



GASCOYNE DEVELOPMENT COMMISSION ANNUAL REPORT 2013-2014

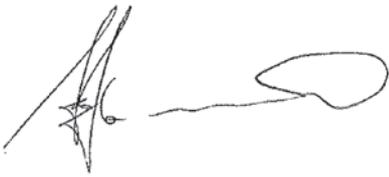


Statement of Compliance

Honourable Terry Redman MLA
Minister for Regional Development; Lands;
Minister Assisting the Minister for State Development

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Gascoyne Development Commission for the financial year ended 30 June 2014.

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



Anthony Beard
Chairman
12 September 2014



Stephen Webster
Chief Executive Officer
12 September 2014

Contact Details

Postal
PO Box 781
Carnarvon WA 6701

Street
15 Stuart Street
Carnarvon WA 6701

Electronic
Internet: www.gdc.wa.gov.au
Email: info@gdc.wa.gov.au
Telephone: 61 8 9941 7000
Facsimile: 61 8 9941 2576

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Overview

Chairman's Report

2013–14 has been a significant strategic planning year for the Gascoyne Development Commission. There has been a key focus for the Commission on the development of the Gascoyne Regional Investment Blueprint. The Blueprint is a strategy that outlines regional growth and development aspirations, priority implementation actions and investment opportunities and provides a framework for an integrated and comprehensive approach to regional planning and investment. The Blueprint will establish priorities for the development and growth of the Gascoyne, providing not only the public sector, but also private investors and businesses with the strategic direction of the region. The Blueprint and Implementation Plans continue to be refined and will be released for public comment later in 2014.

The Commission has also focused on developing strategic planning documents for the tourism industry, for Aboriginal cultural and recreational needs and for the Gascoyne energy sector. All three projects have included widespread consultation throughout the Gascoyne to ensure they reflect the needs, aspirations and opportunities for the people in the region. Stakeholder support has been critical to the development of these Strategies and will assist greatly during the implementation phases in the future.

The Gascoyne is starting to see the benefits of the \$150 million Royalties for Regions investment through the Gascoyne Revitalisation Plan. Projects completed this year include the Carnarvon Fascine Revitalisation Stage 5, the Carnarvon Library and Art Gallery, the Carnarvon One Mile Jetty Interpretive Centre, the Exmouth CBD development and foreshore revitalisation, HMAS Sydney Memorial Wall in Denham and the Gascoyne Junction Town Centre Rebuilding and Revitalisation. Construction continues on the Carnarvon Police and Justice Complex in Carnarvon and construction works are set to commence on the Carnarvon Health Campus redevelopment and the Exmouth Multipurpose Service in the coming months.

The Gascoyne region has for many years had a significant lack of services to cater for our aging population. The Commission has been working with stakeholders to develop business cases and secure funding for the development of additional independent living units and a suitable high end, dedicated aged care facility in Carnarvon to cater for the needs of the region. The Commission, along with all WA Regional Development Commissions, has contributed financially to engage Verso Consulting to identify aged care models for regional Western Australia that best enable residents to age in their community (State Wide Ageing in the Bush Project). It is anticipated the study will provide strategies to address the major whole of State issues and impediments to ageing in the bush.

The Commission Board continues to review the Commission's strategic direction for the future. Education and economic growth opportunities in agriculture, horticulture, mining and associated service industries, tourism and regional centre development are high on the agenda for the Gascoyne Development Commission. The Commission is also taking the opportunity to work closely with the Department of Transport with the current review of airline services in the Gascoyne.

I thank all Board members for the time and dedication they have contributed this year. In particular I thank the Commission staff for their professionalism and invaluable assistance to myself and the Board, and to the four local government authorities, agencies and communities in the region for their support and willingness to partner with the Commission to better the region.



Tony Beard
Chairman
Gascoyne Development Commission

Economic and Social Profile

Introduction

The Gascoyne region is located in the North West of Western Australia and is rich in resource and investment potential. The Gascoyne includes more than 600 km of Indian Ocean coastline and stretches over 500 km inland through to the dramatic desert country around Mt Augustus. The region is renowned for a mid subtropical climate and enjoys a reputation as the 'sun's winter home' with around 320 days of sunshine each year.

The vast coastal area incorporates internationally recognised features such as the Ningaloo Coast World Heritage Area, Cape Range National Park, Shark Bay World Heritage Area, Monkey Mia, and Coral Bay. The hinterland includes the outstanding Kennedy Range and Mt Augustus National Parks. The Region boasts a diverse, balanced economy which is supported by a strong network of retail, administrative and trade services. The major industries are tourism, mining, horticulture, retail, fishing, and pastoralism. There are many positives, particularly its strong tourism appeal, sound environmental management, relatively good water resources, broad economic base and weather.

The Commission has developed the *Gascoyne Regional Investment Blueprint* which establishes the evidence and framework for achieving an aspirational regional vision by 2050. It includes consideration of global and national mega trends that will influence the Gascoyne's development; the unique characteristics of the Gascoyne population, economy and industry; competitiveness and comparative advantages of the region; and the regional imperatives that will drive growth.

The Gascoyne possesses a number of competitive advantages including a growing population; strategic horticulture, livestock and aquaculture production capacity within an ideal sub-tropical environment; concentration of diverse tourist activities and amenities with increasing exposure to international markets; increasingly diversified economy; coastal orientation; and proximity to major energy and mineral resources projects with opportunities to tap into project supply chains.

Population

Long-term population decline across the entire region has been reversed in recent years, with positive net migration into Exmouth and strong local fertility rates and household formation supporting strong growth since 2007. Carnarvon has the highest town population and is regarded as the main centre in the region.

The Gascoyne's population is projected to increase to over 11,500 by 2026. However, an acceleration of this growth is required in order for the region to achieve a critical mass necessary to support and sustain the delivery of higher order services and facilities. An aspirational population target of 20,000 residents by 2026 and 40,000 by 2051 has been identified by the Gascoyne Development Commission, in partnership with Gascoyne local governments. Such a level is regarded as aspirational but achievable and important for the future sustainability of the regional economy.

The Australian Bureau of Statistics (ABS) 2011 Census population statistics for the Gascoyne Region have been mostly positive with a rise in population from the 2006 Census Usual Resident Population (URP) of 8,674 up to 9,288 in 2011. Each local government area recorded the following URP statistics in the 2011 Census:

- Carnarvon's URP in 2006 was 5,682, which has risen to 5,787;
- Exmouth's URP in 2006 was 1,844, which has risen to 2,393;
- Shark Bay's URP in 2006 was 863, which had a slight decrease to 857; and
- Upper Gascoyne's URP in 2006 was 285, which has fallen to 251.

The Usual Resident Population figures released by the ABS do not include transient workers, other long term visitors to the region, or those people who did not complete a Census form or submitted it after the due date. These are included in the Estimated Resident Population (ERP) figures which are released every six months.

The Enumeration population on Census day for the Gascoyne region, which includes overseas workers and tourists and all other visitors from within Australia was 16,040 people. This demonstrates the almost doubling of the region's population during the tourist season, with an additional 6,752 people recorded in the region above the Usual Resident Population on Census day.

Although there has been population growth over the past seven years the decrease in population over previous years was possibly reflective on a number of economic factors. These factors include a contraction in the pastoral industry, efficiencies and changes in operations in the fishing industry and the impact of social factors such as education and aged care as well as reduced Government services to the region with regional offices closing in Carnarvon.

The latest Estimated Resident Population figures for 2013 were released in April 2014 by the Australian Bureau of Statistics. The figures are a summary of regional population growth throughout Western Australia including the Gascoyne region. The figures show positive population growth throughout each Gascoyne local government area. Table 1 shows the population growth figures from 2006 to 2013.

The Gascoyne's overall population rose from 9,785 in 2012 to 9,899 in 2013 which is an annual growth rate of 1.2 per cent. The majority of the population's residents are concentrated in the regional administrative centre of Carnarvon with 6,139 people. Tourism, salt mining, horticulture and fishing industries (including prawns and scallops) form the basis of Carnarvon's economy.

The Shire of Exmouth has an estimated resident population of 2,570. This number can swell to over 7,000 during the tourist season from May to September. Tourism based around the Ningaloo Reef is the main industry of the Shire. However, support services for the growing off-shore oil and gas sector involves many local businesses. The mining industry has been establishing fly-in fly-out options for workers in tourist accommodation which will need to be monitored for its impact on the tourism sector.

There is a resident population of 928 in the Shire of Shark Bay which is mostly based in the town of Denham. Tourism, focused on the Shark Bay World Heritage Area and the Monkey Mia dolphin experience, is the main industry. Projects are underway or have been completed through the Royalties for Regions Gascoyne Revitalisation Plan that are expected to deliver enhanced economic development and improved visual amenity to promote and attract additional tourism into the area, increasing employment and investment opportunities.

The Shire of Upper Gascoyne has an estimated resident population of 262 people. Gascoyne Junction is the administrative centre of the Shire with many Aboriginal residents at Burringurrah Aboriginal Community near Mt Augustus. Pastoral operations are the mainstay of the inland Gascoyne although a prolonged drought resulted in many pastoral operations destocking during 2010. This was followed by the devastating record floods in December 2010 and January 2011 which resulted in losses of up to 90 per cent of stock on some properties, a bush fire in December 2011 to the end of January 2012 which burnt over 900,000 hectares and also the ban on live exports which had a severe financial impact. The recently completed Tourism Precinct at Gascoyne Junction has provided new and improved facilities to attract visitors and assist with the growth of tourism.

The 2011 Census showed the Gascoyne has a number of significant minority populations with Aboriginal residents making up around 14.7 per cent and Vietnamese residents working predominantly in the horticulture sector a further 3.3 per cent. Carnarvon's large Aboriginal population is 21.4 per cent, whilst its European born population is 9.4 per cent.

