission may have a liability in respect of investigation or remediation expenses.

The Commission has no known or suspected contaminated sites.

KIMBERLEY DEVELOPMENT COMMISSION
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For the year ended 30 June 2012

Note 31. Events occurring after the balance sheet date

There were no significant events occurring after the balance sheet date.

Note 32. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2012 and between the actual results for 2011 and 2012. Significant variations are considered to be those greater than 10%.

Significant variances between estimated and actual results for 2012

	2012 Estimate \$'000	2012 Actual \$'000	Variance \$'000
Income from State Government			
Royalties for Regions fund	1,125	1,784	659
Other revenue	245	363	118
Interest revenue	225	333	108
Expenses			
Grants and subsidies	9,683	5,736	(3,947)
Supplies & services	795	950	155
Other expenses	117	2	(115)

Royalties for regions fund (R4R) (\$'000)

Variance was due to release of funds by RDL previously withheld. The funds were released to meet payment of grant commitments prior to the end of the reporting period.

Other revenue

Variance is attributed to a recoup of contractor expenses from Department of Housing associated with the Warmun Aboriginal Community Re-Establishment Taskforce.

Interest Revenue

Variance was primarily due to a higher than anticipated interest return on Ord Enhancement Scheme (OES) funds held at Department of Finance in a participating trust due to a larger than anticipated underspend in grant payments

Grants and subsidies

Variance was primarily due to slower than anticipated payout of Ord Enhancement Scheme (OES) grants. Estimated actual for OES was \$6,403 with actual paid \$2,456

Supplies and Services

Variance is due to additional costs incurred for the Kimberley Aboriginal Community Housing Project and the Warmun Aboriginal Community Re-Establishment Taskforce

Other expenses

Variance is due to classification under the Whole of Government Budget process when compared to the annual report process.

KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
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Significant variances between actual results for 2011 and 2012

	2012 \$'000	2011 \$'000	Variance \$'000
Income			
Royalties for Regions funding	1,784	1,058	726
Expenses			
Employee benefits expense	1,945	1,643	302
Supplies and services	950	726	224
Grants and subsidies	5,736	4,985	751

Royalties for Regions Funding

Variance is due to payment of RfR grant commitments in the period.

Employee benefits expense

Variance is primarily due to increased expenses relative to the secondment of project officer during the 2010-11 financial year to assist with the Kimberley Aboriginal Community Housing Project. Increased District Allowance payments and an increase in leave provisions also contribute to the variation.

Supplies and services

Variance is due to additional costs incurred for the Kimberley Aboriginal Community Housing Project and the Warmun Aboriginal Community Re-Establishment Taskforce.

Grants and subsidies

Variance is due to an increase in grant payments for RfR projects funded through the Kimberley Regional Grants Scheme.

Note 33. Financial instruments

(a) Financial risk management objectives and policies

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

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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 Commission measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 31(c) 'Financial instruments disclosures' and note 18 'Receivables'.

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

Liquidity risk

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

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

The Commission has appropriate procedures to manage cash flows including drawdown 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's has no exposure to market risk for changes in interest rates because apart from the amount of restricted cash relating to Ord Enhancement Scheme, all other cash and cash equivalents and restricted cash are non-interest bearing and the Commission has no borrowings.

(b) Categories of financial instruments

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

KIMBERLEY DEVELOPMENT COMMISSION
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	2012	2011
	\$	\$
Financial assets		
Cash and Cash equivalents	738,001	669,465
Restricted cash and cash equivalents	6,327,445	9,953,288
Loans and receivables ^(a)	137,374	114,265

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

(c) Financial Instruments Disclosure

Credit risk, liquidity risk and interest risk exposure

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 end of the reporting period 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 to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

KIMBERLEY DEVELOPMENT COMMISSION
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Interest rate exposures and ageing analysis of financial assets^(a)