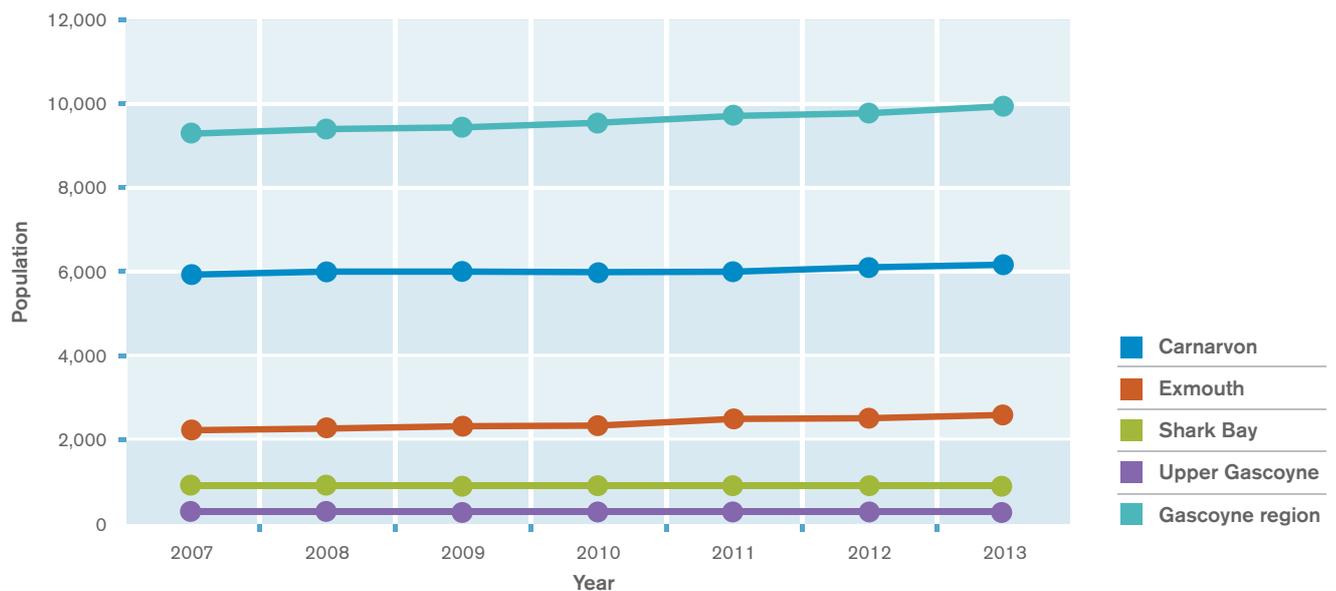


Table 1: Estimated Resident Population 2007 – 2013 - Gascoyne Regional Summary. Source ABS.

Regional Economic Activity

The Gascoyne is well known for its unique marine and terrestrial natural attractions that have seen tourism become the leading industry by value. Tourism WA has estimated average annual visitor numbers to the region to be 217,800 for the year ending 2013. Of these, 174,700 visitors were domestic and 43,100 were international. Investment opportunities continue to exist in the tourism sector throughout the region. Tourism WA statistics show tourist expenditure in the Gascoyne region was valued at \$208 million in 2013.

The main commodity mined in the Gascoyne is salt, bound for chemical industries in Asia. Significant growth is anticipated in this industry with Rio Tinto Dampier Salt currently expanding its Lake MacLeod operations. Salt is also mined at Useless Loop by the Mitsui Group company Shark Bay Salt, which produces around 1.3 million tonnes of salt per year. Department of Mines and Petroleum statistics show that the value of mineral production in the Gascoyne was \$123.8 million for 2011/12 and is currently \$113 million for 2012/13.

Retail turnover was estimated at \$96 million for the 2010/11 financial year. This has had a 7.6 per cent annual increase to \$104 million for the 2011/12 financial year. A range of national retailers are found in the towns of Carnarvon and Exmouth, both of which are supported by a strong Chamber of Commerce. The effect of the 2010/11 flood event and a complete rebuild of the main street commencing in February

2012 and mostly completed by December 2013, had an impact on businesses within Carnarvon. Funding has been allocated from Royalties for Regions to further enhance the main street and Fascine areas which should benefit local businesses.

Horticulture, based along the Gascoyne River in Carnarvon, is a strong contributor to the economy of the Region. In 2012 the Department of Agriculture and Food WA (DAFWA) estimated the Carnarvon horticulture industry alone to be valued at \$100 million. This sector was devastated by the floods in 2010/11 and a rare locust plague that followed impacted on 2011 production volumes. Despite flooding and locust plagues, gross value of production did not differ dramatically from 2010 to 2011. DAFWA estimated Carnarvon's horticulture industry to have produced \$75 million in 2013. Gross value has decreased from \$104 million in 2012 due to reduced water allocations, poor market prices and additional competition from domestic and international markets.

Commercial fishing is a very significant industry in the Gascoyne, with three of the State's more valuable fisheries operating in the region. These are the Shark Bay Prawn, Exmouth Gulf Prawn and Shark Bay Scallop fisheries. Fisheries WA state that the combined catch of prawns, scallops, crabs and fish was \$46.9 million in 2010/11 which reduced to \$38.4 million for 2011/12.

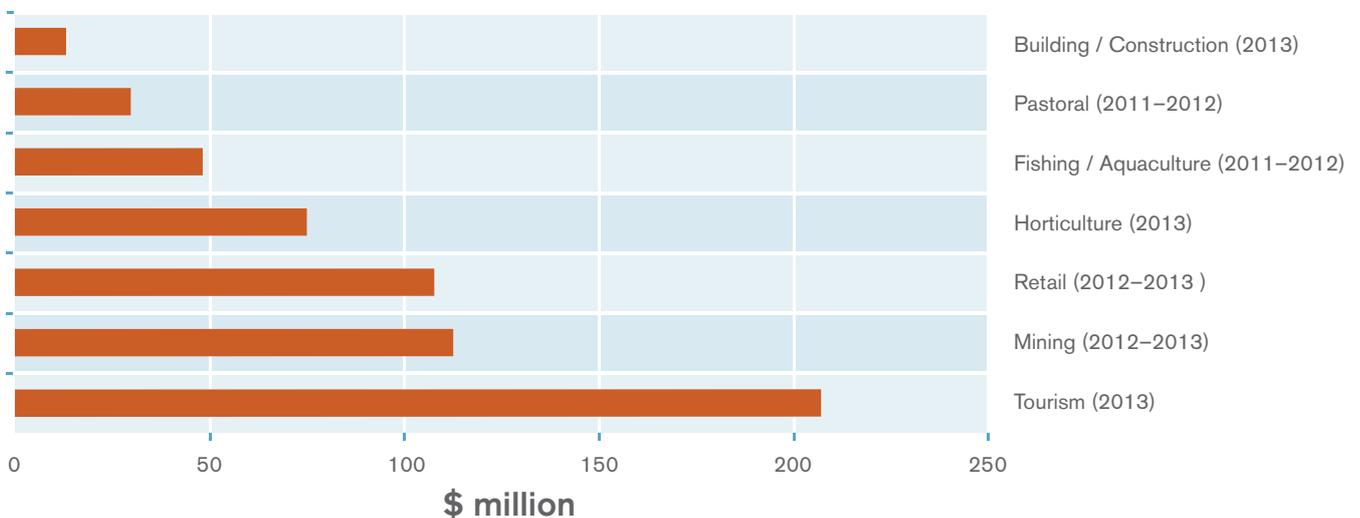


Table 2: Values of Major Gascoyne Industries. Sources: ABS, Dept of Fisheries WA, Dept Agriculture and Food WA, Tourism WA and Dept of Regional Development.

The region also hosts a small pearling industry. Aquaculture ventures in prawns, tropical rock lobster, squid and live coral are in development stages. In 2010/11 the aquaculture value was \$10 million. This remained relatively steady at \$9.4 million in 2011/12.

The pastoral sector was devastated by the 2010/11 floods and a massive bush fire in December 2011 to the end of January 2012 which burnt over 900,000 hectares. The ban on live exports also had a severe financial impact in 2012/13. DAFWA statistics state the disposal of sheep and cattle for meat was \$23.5 million and wool production was \$3.4 million for the financial year ending 30 June 2011. This has increased to \$25 million for disposal of sheep and cattle for meat and \$5 million for wool production up to the financial year ending 30 June 2012.

Social

Communities of the Gascoyne are characterised by their geographic isolation with all considered either remote or very remote on the Accessibility Remoteness Index of Australia. Although isolated, Gascoyne communities have access to a range of goods, services, education, medical and recreational facilities. The coastal location and temperate weather conditions provide the basis for a recreational lifestyle focused around the ocean and outback experiences. There is a strong sporting culture with over 140 different sporting clubs and recreational facilities in the Gascoyne.

Commission funding from Royalties for Regions contributed to numerous projects that have enhanced the region's appeal. Gascoyne Revitalisation Fund projects have continued to progress across the region.

In Carnarvon the One Mile Jetty Interpretation Centre is now complete and the Fascine wall area has been rebuilt and enhanced. The new Police and Justice Complex has begun construction at a cost of over \$50 million and is expected to be completed in early 2015. The December 2010 flood event had a massive impact on Carnarvon and to reduce the impact of future flood events, five levees have recently been constructed or extended at a cost of \$60 million funded jointly by the State (\$45 million) and Federal (\$15 million) Governments. This has created a total of 16.85 kilometres of levee at heights varying between 1 to 5 metres and will allow an expansion of land available for horticulture.

In Exmouth, the CBD and Foreshore enhancement development has recently been completed and further plans to enhance the CBD are being developed. The plans for a Ningaloo Centre in Exmouth have been completed. The Centre will include educational and tourism related facilities as well as aspects for the local community. The project has been allocated \$7 million of Federal Government funding and negotiations are underway to secure a further \$22 million Royalties for Regions Gascoyne Revitalisation Funds to begin construction.

Denham's Foreshore and Main Street Revitalisation Plan is currently being developed and has notional funds allocated through the Royalties for Regions Gascoyne Revitalisation Fund. Funding for this project includes replacing the existing jetty on the foreshore. Projects recently completed through the Fund include replacement of the bore at Monkey Mia and completion of a HMAS Sydney Memorial in front of the Discovery Centre.

At Gascoyne Junction Phases 1 and 2 of the Town's Tourism Precinct revitalisation project have been completed with the official opening held in June 2014. The new Tourism Precinct includes a new roadhouse, tavern, restaurant, swimming pool, playground and caravan park with chalets and ablution block.

With Royalties for Regions contributing to a range of other major projects across the region, the local community and visitors can enjoy improved local infrastructure and services that will enhance their experience of the Gascoyne.

Operational Structure

Minister Responsible

The Hon. Terry Redman MLA, Minister for Regional Development; Lands; Minister Assisting the Minister for State Development

Enabling Legislation

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

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

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

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

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

Gascoyne Development Commission Board

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

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

- One third will be nominated by local councils in the region.
- One third may be appointed at the Minister's discretion.
- One third is to be persons who are resident in the region and nominated by the community.

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

Board Profiles

Members 2013–2014

Chairman: Mr Anthony Beard
Deputy Chairman: Mr Tom Day

Mr Paul Kelly, Mr John Oxenham, Mr James Caunt, Cr Cheryl Cowell, Cr Colin Shales, Mr Stephen Webster (Ex-officio)

Mr Anthony (Tony) Beard (Chairman, Community Appointment, Carnarvon)

Tony Beard is the immediate past President of the Chamber of Commerce and Industry in Carnarvon, owner of the Port Hotel Carnarvon since 2004 and Manager of the Fish and Whistle Backpackers. Tony is also a member of the Carnarvon Yacht Club, Carnarvon Bowling Club and Carnarvon Turf Club.

**Mr Tom Day
(Deputy Chairman, Ministerial Appointment,
Carnarvon)**

Tom Day has served as a leader at regional, state and national levels. Tom is a representative on the Australian Banana Grower's Council and is a founding member of the Sweeter Banana Cooperative. Tom served six years as Carnarvon Shire President and sat on the Council for a total of 16 years. He has a long history of involvement with community and sporting groups in Carnarvon.

**Mr Paul Kelly
(Community Appointment, Carnarvon)**

Paul Kelly was appointed to the Board for a two year term in July 2012. Paul is the Commercial and Agri Business Manager for the ANZ Bank and has 10 years experience driving major events and tourism related strategies for leading Gascoyne nonprofit organizations including the Carnarvon Chamber of Commerce and Industry and Gascoyne Off Road Racing Club Inc.

**Mr John Oxenham
(Ministerial Appointment, Carnarvon)**

John Oxenham has significant experience with each of the region's major industries. He began his career fishing and salt mining in his home region of Shark Bay. John later moved to Carnarvon and continued salt mining then took on a partnership in a plantation for the last 24 years of his career. He has long been involved in community work and currently serves on the Boards of a number of organisations, including the Gascoyne Aboriginal Heritage and Culture Centre.

**Mr James Caunt
(Community Appointment, Upper Gascoyne)**

James Caunt is a pastoralist with 13 years experience as the owner of Mooloo Station in the Upper Gascoyne. He also has approximately 15 years experience running a plantation in Carnarvon and is currently a Councillor with the Shire of Upper Gascoyne. James brings a spread of knowledge to the Commission Board, particularly in the area of the important pastoral industry.

**Cr Cheryl Cowell
(Local Government Appointment, Shark Bay)**

Cheryl Cowell has been on the Shire of Shark Bay Council for seven years and Shire President for five years. She has lived in Denham since 1995, and is employed full-time with the State Government holding the Commonwealth funded World Heritage Project Officer position. Cheryl is an active community member involved in many committees and organisations in Shark Bay and throughout the Gascoyne region. Cheryl is a volunteer ambulance officer and secretary of St John Ambulance in Shark Bay as well as secretary and an active member of the pistol club.

**Cr Colin (Turk) Shales
(Ministerial Appointment, Exmouth)**

Turk Shales is a long term business owner with over 28 years experience and currently running the Exmouth Post Office. Turk is also a Councillor and President of the Shire of Exmouth and has a keen interest in local sport and recreational activities with representation on several committees in Exmouth.

**Position Vacant, April 2014 – June 2014
(Local Government Appointment)**

**Position Vacant, March 2014 – June 2014
(Local Government Appointment)**

Mr Stephen Webster (Ex-Officio)

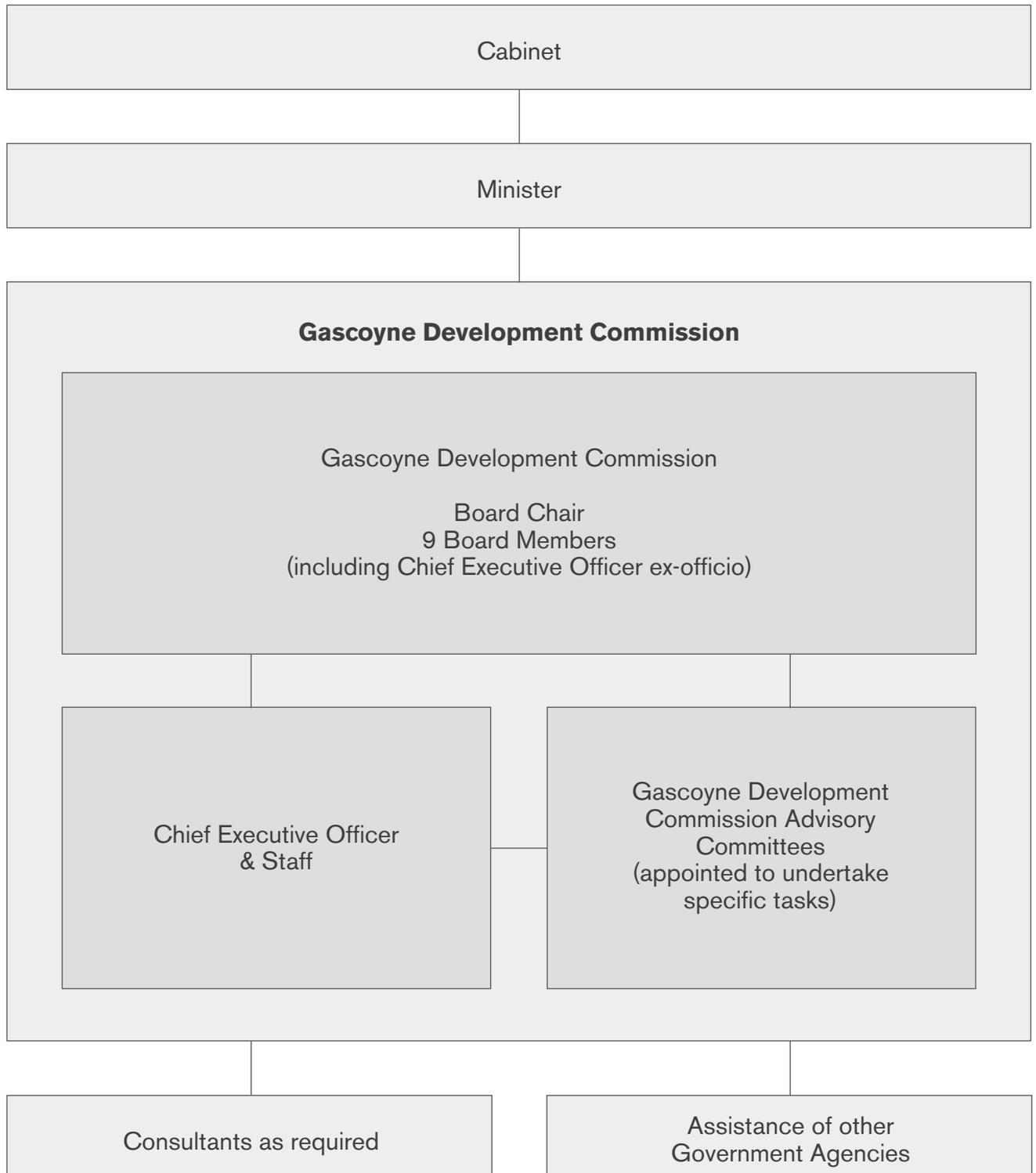
Stephen Webster lives in Carnarvon and has been the Chief Executive Officer of the Commission since October 2012. Stephen has extensive experience in regional Western Australia, particularly in the areas of tertiary education and training including involvement in the delivery of Aboriginal traineeship programs for the mining industry. As Chief Executive Officer, Stephen is committed to his role of leading the Commission in coordinating, promoting and advocating for the sustainable economic and social development of the Gascoyne.

Board movements during the year:

Cr Michael Hood
Resigned

Cr John Hanscombe
Resigned

Organisational Flow Chart



Staff

Staff positions at 30 June 2014:

Stephen Webster

Chief Executive Officer

Vacant

Regional Manager

Linda Gray

Manager Corporate Services

Paul Hannah

Senior Project Officer

Toni Hibbert

Project Officer

Karen Thompson

Senior Project Officer

Jill Dwyer

Project Officer

Paul Niesler

Project Officer

Anika Sweetland

Graduate Research Officer

Kylie Pears

Executive Assistant

Carleen Ryder

Finance and Administration Officer

Staff Movements from the Commission During the Year

Lorraine Fitzpatrick

Seconded

Tami Maitre

Seconded

Kim Pervan

Contract Complete

Tyler Price

Contract Complete

Jennifer Joi Field

Position Transferred

Outcome Based Management

Operational Purpose

This annual report is presented in terms of the Commission's targeted service of Regional Development. Resources and project effort are directed to the Government's goal of a stronger focus on the regions.

Government Goal

A Stronger Focus on the regions:
Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

Desired Outcome

An environment conducive to the balanced economic and social development of the Gascoyne region.

Gascoyne Development Commission Service

Regional Development

Our Vision

The Gascoyne will be recognised as providing a great lifestyle and visitor experience through its diversity, employment and investment opportunities, unique natural environment and climate.

Our Mission

To achieve sustainable economic and social development of the Gascoyne region – A better place to live.

Our Values and Principles

The Gascoyne Development Commission is committed to:

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

Priority Areas

- Population retention and growth
- Infrastructure improvement
- Improvement in services to the Gascoyne community
- The development and support of business
- Promotion of the region
- Expansion of economic opportunities for Aboriginal people and the strengthening of Aboriginal culture

Strategic Plan 2010–2020

The Gascoyne Development Commission Strategic Plan was released in April 2010 and is available on the Gascoyne Development Commission website.

Our Projects

The Commission's programs and activities are based against the objects and functions according to the *Regional Development Commissions Act 1993*. Accordingly programs and activities are reported at 2.1 under the following categories:

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

Agency Performance

REPORT ON ACTIVITIES

The activities of the Gascoyne Development Commission are focused on achieving a regional environment conducive to the balanced economic and social development of the Gascoyne region.