	Weighted average effective rate %	Variable interest rate \$	Non- interest bearing \$	Within 1 year \$	1-2 years \$	2-5 years \$	More than 5 years \$	Adjustment for discounting \$	Carrying Amount \$
2012									
Financial Assets									
Cash and cash equivalents	-	-	736,301	-	-	-	-	-	736,301
Restricted cash and cash equivalents	4.5	5,570,497	756,948	-	-	-	-	-	6,327,445
Receivables ^(a)	-	-	137,352	-	-	-	-	-	137,352
Amounts receivable for services	-	-	123,000	123,000	-	-	-	-	123,000
		5,570,497	1,753,601	123,000	-	-	-	-	7,324,098
Financial Liabilities									
Payables	6.3	-	713,127	713,127	-	-	-	-	713,127
		-	713,127	713,127	-	-	-	-	713,127
2011									
Financial Assets									
Cash and cash equivalents	-	-	669,465	-	-	-	-	-	669,465
Restricted cash and cash equivalents	4.6	7,673,133	2,280,155	-	-	-	-	-	9,953,288
Receivables ^(a)	-	-	114,265	-	-	-	-	-	114,265
Amounts receivable for services	-	-	-	-	-	-	-	-	-
		7,673,133	3,063,885	-	-	-	-	-	10,737,018
Financial Liabilities									
Payables	6.3	-	262,568	262,568	-	-	-	-	262,568

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

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Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Commission's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 100 basis point change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$	-100 basis points		+100 basis points	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
2012					
Financial Assets					
Restricted cash and cash equivalents	5,570,497	(55,705)	(55,705)	55,705	55,705
Total Increase/(Decrease)		(55,705)	(55,705)	55,705	55,705
2011					
Financial Assets					
Restricted cash and cash equivalents	7,673,133	(76,731)	(76,731)	76,731	76,731
Total Increase/(Decrease)		(76,731)	(76,731)	76,731	76,731

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

Note 34. Remuneration of members of the accountable authority and senior officers

Remuneration of members of the accountable authority

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

	2012	2011
	\$	\$
\$ 0 - \$10,000	7	7
\$10,001 -\$20,000	1	-
\$40,001 - \$50,000	1	-
\$190,001 - \$200,000	1	1

The total remuneration of the members of the accountable authority is:

258,168 212,130

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

**KIMBERLEY DEVELOPMENT COMMISSION
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For the year ended 30 June 2012**

Note 35. Remuneration of senior officers

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

	2012	2011
	\$	\$
\$120,001 - \$130,000	-	1
\$130,001 - \$140,000	1	-
The total remuneration of senior officers is:	131,730	127,974

The total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers other than senior officers reported as members of the accountable authority.

No senior officers are members of the Pension Scheme.

Note 36. Remuneration of auditor

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

	2012	2011
	\$	\$
Auditing the accounts, financial statements and key performance indicators	34,500	32,500

Payment for auditing services is paid in the following year. Audit fee for 2011-12 will be paid in 2012-13.

KIMBERLEY DEVELOPMENT COMMISSION
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For the year ended 30 June 2012

Note 37 Schedule of income and expenses by service

	Regional Promotion		Industry & Infrastructure		Total	
	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
COST OF SERVICES						
<u>Expenses</u>						
Employee benefits expense	836,533	690,021	1,108,892	952,885	1,945,425	1,642,906
Supplies and services	408,593	303,595	541,624	419,251	950,217	722,846
Depreciation and amortisation expense	8,350	6,928	11,069	9,568	19,419	16,496
Accommodation expenses	113,505	97,221	150,461	134,258	263,966	231,479
Grants and subsidies	2,466,682	2,093,678	3,269,787	2,891,270	5,736,469	4,984,948
Other expenses	65	695	87	959	152	1,654
Total cost of services	3,833,729	3,192,138	5,081,920	4,408,191	8,915,648	7,600,329
<u>Income</u>						
User charges and fees	-	9,864	-	-	-	9,864
Interest revenue	-	0	332,963	457,797	332,963	457,797
Other revenue	24,373	19,200	339,142	213,904	363,515	233,104
Total income other than income from State Government	24,373	29,064	672,105	671,701	696,478	700,765
NET COST OF SERVICES	3,809,356	3,163,074	4,409,815	3,736,490	8,219,170	6,899,564
INCOME FROM STATE GOVERNMENT						
Service appropriation	1,003,620	957,180	1,330,380	1,321,820	2,334,000	2,279,000
Resources received free of charge	4,173	-	5,531	-	9,704	-
Royalties for Regions	766,963	444,516	1,016,672	613,856	1,783,635	1,058,372
Total income from State Government	1,744,756	1,401,696	2,352,583	1,935,676	4,127,339	3,337,372
Surplus/(deficit) for the period	(2,034,600)	(1,761,378	(2,057,232)	(1,800,814)	(4,091,831)	(3,562,192)