The Commission regularly reviews its corporate strategy and planned activities in order to assess outcomes against the Commission's objectives and functions.

Projects undertaken during the financial year are described on the following pages.

These projects emanate from the Gascoyne and contribute to the State Government's strategic framework.

Maximise regional job creation and improve career opportunities in the region

This program area is based on recognition that promoting job creation and improving career opportunities will have economic and social benefits for the Gascoyne region.

Gascoyne Aboriginal Heritage and Cultural Centre

The Commission has provided a manager and administrative support to the Gascoyne Aboriginal Heritage and Cultural Centre (Gwoonwardu Mia) in Carnarvon. This provides long term mentoring and capacity building for the Centre's staff members but as part of the evolution of the management and development of the Centre by the Gascoyne Aboriginal Heritage and Cultural Centre Board, the responsibility for the management of the Centre will be transferred to the Board.

Outcomes

- The development of artists continues to be a strong outcome of the Centre.
- The Centre has trainee positions funded through the National Jobs Package Program.
- The galleries, café and retail outlet provide a platform for local Aboriginal people to develop or showcase their creative, retail and hospitality skills. The community supports the Centre through use of the modern conferencing facilities. Tourists are drawn to the permanent exhibition and retail outlet.

Capacity Building

In 2013/14 the Gascoyne Development Commission has focused on capacity building training for its staff members. Opportunities to extend training activities to other organisations are always considered.

Outcomes

- A number of training opportunities were identified and attended by staff during the financial year. These included:
 - Emotional Intelligence Training.
 - Assertive Communication for Women.
 - Bullying and Harassment.
 - MS Publisher & Excel.
 - Cultural Awareness Training.
 - Finance for Non-Finance Managers.
 - Occupational Safety and Health Representative Training.
 - Building and Leading High Performance Teams Training.
- The Commission partnered with the Shire of Shark Bay and the Denham Community Resource Centre to present a workshop on grant funding. Well attended, the 20 participants rely heavily on grants for program or service delivery or for community development initiatives.

Education and Training Provision

The Gascoyne Development Commission is playing a lead role with the Department of Training and Workforce Development in the development of the Gascoyne Workforce Development Plan. It's overall purpose is to identify the current and future workforce development and skills needs of the region and develop strategies to ensure that these needs can be addressed. The Plan will align with and draw from the strategic goals of Skilling WA and the aspirations of the Gascoyne Regional Investment Blueprint.

Share Our Dream

The long held vision of a local Aboriginal elder, the Commission has worked with him to develop his concept, such that it can be promoted and potentially developed into a business case. The concept is to create an independent, Aboriginal, station-based enterprise that will deliver training, jobs, personal and community capacity; and economic benefits to the region through supply chain integration from farm to market, based on animal husbandry of goats or cattle.

Outcomes

- Share Our Dream has been presented to key stakeholders with a view to assessing support and attracting funding.

Develop and broaden the economic base of the region

This program area seeks to broaden and diversify the economic base of the region, based on regional imperatives including food production, tourism, mining and energy, and population services.

Gascoyne Regional Investment Blueprint

In November 2010 a review of the functions and responsibilities of the Regional Development Commissions was submitted to the State Government, containing recommendations designed to enhance the effectiveness and efficiency of the Commissions and improve government service delivery for regional development.

A key recommendation accepted by the Government was the implementation of a Regional Investment Blueprint program. The purpose of the Regional Blueprints is to set the future development direction for each region and to serve as a link between planning and investment.

Outcomes

- The Gascoyne Development Commission has completed the process to draft the Blueprint, based on extensive research and broad consultation across Government and other key stakeholders.
- The Blueprint outlines the region's strategic priorities and transformational projects, and will become the region's blueprint for enabling economic and social development. It has been presented to the Minister for Regional Development for review. The next phase will include release of the Blueprint for public comment and development of an implementation plan.

Food Industry

Horticulture, pastoralism and wild capture seafood are undertaken in the Gascoyne, with horticulture, as the third largest employer, centred in Carnarvon. There is considerable interest and preliminary planning to capitalize on national food demand, which could be transformational for the local economy.

The Gascoyne Foodbowl initiative will see 400 hectares of additional land available for horticulture in 2016, and potentially a further 800 hectares released at a later date.

The Commission has undertaken preliminary research into the potential for development of an aquaculture industry, either land-based or utilising the pristine waters of the Coral Coast.

The implementation of the Water for Food program in the Gascoyne, being lead by the Department of Water, would underpin the development of additional land for horticulture and be an enabler for the diversification of the pastoral industry, potentially through feed lots.

Enormous potential for growth exists, given the global demand for quality food and the strategic position of the Gascoyne to Asian markets.

Outcome

- Development of land for horticulture expansion.
- Identification of water resources.
- Investigation of opportunities for agriculture and pastoral industry expansion.

Tourism in the Gascoyne

The tourism sector is the largest revenue earner in the Gascoyne region and the Commission plays an important leadership and co-ordination role as the industry endeavours to move into the early development phase.

The Gascoyne is recognised nationally and internationally as having enormous tourism potential and is receiving some attention through a number of avenues in which the Commission is involved.

The Ningaloo Shark Bay National Landscapes Experience Development Strategy is lead by the Federal government; the Commission provided some funding, is active on the steering committee and vigorously promotes industry buy-in.

The Commission has led a study to develop a Gascoyne Tourism Strategy, and will be investigating avenues to implement the recommendations.

The Commission has partnered with the Shire of Carnarvon to support the formation of the Carnarvon Tourism Alliance and employment of a Tourism Development Officer.

As the largest revenue earner in the Gascoyne region, tourism development is recognised as transformational in the Gascoyne Regional Investment Blueprint.

Outcomes

- Promotion of world-class experiences to global experience seeker, pending further development and more operator and industry leadership.
- Development of Gascoyne Tourism Strategy to guide industry development; and marketing attractions into a broad Gascoyne tourist offering.
- Economic diversity and resilience.

Identify infrastructure services to promote business development

Infrastructure is an enabler of regional growth. It involves construction, upgrading and maintenance of transport routes, facilities, communications, power and water services. The Commission is mindful that distance and isolation does not give cause to unsatisfactory supply and service levels.

Mobile Phone Coverage and NBN Expansion

Communities in the Gascoyne are geographically isolated, considered remote or very remote on the Accessibility Remoteness Index. The Commission conducted a telecommunications needs assessment to identify the region's black spots across the Shires of Exmouth, Carnarvon, Shark Bay and Upper Gascoyne.

Outcomes

- Submission made by the Commission to the Federal Government's Mobile Coverage (Mobile Black Spots) project for increased coverage in the Gascoyne. The outcome of the request is pending.
- Submission made by the Commission to the State Government's Department of Commerce for increased mobile coverage in the Gascoyne.

Infrastructure Planning Studies

Energy and Aboriginal cultural and recreational needs are the subjects of two separate studies undertaken by the Commission.

The cultural needs study identifies the cultural and recreational needs of the Gascoyne Aboriginal people, with the recommendations used to inform planning and development, including facilities and associated services/events.

The Gascoyne energy strategy study enables stakeholders to better understand regional energy supply needs, current and future demand, and informs the co-ordination of land-use and infrastructure planning.

Outcomes

- Once completed both reports will be shared with local government authorities, State government, investors and planners.
- Better co-ordinated and prioritised infrastructure planning and investment.

Provide information and advice to promote business development

This program area is designed to ensure that the Gascoyne business community is not disadvantaged due to the isolation and distance from major population centres by way of providing business development opportunities.

GascoyneConnect

GascoyneConnect is a free online directory which has been developed by the Commission to promote building, construction and associated services in the Gascoyne and to increase their exposure to contract opportunities in the Gascoyne, Pilbara and Midwest regions. Project managers within and outside of the Gascoyne can access GascoyneConnect to search for local suppliers who can provide quotations on goods and services.

Business Development

The Commission hosts the Gascoyne offices and staff members of Small Business Development, Regional Development Australia, Gascoyne in May and Disability Services Commission. The Commission has an information sharing and liaison role with these bodies, and collaborates on initiatives such as training.

Likewise the Commission participates in reference and consultation groups including air service providers, oil and gas companies with operations in Exmouth and with Department of Defence.

Outcomes

- More than 50 Gascoyne businesses have registered online, enhancing their profile and capability and connecting tender opportunities.
- The Department of Defence is well informed of the opportunities and benefits of expanding their operations in northern Australia, into Exmouth. The Gascoyne region is well placed to be considered, at the time a decision is made to expand Defence presence in northern Australia.
- Partnered in the presentation of two training courses for tourism operators in the Gascoyne.

Seek to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area

The Commission is a link in the consultation process between State Government, local government, community and special interest groups. The Commission advocates for fair and accessible services that are of a standard equivalent to those of the metropolitan area. This program area is focussed on consultation, planning and liaison.

Carnarvon Land Group and Exmouth Land Group

The Commission participates in and/or facilitates the Carnarvon and Exmouth Land Groups (CLG, ELG), each of which is a collective of local stakeholders including Shire, Mainroads, Water, Power and LandCorp representatives, who meet to discuss land development matters within the towns. Opportunities for collaboration and constraints are recognised and pursued as appropriate.

Outcomes

- Joint consideration of site opportunities such as the old justice complex on the Carnarvon Fascine.
- Road realignment priorities associated with the Exmouth Boat Harbour.

Housing

The Gascoyne Regional Housing Report was completed in June 2013. The Commission, Department of Housing and LandCorp partnered on the project, undertaken by consulting firm Pracsys, to identify current and future areas of need in affordable, social, worker and government regional officer housing.

Outcome

- The report has been used to inform authorities of current and emerging demand and will guide the prioritisation and allocation of funding. It is envisaged the final report will provide essential data to develop a strategic approach to housing outcomes for the Gascoyne.

Ageing in Place and Aged Care

The Commission has taken a leadership and liaison role with the Shire of Carnarvon and Department of Housing to advance a funding request for the construction of up to 15 Independent Living Units (ILUs).

The Commission is working closely with key stakeholders, to address issues and maintain the momentum towards constructing the ILU's within a reasonable timeframe, and toward their concern for provision of suitable aged care services.

Outcomes

- A recommendation has been made for funding for the building of Independent Living Units, pending development of a sound business case.
- An allocation of \$250,000 was secured from the Royalties for Region program towards the feasibility and detailed design stage for Carnarvon Ageing In Place.

Generally take steps to encourage, promote, facilitate and monitor economic developments in the Gascoyne region

This program highlights the activities the Commission undertakes to encourage, promote, facilitate and monitor economic development in the Gascoyne region.

Regional Development Council Program

The Regional Development Council (RDCo) is the peak advisory body to the Western Australian Government on regional development issues. The Council comprises the nine Chairs of the Regional Development Commission Boards, two WA Local Government Area representatives, and the Director General of the Department of Regional Development.

The RDCo plays a decisive role in the implementation and allocation of Royalties for Regions funding across the State.

The Chair of the Gascoyne Development Commission attends RDCo meetings, provides advice, and promotes the Gascoyne region. The Chair is also a member of the Gascoyne Advisory Group which allocates funding to the region from the Gascoyne Revitalisation Fund.

Outcomes

- Gascoyne Regional Investment Blueprint acknowledged by RDCo.
-

Shark Bay, Exmouth, Upper Gascoyne and Carnarvon Liaison Program

The Commission's officers undertake liaison roles to assist local government authorities, small business and communities in the Gascoyne with economic, social, and cultural development. Commission officers continue to be a point of contact and undertake regular scheduled visits to the regional centres.

Outcomes

- Support is provided to the Shire of Shark Bay in preparation of Dirk Hartog 2016 celebrations, grant funding applications and capacity building.
- Commission support for the Upper Gascoyne has focused on developing business cases for a new Gascoyne River crossing at Gascoyne Junction and for a tourist resort development at Mt Augustus.
- The Commission has an office and staff member in Exmouth and provides support to the Shire of Exmouth primarily for tourism, funding applications, development of the Exmouth Boat Harbour and promoting expansion of Defence presence in Exmouth.
- Located in the Shire of Carnarvon, support is provided to Coral Bay primarily based on the development of the Baiyungu Track.
- The Commission's consultation requirements ensures inclusion of regional centres. As such consultations have occurred in Exmouth, Coral Bay, Burringurrah, Carnarvon and Denham for different studies, for example on energy, tourism and Aboriginal culture; and, for the development of the Gascoyne Regional Investment Blueprint.

Actual Performance Compared to Resource Agreement Targets

Government Goal

Ensuring that regional Western Australia is strong and vibrant.

Effectiveness Indicators

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

The Commission relies on strategic forward planning and specific projects to achieve economic and social development of the region. Projects vary widely to encompass developing policies, strategic plans and their implementation, encouraging business investment, identifying social and cultural infrastructure to improve business growth and quality of life, and regional promotion.

Key Effectiveness Indicators

The Commission is successful in addressing key performance indicators and makes a positive contribution to the economic and social development of the Gascoyne region.

Customer Survey

A Customer Survey of the Commission's database of contacts was undertaken in April 2014 to solicit responses relating to the achievement of the Commission's service.

Out of the 117 questionnaires sent, the Commission received 56 responses.

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

The effectiveness indicator below is the average of the results of the question asked above.

Key Performance Indicators	Target 2014	Actual 2014	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009	Variance
Key Effectiveness Indicator: An environment conducive to the balanced economic and social development of the Gascoyne region	90%	98%	86%	93%	96%	89%	92%	8%

The Commission's focus during 2013/14 was directed towards the completion of numerous output focused projects, and the development of relationships with regional and State partners in order to achieve long term strategic goals; as being identified and developed within the Gascoyne Regional Investment Blueprint.

Service: Regional Development

Key Efficiency Indicators

Cost per project hour

The following table records the total cost of services per project hour as an audited key efficiency indicator.

	Target 2014	Actual 2014	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009	Variance
Key Efficiency Indicator: Cost per project hour	\$93	\$108	\$118	\$152	\$159	\$157	\$144	\$15

The Commission's budget is directed to numerous output focused projects supporting the economic and social development of the Gascoyne region. External funding sources and networking partners are continually sought to enhance project scope and effectiveness. The attraction of additional funding (or the withdrawal of anticipated funding) can result in wide variations between expectations and actual results. Additional external funding will increase expenditure and result in a higher cost per project hour and vice versa. To help counter some distortion, the figures for this year and prior years have been adjusted to exclude grant expenditure, but will include strategic fund expenditure. The Commission continues to recognise that the total FTE of the Commission supports its role in the economic and social development of the Gascoyne region.

Ministerial Directives

No Ministerial directives were received during the financial year.

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Gascoyne Development Commission's performance, and fairly represent the performance of the Gascoyne Development Commission for the financial year ended 30 June 2014.



Anthony Beard
Chairman
12 September 2014



Stephen Webster
Chief Executive Officer
12 September 2014

Significant Issues

Regional development planning

The Gascoyne Regional Investment Blueprint has been completed in final draft form. The Blueprint provides a long term strategy that is based on harnessing the competitive advantages, and associated development opportunities, in the Gascoyne region.

Aligned to the State planning framework, the Blueprint implementation plan shall be finalised; and the implementation guided by the allocation of resources from the Royalties for Regions program.

Transformational growth will be directly linked to major investment in export-orientated food production, experiential eco-tourism, mining and energy supply chains, and population services. Subsequent social and economic development will contribute to regional and State growth and wellbeing.

Regional tourism development

The tourism sector is the largest revenue earner in the Gascoyne region, with an annual turnover of \$246 million, and estimated average annual visitation of 215, 000 (Tourism WA 2012). Of these, 64 percent of visitors are intrastate, 15 percent international and 20 percent interstate. Remote wilderness experiences and exceptional climate are the attributes that draw visitors. The Gascoyne's natural attractions are world class with the Shark Bay World Heritage Area, including Monkey Mia in the south; and, the Ningaloo World Heritage Area, including Ningaloo Reef and whale shark experience in the north. Inland are the ancient landforms of the Kennedy Range National Park and Mt Augustus, the world's largest monocline.

In acknowledgement of the potential of the industry, two major regional development studies are approaching completion. The Ningaloo Shark Bay National Landscapes Experience Development Strategy aims to promote distinctive, world-class visitor experiences to the global experience seeker market. The Gascoyne Tourism Strategy takes a regional approach to marketing the diverse regional attractions into a broad Gascoyne tourist offering. Fundamental to the implementation of recommendations of the studies will be regional co-ordination, funding support and strong leadership.

Maximising the success and growth of the industry will require continued improvements in the quality and mix of accommodation, investment in regional transport infrastructure and private investment in tourism developments. Air transport capacity remains a constraint on industry growth.

Infrastructure supporting tourism development has been constructed with part funding from the Royalties for Regions program including the One Mile Jetty Interpretive Centre in Carnarvon, Gwoonwardu Mia Aboriginal Heritage and Cultural Centre (GAHCC) in Carnarvon, the World War II and Vlamingh Head Interpretive Sites Development in Exmouth and the Gascoyne Junction Town Centre Rebuilding and Revitalisation.

Funding has been secured for feasibility studies or preliminary planning for the Ningaloo Centre in Exmouth, expansion of the Carnarvon Yacht Club berthing capacity, stage 1 of Baiyungu Track in Coral Bay, and Mt Augustus Tourist Resort in the Upper Gascoyne.

Funding is being sought for a museum at the Overseas Telecommunication facility and to repair the head of the iconic One Mile Jetty in Carnarvon.

The Commission has supported the Shire of Carnarvon in the development of the Carnarvon Tourism Strategy and Carnarvon Tourism Alliance, and employment of a part time Tourism Development Officer.

Significant capital and infrastructure works

Several major capital and infrastructure works, funded in part through the Royalties for Regions program are nearing completion, including Carnarvon flood mitigation works and the Carnarvon Police and Justice Complex.

Work has commenced on stage 5 of the Carnarvon Fascine development, and the Exmouth CBD revitalisation and foreshore development.

Completed works include stage 1 of the Carnarvon Community College and the Carnarvon Library and Art Gallery.

Economic growth, expansion and diversification of the economy are constrained by the quality of transport infrastructure, including the Carnarvon airport. The size of the region and distribution of population centres and assets requires a quality road network in order to promote private investment in tourism, mining and the primary production sectors.

Residential aged care and aging in place

Aged care is a significant issue in the Gascoyne region. Funding has been nominally allocated from the Royalties for Regions program to produce a broad plan to guide future development in Carnarvon.

In addition, independent living units for seniors and retirees in Gascoyne communities remains a priority and the Commission continues to work with the local governments to find ways to improve the quality and quantity of appropriate accommodation.

Like education, as facilities remain inadequate in the region, it detracts significantly from growth as families and clients move out of the region to seek an appropriate level of service.

Primary Industry

The region is very reliant on primary industry (both horticulture and pastoralism) and fishing. The Gascoyne Foodbowl initiative, funded by Royalties for Regions, should see 400 hectares of additional land available for horticulture in 2016, and potentially a further 800 hectares in future years. This expansion is absolutely central to the region's future, together with support for diversification of the pastoral industry, potentially through an abattoir facility, aquaculture and, with water, feed lots. Enormous potential for growth exists, given the global demand for quality food and the strategic position of the Gascoyne to Asian markets.

Gascoyne Development Commission Disclosures and Compliance

Certification of Financial Statements

The accompanying financial statements of the Gascoyne Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2014 and the financial position as at 30 June 2014.