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

Key Performance Indicators

KIMBERLEY DEVELOPMENT COMMISSION CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2012

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Kimberley Development Commission's performance, and fairly represent the performance of the Commission for the financial year ended 30 June 2012.



Cr Ralph Addis
Chairperson
Kimberley Development Commission

Date: 7 September 2012



Jeff Gooding, PSM, JP
Chief Executive
Kimberley Development Commission

Date: 7 September 2012

Key Performance Indicators

Performance management enhances the transparency and accountability of the Commission and enables its service delivery to be readily assessed as it works to achieve desired outcomes that are consistent with its statutory responsibilities and high level government goals (described in Section 1).

The desired outcome from the Commission's activities is:

"An environment conducive to the balanced economic and social development of the Kimberley Region."

Accordingly, the Commission delivers two major services to its customers:

- Policies, strategies, plans and regional promotion
- Industry and infrastructure identification, coordination and development

In accordance with Treasurer's Instructions 904 and 903(8), the Commission has key performance indicators for efficiency and effectiveness and includes a discussion of actual results against budget targets for both financial and non-financial indicators. Comparative information for the current and previous four reporting years has been included.

Key Performance Indicator of Effectiveness – Customer Survey

An annual customer survey is used to monitor the Commission's level of customer service and support its key performance indicators. Customer satisfaction is measured against a range of elements of the Commissions service, including the effectiveness of the Commission in achieving seven different outcomes through the delivery of services.

Advantage Communications was engaged to complete the client survey on the Commission's behalf for the 2011/2012 financial year. The same survey was used as previous years to allow for comparative analysis.

Respondent Profile

This year's customer survey was completed by 111 respondents with 30% from the Perth metropolitan area, 60% from regional Western Australia and 10% from interstate. The Commission provided Advantage Communications with a list of 157 clients of which the sample group of 111 provides a maximum survey error of +/-5% at the 95% confidence level.

The respondent group comprised 40% from the State Government Sector of Western Australia, 26% from the Private Sector, 22% from Community Organisations, 5% from the Commonwealth Government and 7% from Local Government. Respondents were also categorised according to industry, with the largest percentages working in Government/public administration/defence (28%).

The respondents had varying levels of contact with the Commission; 51% had monthly, 17% weekly, 23% half yearly, 5% annually, and 3% daily.

Effectiveness Indicator 1

The Kimberley Development Commission is effective and makes a positive contribution to economic and social development in the Kimberley

The survey results illustrate that the perceived effectiveness of the Commission in contributing to the economic and social development in the Kimberley has decreased significantly in the 'Strongly Agree' by 19% to 30% with a commensurate increase in the 'Agree' up 23% to 64%. Overall there has been an increase of 4% across the areas of "Strongly Agree and Agree. This positive outcome is particularly pleasing as it reinforces the impact the Commission is having in this area. This increase of 4% corresponds with an decrease of 5% to 3% of respondents who "Don't know". The overall result is consistent with the high standard achieved in the previous four years.

	Strongly Agree (%)	Agree (%)	Disagree (%)	Strongly Disagree (%)	Don't Know (%)	Total (%)
2007/08	43	54	0	1	2	100
2008/09	42	47	6	0	5	100
2009/10	32	61	1	1	5	100
2010/11	49	41	2	0	8	100
2011/12	30	64	3	0	3	100

Effectiveness Indicator 2

The extent to which the Commission is assessed by its clients as a reliable and accessible source of information and advice on the Kimberley region and regional development issues.

The provision of high quality information is an important component of the Commission's regional development activities. Similarly to previous years, survey respondents were asked to indicate whether they considered the Commission to be a reliable source of information and advice on regional development issues. The table below provides the last five years' results for this outcome.

In 2011/2012 the majority of respondents (91%) agreed that the Commission was a reliable source of information. Similar to Effectiveness Indicator 1, there has been a decrease in the 'Strongly Agree' by 7% from 43% to 36% with a commensurate increase in the 'Agree' up 8% from 47% to 55%. This positive outcome is again pleasing as it reinforces the impact the Commission is having in this area. While there has been an increase of 4% from the prior year for respondents disagreeing, there is a decrease of 5% from 9% to 4% of respondents who "Don't know". This would suggest the respondents have better access to information and are more informed. The overall results for this outcome indicate a consistent and steady trend over the last four years.

	Strongly Agree (%)	Agree (%)	Disagree (%)	Strongly Disagree (%)	Don't Know (%)	Total (%)
2007/08	52	46	0	1	1	100
2008/09	40	51	5	0	3	100
2009/10	34	57	4	0	5	100
2010/11	43	47	1	0	9	100
2011/12	36	55	5	0	4	100

The section of the survey seeking respondent views on “staff provide professional and helpful service” again resulted in a consistently high response with 97% indicating agreement that Commission staff provided professional and helpful advice.

Key Performance Indicators of Efficiency

The efficiency indicators for the services are calculated by the cost of the projects divided by the number of project hours undertaken. To calculate the cost per project hour, grant expenditure is deducted from the Total Operating Cost. Using hours spent on each service a ratio to total hours is calculated and this ratio then determines the Total Operating Cost for each service. For the 2011-12 year the ratio of hours has been determined at 43% for Service 1 and 57% for Service 2.

Efficiency Indicators

Service 1: Policies, strategies, plans and regional promotion

	2011/12	2010/11	2009/10	2008/09	2007/08
Total Operating Cost	1,067,561	1,099,929	3,363,553	1,063,924	975,304
Number of Project Hours	6608	5,688	4,863	5,576	5,127
Cost per Project Hour	162	193	692	191	190

Service 2: Industry and infrastructure identification, coordination and development

	2011/12	2010/11	2009/10	2008/09	2007/08
Total Operating Cost	1,415,140	1,518,950	19,846,690	1,469,224	1,346,850
Number of Project Hours	8802	7,703	7,007	7,701	7,161
Cost per Project Hour	161	197	2,832	191	188

The reduction in cost per project hour of \$31 and \$36 respectively, when compared to 2010/11, is due to an increase in project hours and reflects the commitment that KDC staff have to the region.

Ministerial Directives

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

Other Financial Disclosures

Pricing policies of services provided

The Commission has not rendered any goods or services in the last financial year for which a charge has been required.

Capital projects completed

No capital projects were commenced, underway or completed in 2011/2012.

Employment and Industrial Relations

Staff Profile

Staff Employed (not FTE)	2007	2008	2009	2010	2011	2012
Full-time permanent	8	7	7	9	8	8
Full-time contract	3	3	4	3*	5*	5*
Part-time permanent	1	1	1	1	1	1
Part-time contract	1	0	0	0	0	0
Positions vacant	0	0	0	0	0	0
Total staff employed	13	11	12	13	14	14

(*This figure includes two Ord Enhancement Scheme positions as in previous years, a Grants and Projects Officer funded through the Royalties for Regions Program, a Project Coordinator seconded to progress the Kimberley Aboriginal Community Housing Project and a Manager Corporate Services.)