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



Linda Gray
Chief Finance Officer
12 September 2014



Stephen Webster
Chief Executive Officer
12 September 2014



Anthony Beard
Chairman
12 September 2014

Gascoyne Development Commission Statement of Comprehensive Income for the year ended 30 June 2014

	Note	2014 \$	2013 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	7	1,614,264	1,536,096
Supplies and services	8	614,282	522,615
Depreciation	9	4,978	2,009
Accommodation expenses	10	141,281	145,225
Grants and subsidies	11	947,645	3,119,671
Other expenses	14	7,961	7,860
Total Cost of Services		<u>3,330,411</u>	<u>5,333,476</u>
Income			
Revenue			
User charges and fees	12	137,804	105,792
Other revenue	13	13,506	33,741
Total Revenue		<u>151,310</u>	<u>139,533</u>
Total income other than income from State Government		<u>151,310</u>	<u>139,533</u>
NET COST OF SERVICES		<u>3,179,101</u>	<u>5,193,943</u>
INCOME FROM STATE GOVERNMENT			
Service appropriation	15	246,000	1,655,850
Grants received from Government		489,000	-
Resources received free of charge	15	7,809	6,556
Royalties for Regions Fund	15	2,414,271	3,077,021
Total income from State Government		<u>3,157,080</u>	<u>4,739,427</u>
SURPLUS/(DEFICIT) FOR THE PERIOD	25	<u>(22,021)</u>	<u>(454,516)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(22,021)</u>	<u>(454,516)</u>

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

Gascoyne Development Commission

Statement of Financial Position

as at 30 June 2014

	Note	2014 \$	2013 \$
Assets			
Current Assets			
Cash and cash equivalents	26	301,318	180,880
Restricted cash and cash equivalents	16	761,216	973,322
Receivables	19	28,247	272,340
Amounts receivable for services	20	34,000	34,000
Total Current Assets		<u>1,124,781</u>	<u>1,460,542</u>
Non-Current Assets			
Plant and equipment	17	9,623	14,601
Total Non-Current Assets		<u>9,623</u>	<u>14,601</u>
Total Assets		<u>1,134,404</u>	<u>1,475,143</u>
Liabilities			
Current Liabilities			
Payables	21	662	210,882
Provisions	22	399,246	402,974
Other current liabilities	23	43,578	125,099
Total Current Liabilities		<u>443,486</u>	<u>738,955</u>
Non-Current Liabilities			
Provisions	22	20,210	43,459
Total Non-Current Liabilities		<u>20,210</u>	<u>43,459</u>
Total Liabilities		<u>463,696</u>	<u>782,414</u>
NET ASSETS		<u>670,708</u>	<u>692,729</u>
Equity			
Contributed equity	24	90,000	90,000
Accumulated surplus	25	580,708	602,729
TOTAL EQUITY		<u>670,708</u>	<u>692,729</u>

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

Gascoyne Development Commission

Statement of Changes in Equity

for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Balance of equity at start of year	24	692,729	1,147,245
CONTRIBUTED EQUITY			
Balance at start of year		90,000	90,000
Balance at end of year		<u>90,000</u>	<u>90,000</u>
ACCUMULATED SURPLUS			
Balance at start of year	25	602,729	1,057,245
Deficit for the year		<u>(22,021)</u>	<u>(454,516)</u>
Balance at end of year		<u>580,708</u>	<u>602,729</u>
Balance of equity at end of year		<u><u>670,708</u></u>	<u><u>692,729</u></u>

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

Gascoyne Development Commission

Statement of Cash Flows for the year ended 30 June 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation	15	246,000	1,655,850
Royalties for Regions Fund	15	2,414,271	3,077,021
Other government grants		489,000	-
Net cash provided by State Government		<u>3,149,271</u>	<u>4,732,871</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,641,241)	(1,374,007)
Supplies and services		(906,174)	(614,977)
Accommodation		(141,281)	(145,225)
Grants and subsidies		(947,645)	(2,926,067)
GST payments on purchases		(250,840)	(196,251)
Receipts			
User charges and fees		137,804	175,435
Other revenue		257,597	(187,653)
GST receipts from taxation authority		210,777	187,542
GST receipts on revenue		40,063	8,709
Net cash used in operating activities	26	<u>(3,240,939)</u>	<u>(5,072,494)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical activities		-	(14,434)
Net Cash used in investing activities		<u>-</u>	<u>(14,434)</u>
Net increase/(decrease) in cash and cash equivalents		(91,668)	(354,057)
Cash assets and cash equivalents at the beginning of period		1,154,202	1,508,259
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	26	<u>1,062,534</u>	<u>1,154,202</u>

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

Gascoyne Development Commission

Notes to the Financial Statements

for the year ended 30 June 2014

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2014 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The 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) by the Commission for the annual reporting period ended 30 June 2014.

Note 2. Summary of significant accounting policies

(a) General Statement

The Commission is a not-for-profit reporting 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 AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has 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.

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.

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

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

(c) Reporting Entity

The reporting entity comprises the 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 administration arrangement to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

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

(e) Income

Revenue Recognition

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

Sale of goods

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

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.

(f) Plant and Equipment

Capitalisation/Expensing of assets

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

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

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

Subsequent measurement

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any 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.

Depreciation

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

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

Furniture and fittings	8 years
Office equipment and integrated software	3 to 5 years

(g) Impairment of Assets

Plant and equipment 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. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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.

(h) Leases

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(i) Financial instruments

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

- 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.

(j) 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.

(k) Accrued salaries

Accrued salaries 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 fair value.

(l) Amounts Receivable for Services (Holding Account)

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

(m) Receivables

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

(n) Payables

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

(o) Provisions

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

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

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long term employee benefits'. The annual leave liability 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.

Annual leave not expected to be settled within 12 months after the end of 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 the reporting period on national government bonds with terms of maturity that match, as closely as possible, the estimated future cash outflows.

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

Long Service Leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore 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 the 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 end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Superannuation

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

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

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 have been able to choose their preferred superannuation fund provider. The Commission makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Commission's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

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

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

Provisions – Other

Employment On Costs

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

Remediation costs

A provision is recognised where the Commission has a legal or constructive obligation to undertake remediation work. Estimates are based on the present value of expected future cash outflows.

(p) Superannuation Expense

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, and other superannuation funds.

(q) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost that the Commission would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. 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.

(r) Comparative figures

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

Note 3. Judgements made by management in applying accounting policies

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.

Disclosure of changes in accounting policy and estimates

Note 5. 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 2013 that impacted on the Commission.

AASB 13	<i>Fair Value Measurement</i> This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. There is no financial impact.
AASB 119	<i>Employee Benefits</i> This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. The Commission does not have a defined benefit plans, therefore the financial impact of the change is limited to the effect of discounting annual leave and long service leave liabilities that were previously measured at the undiscounted amounts.
AASB 1048	<i>Interpretation of Standards</i> This Standard supersedes AASB 1048 (June 2012), enabling references to the Interpretations in all other Standards to be updated by reissuing the service Standard. There is no financial impact.
AASB 2011-8	<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> 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.
AASB 2011-10	<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> This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

- AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]*
- This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.
- AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009 11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]*
- This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.
- AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009 11, 2010 7, 2011 7 & 2011 8]*
- This Standard amends the mandatory effective date of AASB 9 *Financial Instruments* to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.
- AASB 2012-9 *Amendment to AASB 1048 arising from the Withdrawal of Australian Int 1039*
- The withdrawal of Int 1039 Substantive Enactment of Major Tax Bills in Australia has no financial impact for the Authority during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46-47.
- AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Int 12]*
- The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not for profit entities accounting for interests in other entities. There is no financial impact.
- AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.*
- Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.

Note 6. Future impact of Australian Accounting Standards not yet operative

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

Operative for reporting periods beginning on/after

Int 21	<p><i>Levies</i></p> <p>This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Commission at reporting date.</p>	1 Jan 2014
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 mandatory application date of this Standard was amended to 1 January 2018 by AASB 2014 1 <i>Amendments to Australian Accounting Standards</i>. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements and Int 112 Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i>. The adoption of the new Standard has no financial impact for the Model Commission as it does not impact accounting for related bodies and the Commission has no interests in other entities.</p>	1 Jan 2014
AASB 11	<p><i>Joint Arrangements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 131 <i>Interests in Joint Ventures</i>, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.</p> <p>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact for the Model Commission as the new standard continues to require the recognition of the Commission's share of assets and share of liabilities for the unincorporated joint operation.</p>	1 Jan 2014
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard, issued in August 2011, supersedes disclosure requirements in 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>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.</p>	1 Jan 2014
AASB 14	<p><i>Regulatory Deferral Accounts</i></p> <p>The Commission has not yet determined the application or the potential impact of the Standard.</p>	

		Operative for reporting periods beginning on/after
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. Mandatory application was deferred for not-for-profit entities by AASB 2012 10. There is no financial impact.</p>	1 Jan 2014
AASB 128	<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 clarifications for the accounting treatments of changed ownership interest.</p> <p>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. The adoption of the new Standard has no financial impact for the Model Commission as it does not hold investments in associates and the accounting treatments for joint operations is consistent with current practice.</p>	1 Jan 2014
AASB 1031	<p><i>Materiality</i></p> <p>This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.</p>	1 Jan 2014
AASB 1055	<p><i>Budgetary Reporting</i></p> <p>This Standard requires specific budgetary disclosures in the general purpose financial statements of not for profit entities within the General Government Sector. The Commission will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	1 Jan 2014
AASB 2009-11	<p><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 Int 10 & 12]</i></p> <p><i>[modified by AASB 2010-7]</i></p>	1 Jan 2015
AASB 2010-7	<p><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 Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 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 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. For not-for-profit entities it applies to annual reporting period beginning on or after 1 January 2014. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

		Operative for reporting periods beginning on/after
AASB 2012-3	<p><i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i></p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.</p>	1 Jan 2014
AASB 2013-3	<p><i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.</i></p> <p>This Standard introduces editorial and disclosure changes. There is no financial impact.</p>	1 Jan 2014
AASB 2013-4	<p><i>Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]</i></p> <p>This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The Model Commission does not routinely enter into derivatives or hedges, therefore there is no financial impact.</p>	1 Jan 2014
AASB 2013-8	<p><i>Amendments to Australian Accounting Standards Australian Implementation Guidance for Not for Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049].</i></p> <p>The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not a key attribute of the investor’s relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.</p>	1 Jan 2014
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards Conceptual Framework, Materiality and Financial Instruments.</i></p> <p>This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014 1. The Commission has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.</p>	1 Jan 2014 1 Jan 2017
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2014 1 Jan 2015 1 Jan 2016 1 Jan 2018

	2014	2013
	\$	\$
7 Employee benefits expense		
Wages and salaries (a)	1,272,671	1,176,273
Superannuation – defined contribution plans (b)	118,779	111,452
Long service leave (c)	82,225	76,390
Annual leave (c)	71,727	100,950
Board fees and allowances including superannuation	68,862	71,031
	<u>1,614,264</u>	<u>1,536,096</u>
(a) Includes the value of fringe benefit to the employee plus the fringe benefit tax component.		
(b) Defined contribution plans include West State, GESB Super Scheme (contributions paid) and Super Choice Schemes.		
(c) Includes a superannuation contribution component, employment on-costs such as workers compensation insurance are included at note 14 'Other Expenses'. The employment on-costs liability is included at note 22 'Provisions'.		
8 Supplies and services		
Communications	24,113	23,803
Consumables	17,912	46,734
Vehicle Costs	71,574	44,340
Other	32,251	54,768
Consultants and contractors	378,577	285,191
Repairs and maintenance	10,493	6,582
Travel	79,362	61,197
	<u>614,282</u>	<u>522,615</u>
9 Depreciation and amortisation expense		
Depreciation		
Furniture and Fittings	167	2,009
Electronic Equipment	4,811	-
	<u>4,978</u>	<u>2,009</u>
10 Accommodation expenses		
Lease rentals	128,504	121,064
Cleaning	12,777	24,161
	<u>141,281</u>	<u>145,225</u>
11 Grants and subsidies		
Royalties for Regions – Regional Community Services Fund	771,521	3,090,171
Royalties for Regions – Country Local Government Fund	176,124	29,500
	<u>947,645</u>	<u>3,119,671</u>

	2014 \$	2013 \$
12 User charges and fees		
Comprises mostly of charges to staff for rental accommodation, office space and training course income.	137,804	105,792
13 Other revenue		
Comprises contributions to project funding and any returned funding for projects	13,506	33,741
14 Other expenses		
Employment on-costs	7,961	7,860
Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 22 "Provisions". Superannuation contributions accrued as part of the provisions for leave are employee benefits and are not included in employment on-costs (see note 7).		
15 Income from State Government		
Appropriation received during the year:		
Service appropriation (a)	246,000	1,655,850
	246,000	1,655,850
Royalties for Regions – Regional Grant Scheme (b)	525,207	2,663,000
Royalties for Regions – Regional Workers Incentives	40,064	26,521
Royalties for Regions – Other Initiatives (c)	1,849,000	387,500
State Recurrent Grants & Subsidies – Specific Purpose	239,000	
WA Tourism (d)	-	-
Other revenue (e)	250,000	-
Resources received free of charge	7,809	6,556
	2,911,080	3,083,577

(a) Service appropriations include funding received from Salaries and Allowances Tribunal and \$1,000 received for Treasury account continuity.

(b) This is a sub-fund within the over-arching "Royalties for Regions Fund". The recurrent funds are committed to programs in WA regional areas. This sub-fund has now been finalised.

(c) This is a sub-fund within the over-arching "Royalties for Regions Fund". This fund is committed to operational costs for the Gascoyne Development Commission.

(d) Funding received from WA Tourism has been extinguished in 2013–14 in support of tourism in the Gascoyne Region.

(e) Funds received from the Department of Planning in support of various Gascoyne regional projects.

	2014	2013
	\$	\$
16 Restricted cash and cash equivalents		
Current		
Royalties for Regions – Regional Community Services Fund	63,370	403,906
Royalties for Regions – Country Local Government	-	176,902
Royalties for Regions – Blueprint/Capacity Building	137,439	160,793
Externally funded projects	244,310	37,097
Regional Development Scheme	75,097	79,624
Leave Entitlements	215,000	115,000
Asset Replacement	25,000	-
Treasury	1,000	-
Total	761,216	973,322

This represents cash held at bank quarantined for the specified purpose.
Royalties for Regions funds are for projects and programs in WA regional areas.

17 Plant and equipment

Office Equipment

At cost	54,959	54,959
Less: Accumulated depreciation	(45,336)	(40,358)
	<u>9,623</u>	<u>14,601</u>

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

Office Equipment

Carrying amounts at the start of the year	14,601	2,176
Addition	-	14,434
Depreciation	(4,978)	(2,009)
Carrying amount at end of the year	<u>9,623</u>	<u>14,601</u>

18 Net gain or loss on disposal of non current assets

There were no disposals of non current assets during the reporting period.

Impairment of assets

There was no indication of impairment to plant and equipment at 30 June 2014.

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 2014 have either been classified as assets held for sale or written-off.

19 Receivables

Current receivables	12,136	42,700
GST receivable	16,111	229,640
	<u>28,247</u>	<u>272,340</u>

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

		2014	2013
		\$	\$
20	Amounts receivable for services		
	Current	34,000	34,000
	Represents the non-cash component of service appropriations (see Note 2(l) 'Holding Account'). It is restricted in that it can only be used for asset replacement or repayment of leave liability.		
21	Payables		
	Current		
	Other payables	662	210,882
	Total Current	662	210,882
22	Provisions		
	Current		
	Employee benefits provision		
	Annual leave (a)	91,841	178,761
	Long service leave (b)	275,702	199,633
	Purchased leave	-	(834)
		367,543	377,560
	Other provision		
	Employment on-costs current (c)	31,703	25,414
		399,246	402,974
	Non Current		
	Employee benefits provision		
	Long service leave	18,207	39,064
	Employment on-costs non current (c)	2,003	4,395
		20,210	43,459
(a)	Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities will occur within 12 months of the end of the reporting period.		
(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 end of 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	306,029	199,633
	More than 12 months after the end of the reporting period	20,210	39,064
(c)	The settlement of annual and long service leave liabilities gives rise to the payment of employment on costs including workers' compensation insurance. The provision is the present value of the expected future payments. The associated expense, apart from the unwinding of the discount (finance costs), is included at note 14 'Other expenses'.		

	2014	2013
	\$	\$
Movement in other provisions		
Movements in each class of provisions during the financial year, other than employee benefits, are set out below:		
<u>Employment on-cost provision</u>		
Carrying amount at start of period	29,809	14,301
Additional provisions recognised	11,858	17,630
Payments	(7,961)	(2,122)
Carrying amount at end of period	33,706	29,809
23 Other current liabilities		
Accrued Salaries, for Employees and Board Members	33,745	36,352
Other Liability	9,833	88,747
	43,578	125,099
24 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.		
Contributed equity		
Balance at start of period	90,000	90,000
Capital contribution	-	-
Balance at end of period	90,000	90,000
25 Accumulated surplus		
Balance at start of period	602,729	1,057,245
Result for the period	(22,021)	(454,516)
Balance at end of period	580,708	602,729
26 Notes to the Statement of Cash Flows		
(a) 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 equivalents	301,318	180,880
Restricted cash and cash equivalents (see Note 16)	761,216	973,322
Total cash assets	1,062,534	1,154,202

	2014	2013
	\$	\$
(b) Reconciliation of net cost of services to net cash flows provided by/ used in operating activities.		
Net Cost of Services	(3,179,101)	(5,193,943)
Non cash items:		
Depreciation expense	4978	2,009
(Increase)/Decrease in assets:		
Resources received free of charge	7,809	6,556
(Increase)/Decrease in receivables	244,092	(221,394)
Increase/(Decrease) in liabilities:		
Increase/(Decrease) in provisions	(26,977)	162,089
Increase/(Decrease) in payables	(81,520)	87,581
Net cash used in operating activities	<u>(3,240,939)</u>	<u>(5,072,494)</u>

27 Remuneration of Members of the Accountable Authority and Senior Officers

Remuneration of Members of the Accountable Authority

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

	2014	2013
\$0 – \$10,000	9	10
\$10,001 – \$20,000	-	-
\$40,001 – \$50,000	1	1
	2014	2013
Base remuneration and superannuation	<u>75,303</u>	<u>73,704</u>
The total remuneration of members of the accountable authority is:	<u>75,303</u>	<u>73,704</u>

The total remuneration includes the superannuation expense incurred by the Commission in respect of members of the Accountable Authority.

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:

\$110,001 – \$120,000	0	1
\$120,001 – \$130,000	0	1
\$320,001 – \$330,000	0	1
\$380,001 – \$390,000	1	0

Base remuneration and superannuation	259,311	455,285
Annual leave and long service leave accruals	51,689	43,414
Other benefits	74,000	76,792
The total remuneration of senior officers	<u>385,000</u>	<u>575,491</u>

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.

28 Write Offs

There were no write offs during the reporting period.

29 Commitments

Operating Lease Commitments

The Commission has two office buildings, four staff accommodation units and four vehicles under operating leases. Commitments for minimum lease payments are payable as follows:

Within 1 year	221,343	185,930
Later than 1 year and not later than 5 years	140,999	180,200
	<u>362,342</u>	<u>366,130</u>

The Commission has entered into various property leases which are non cancellable, with rent payable monthly in advance. Contingent rent provisions within the lease agreements require that the minimum lease payments shall be increased annually with a CPI adjustment (except for periodic tenancy). These commitments are all inclusive of GST.

30 Remuneration of Auditor

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

Auditing the accounts, financial statements and performance indicators	<u>35,900</u>	<u>35,000</u>
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31 Contingent liabilities and contingent assets

No contingent liabilities and contingent assets exist as at 30 June 2014.

32 Events occurring after the balance sheet date

There have been no events occurring after the end of the reporting period affecting the accounts.

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, payables and receivables. The Commission has limited exposure to financial risks. The Commission’s overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Commission’s receivables defaulting on their contractual obligations resulting in financial loss to the Commission.

The maximum exposure to credit risk at 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 allowance for impairment as shown in the table at note 33(c) ‘Financial instruments disclosures’.

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.

(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:

	2014	2013
Financial Assets		
Cash and cash equivalents	301,318	180,880
Restricted cash and cash equivalents	761,216	973,322
Receivables (a)	46,136	76,700
Financial Liabilities		
Payables and other liabilities	44,240	335,981

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

(c) Financial instrument disclosures

Credit risk

The following table discloses the Commission's maximum exposure to credit risk, 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 enhancement relating to the financial assets it holds.