Professional (Staff) Development

To achieve high level outcomes in the Kimberley with a small workforce (14FTE), the Commission provides a practical learning environment where staff work together to enhance individual and organisational skill sets. This approach is complemented by the Commissions Professional Development Program, the Public Service Award 1992, and the Public Service General Agreement 2011.

Worker's Compensation Claims

The Commission received no Worker's Compensation Claims in 2011/2012.

Governance Disclosures

Contracts with Senior Officers

At the date of reporting, 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 other than normal contracts of employment or service.

On the 28 July 2011, \$6,472.25 (inc. GST and Stamp Duty) was paid, via RiskCover, to indemnify all Board Members and Senior Officers, as listed in Section 1 Overview of this report, against a liability incurred under sections 13 or 14 of the *Statutory Corporations (Liability of Directors) Act 1996*.

Other Legal Requirements

This section of the Annual Report provides a summary of the Commission's compliance with legislation other than the *Financial Management Act 2006*, *Financial Management Regulations 2007* and the Treasurer's Instructions.

Advertising

(*The Electoral Act 1907, Section 175ZE*)

The Commission incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

1. Total expenditure for 2011/2012 was \$9,824.09.
2. Expenditure was incurred in the following areas:

Class	Class costs (\$)	Agencies	Agency costs (\$)
Advertising agencies	9,824.09	Market Creations	3,335.00
		Albany Advertiser	3,005.37
		Derby Visitor's Centre	1,100.00
		Muddy Waters	445.00
		Kununurra Visitor's Centre	195.45
		Broome Advertiser	676.91
		Lizart Productions	570.00
		Telstra	496.36
Media advertising organisations	Nil	Nil	Nil
Market research organisations	Nil	Nil	Nil
Polling organisations	Nil	Nil	Nil
Direct mail organisations	Nil	Nil	Nil

Disability Access and Inclusion Plan Outcomes

(Disability Services Act 1993, s29)

- 1. People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority.*

To enable people with disabilities to access its offices and services, the Commission has maintained a flexible approach to assisting individuals.

- 2. People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.*

The Kununurra and Derby offices are in single storey buildings designed for disability access. The Broome office is on the first floor with no lift. The Commission has alternative arrangements for people with disabilities to access its services in Broome.

- 3. People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.*

People with disabilities may access information produced by the Commission in a variety of formats, that include verbal, written and online information. Information in other formats, is available on request.

- 4. People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.*

All staff are encouraged to actively participate in the implementation of its Disability Access Inclusion Plan and to access the Disability Commission's Resources to enhance their service delivery to people with disabilities.

- 5. People with disabilities receive the same opportunities as other people to make complaints to a public authority.*

Whilst the Commission has, similarly to previous years, received no complaints in 2011/2012, it has continued to invite comment on its service delivery using a flexible approach to suit individual requirements. This includes meeting and liaising with people in accordance with their preferences.

- 6. People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.*

The majority of people with disabilities that access the Commission's services are Aboriginal people that may also have literacy difficulties and a limited understanding of English. The Commission places emphasis on adapting consultation processes to suit these people.

Compliance with Public Sector Standards and Ethical Codes

(*Public Sector Management Act 1994, s31 (1)*)

Kimberley Development Commission Report to the Office of the Public Sector Commissioner pursuant to s31 of the *Public Sector Management Act 1994*.

2011/2012

Compliance Issues	Significant action taken to prevent non-compliance
Public Sector Standards Nil breach claims.	In 2011/2012 the Commission has reviewed and/or updated its Governance and Human Resource Policies, Board and Staff Code of Conduct and developed new policies or documentation where appropriate. Relevant documents have been promulgated to the Board and/or Staff.
WA Public Sector Code of Ethics Nil reports of non compliance.	The Commission has promulgated the WA Public Sector Code of Ethics to all its Board members and staff. The Code of Ethics is also included in new Board Member and Staff Induction Packages.
Kimberley Development Commission Code of Conduct Nil reports of non compliance.	The Commission reviews its Board and Staff Code of Conduct on an annual basis and updates them as appropriate in accordance with the <i>WA Code of Ethics</i> and the Public Sector Commission's <i>Good Governance Guide</i> .



Jeff Gooding, PSM, JP
Chief Executive

Date: 7 September 2012

Reporting on Recordkeeping Plans

(State Records Act 2000, S61 & State Records Commission Standards, S2, Principle 6)

In accordance with the State Records Commission, Standard 2, Principle 6 - Compliance, the Commission reports the following:

- 1. The efficiency and effectiveness of the organisation's recordkeeping systems are evaluated not less than once every five years.*

The Commission conducted a staff survey to review the efficiency and effectiveness of its recordkeeping system prior to preparing its second Recordkeeping Plan in 2008. In 2011/2012 the Commission's records management storage system in the Kununurra office was reviewed and will be replaced with a compactus and improved file identification system. A full evaluation will be conducted prior to the development of a new Recordkeeping Plan in 2012/2013.

- 2. The organisation conducts a recordkeeping training program.*

A formalised Recordkeeping Training program exists and supports ongoing informal staff development about recordkeeping across the Commission's three offices.

- 3. The efficiency and effectiveness of the recordkeeping training program is reviewed from time to time.*

The small size of the Commission facilitates ongoing informal feedback and refinement on the efficiency and effectiveness of the Commission's record keeping systems and its training program in accordance with the Recordkeeping Plan 2008. In 2011/2012 practical knowledge gained by staff has enhanced the Commissions records management. A full evaluation of the training program will be undertaken prior to the development of a new Recordkeeping Plan in 2012/2013.

- 4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisations recordkeeping plan.*

An introduction to the Commission's Records Management is included in the induction of new staff.

Government Policy Requirements

Substantive Equality

(*Public Sector Commissioner's Circular 2009-23: Implementation of the Policy Framework for Substantive Equality*)

The Commission has no obligation to implement or report against the Policy Framework for Substantive Equality. However, the Commission's substantial commitment to achieving substantive equality in the Kimberley is evidenced elsewhere in this report.

Occupational Safety and Health

(*Public Sector Commissioner's Circular 2009-11: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector*)

Statement of the Commission's commitment to occupational safety and health and injury management with an emphasis on Executive commitment. – the Commission's Board and Senior Staff remain committed to ensuring a high standard of occupational safety and health and injury management. Evidence of this commitment is provided in the refurbishment of the office with ergonomically enhanced furniture, planned in 2011/2012 and to be implemented in 2012/2013.

Description of the formal mechanism for consultation with employees on occupational safety and health matters. - Given the small size of the organisation (14 FTE), the mechanism of consultation with employees is for the Commission's Senior Staff to liaise directly with one another.

Statement of compliance with the injury management requirements of the Workers' Compensation and Injury Management Act 1981. - In 2011/2012 the Commission complied with the injury management requirements of the Act and reviewed and updated its Workers Compensation & Injury Management Policy and Procedure. A Return To Work Plan proforma is included with the procedure.

Statement confirming that an assessment of the occupational safety and health management system has been completed (within previous five years). A self evaluation of the Commission's Occupational Safety and Health management system was completed in 2011. Fifty percent of the agreed actions identified during 2011/2012 were completed as at 30 June 2012.

Report of Annual performance for 2011/2012

Indicator	Target 2011/2012	Actual 2011/2012
Number of fatalities	Zero (0)	Zero (0)
Lost time injury/diseases (LTI/D) incidence rate	Zero (0)	Zero (0)
Lost time injury severity rate	Zero (0)	Zero (0)
Percentage of injured workers returned to work within 28 weeks.	Greater than or equal to 80% return to work within 26 weeks	Zero (0) injured workers
Percentage of managers trained in occupational safety, health and injury management responsibilities	Greater than or equal to 80%	50% (due limited availability of Manager training in the Kimberley).