	Carrying Amount	Not past due and not impaired	Ageing analysis of financial assets						Impaired financial assets
			Up to 1 month	1-3 months	3 months to 1 year	1-2 years	2-5 years	More than 5 years	
	\$	\$	\$	\$	\$	\$	\$	\$	
2014									
Cash and cash equivalents	301,318	301,318	-	-	-	-	-	-	
Restricted cash and cash equivalents	761,216	757,246	-	-	-	-	-	-	
Receivables (a)	12,136	12,136	8,316	1,164	2,656	-	-	-	
Amounts receivable for services	34,000	34,000	34,000	-	-	-	-	-	
	1,108,670	1,108,670	42,316	1,164	2,655	-	-	-	
2013									
Cash and cash equivalents	180,880	180,880	-	-	-	-	-	-	
Restricted cash and cash equivalents	973,322	973,322	-	-	-	-	-	-	
Receivables (a)	42,700	42,700	36,253	6,123	324	-	-	-	
Amounts receivable for services	34,000	34,000	34,000	-	-	-	-	-	
	1,230,902	1,230,902	70,253	6,123	324	-	-	-	

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

(c) Financial instrument disclosures

Liquidity risk and interest rate exposure

The following table details the Commission's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses on the carrying amounts of each item.

	Weighted Average Effective Interest Rate	Carrying Amount	Fixed Interest rate	Variable interest rate	Interest rate exposure		Maturity date					
					Non-interest bearing	Nominal amount	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	
	%	\$	\$	\$		\$	\$	\$	\$	\$	\$	\$
2014												
Financial Assets												
Cash and cash equivalents		301,318	-	-	301,318	301,318						
Restricted cash and cash equivalents		761,216	-	-	761,216	761,216						
Receivables (a)		12,136	-	-	12,136	12,136						
Amounts receivable for services		34,000	-	-	34,000	34,000						
	-	1,108,670	-	-	1,108,670	1,108,670						
Financial Liabilities												
Payables and other liabilities	-	44,240	-	-	44,240	44,240						
	-	44,240	-	-	44,240	44,240						

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

(c) Financial instrument disclosures

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate	Interest rate exposure				Maturity date					
		Carrying Amount	Fixed Interest rate	Variable interest rate	Non-interest bearing	Nominal amount	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2013											
Financial Assets											
Cash and cash equivalents		180,880			180,880	180,880					
Restricted cash and cash equivalents		973,322		973,322	973,322	973,322					
Receivables (a)		42,700		42,700	42,700	42,700					
Amounts receivable for services		34,000		34,000	34,000	34,000					
		- 1,230,902	-	- 1,230,902	1,230,902	1,230,902	-	-	-	-	-
Financial Liabilities											
Payables and other liabilities		335,981	-	- 335,981	335,981	335,981					
		- 335,981	-	- 335,981	335,981	335,981	-	-	-	-	-

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

Interest rate sensitivity analysis

The Commission is not exposed to interest rate risk because all cash and cash equivalents and restricted cash are non interest bearing and the Commission has no borrowings.

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.

34 Explanatory Statement

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

Significant variations between estimated and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% and \$50,000.

	2014 Actual \$000	2014 Budget Est \$000	Variation \$000	%
COST OF SERVICES				
Supplies and services	614	124	490	395%
Grants and subsidies	948	3,188	(2,240)	(70%)
Other expenses	8	120	(112)	(93%)
INCOME				
Royalties for Regions	2,414	4,921	(2,507)	(51%)
Grants and subsidies	489	-	489	100%
Other revenue	151	80	71	88%

Supplies and Services and Grants and Subsidies

The higher than budgeted supplies and services expense was mainly due to professional services for cost benefit analysis, feasibility studies, business planning for projects, training and travel costs being paid out directly to suppliers instead of grant holders. This also resulted in lower than budgeted grants and subsidies.

Other Expenses

The lower than budgeted other expenses was mainly due to audit fees and general administration expenses being classified under supplies and services expense for financial reporting purposes.

Royalties for Regions

The lower than budgeted Royalties for Regions funding was due partially to lower drawdowns during the year. These funds are held by the Commission and are only paid to recipients upon satisfactory achievement of milestones. In addition, forecasted funding from the Regional Infrastructure and Headworks Fund was reduced. (\$1.6 million).

Grants and Subsidies

One off funding was received from other State Government agencies in support of Gascoyne regional projects.

Other Revenue

Additional office rental income resulted in an increase in external funding recognised in this financial year.

(b) **Significant variances between actual results for 2013 and 2014**

Significant variations are considered to be those greater than 10% and \$50,000.

	2014	2013	Variation	
	\$000	\$000	\$000	%
COST OF SERVICES				
Supplies and services	614	522	92	17%
Grants and subsidies	947	3,120	(2,173)	(69%)
INCOME				
Service appropriation	246	1,656	(1,410)	(85%)

Supplies and Services and Grants and Subsidies

This resulted in lower than budgeted grants and subsidies. In 2013–14 projects were completed that had been funded in prior years, and the variance is also due to completion of these projects. In addition, forecasted funding from the Regional Infrastructure and Headworks Fund was reduced. (\$1.6 million).

Service Appropriation

Decrease in service appropriation is a result of change in source funding from Consolidated Revenue to Royalties for Regions.

Opinion of the Auditor General



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

GASCOYNE DEVELOPMENT COMMISSION

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2014, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Commission's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Gascoyne Development Commission at 30 June 2014 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 Gascoyne Development Commission during the year ended 30 June 2014.

Controls exercised by the Gascoyne 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 Gascoyne 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 Gascoyne 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 2014.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Gascoyne Development Commission for the year ended 30 June 2014.

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.

Opinion of the Auditor General Cont.

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 Gascoyne 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 2014.

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 Gascoyne Development Commission for the year ended 30 June 2014 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 September 2014

Compliance with Relevant Written Law

Enabling Legislation

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

Legislation Impacting on Commission Activities

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

<i>Financial Management Act 2006</i>	<i>Salaries and Allowances Act 1975</i>
<i>Public Sector Management Act 1994</i>	<i>Industrial Relations Act 1979</i>
<i>Industrial Relations Act 1979</i>	<i>Public Disclosure Act 2003</i>
<i>Workers Compensation and Injury Management Act 1981</i>	<i>State Supply Commission Act 1991</i>
<i>Equal Opportunity Act 1984</i>	<i>Freedom of Information Act 1992</i>
<i>Government Employees Superannuation Act 1987</i>	<i>Public and Bank Holidays Act 1972</i>
<i>Disability Services Act 1993</i>	<i>State Government Electoral Act</i>
<i>Minimum Conditions of Employment Act 1993</i>	<i>Government Employees Housing Act 1964</i>
<i>Public Service General Agreement 2002</i>	<i>Public Service Award 1992</i>
<i>Occupational Safety and Health Act 1984</i>	<i>State Records Act 2000</i>
<i>Government Financial Responsibility Act 2000</i>	<i>Contaminated Sites Act 2003</i>
<i>Royalties for Regions Act 2009</i>	<i>Auditor General Act 2006</i>

Compliance and Governance

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

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

In the administration of the Gascoyne Development Commission, we have complied with the Public Sector Standards, the Western Australian Public Service Sector Code of Ethics and our own Code of Conduct. The Commission reviewed, updated and consolidated our work governance Policies and Financial Manual, to ensure compliance with current government policies and legislation. Staff are committed to a high standard of workplace ethics, fiduciary and social responsibility to external organisations and the public.

We have put in place procedures designed to ensure such compliance and conducted appropriate internal assessment to satisfy ourselves of our compliance. To ensure compliance, information about Standards & Codes is included on our intranet and in induction materials.

Disability Services

In accordance with the *Disability Services Act 1993*, the Commission has a Disability Access and Inclusion Plan. The Commission is equipped to ensure that people with disabilities have the same opportunities of access to events, premises, information, quality of service, consultations and the ability to make complaints as is afforded to all other people.

Reconciliation

The Gascoyne Development Commission is committed to reconciliation between Aboriginal and non-Aboriginal Australians. The Commission endorses a united Australia which values Aboriginal and Torres Strait Islander heritage, cultures and peoples and provides justice and equality for all citizens.

The Commission has developed a Reconciliation Action Plan (RAP) as a tool to assist in maintaining and building positive relationships between all Aboriginal people. The RAP was developed with the support of a small working group that included Aboriginal representation, Commission staff and Board members. Input was also sought from internal and external stakeholders including local Aboriginal people involved with the Gascoyne Aboriginal Heritage and Cultural Centre (Gwoonwardu Mia), small business, private companies, government departments and non government organisations.

The RAP was developed to formalise existing actions and initiatives as well as introducing new initiatives to act on the commitment the Commission has outlined in its Strategic Plan 2010–2020 to assist the region's Aboriginal people by capacity building, leadership, business development and ensuring equality of opportunity.

Record Keeping

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

Occupational Safety and Health

The Gascoyne Development Commission and its Corporate Executive are committed to vigilance concerning occupational safety, health and injury management. It is committed to assessing workplace risks and providing a work environment in which employees, contractors and visitors are not exposed to hazards.

The Commission is committed to consulting with staff on occupational safety and health (OSH) issues, and supports the following formal mechanisms for consulting with staff on OSH matters:

- regular staff meetings with OSH agenda items
- access to trained, elected OSH representatives
- OSH inspections of the work site
- reviewed and updated OSH policies and procedures available to all staff over the intranet

The Commission is committed to continuous improvement in occupational safety and health and is currently undertaking an assessment of the occupational safety and health management systems using the Worksafe Plan framework.

Compliance with the injury management requirements of the *Workers Compensation and Injury Management Act 1981*

The Gascoyne Development Commission has in place a documented injury management system in accordance with the *Workers' Compensation and Injury Management Act 1981*. This system and return to work programs are managed by the corporate services department on a case-by-case basis. Work is undertaken in conjunction with RiskCover to facilitate the employee's return to work.

OSH performance for 2013–2014

Measure	Actual Results		Results against Target	
	2012–13	2013–14	Target	Comment on result
Number of fatalities	0	0	0	
Lost time injury and/or disease incidence rate	0	0	0	
Lost time injury and/or disease severity rate	0	0	0	
Percentage of injured workers returned to work:				
(i) within 13 weeks	N/A	N/A	80%	
(ii) within 26 weeks	N/A	N/A	Greater than or equal to 80%	
Percentage of managers trained in occupational safety, health and injury management responsibilities	50%	70%	Greater than or equal to 80%	The GDC is committed to OSH training in 2014/15

Public Interest Disclosure

The Commission educates on corruption and misconduct through its induction process and training regarding codes of ethics and conduct. Staff are trained in Public Interest Disclosure.

Staff Development

The Commission has a commitment to the development of its employees. Our strategies are to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

Staff have attended the following training opportunities in 2013–14:

- Emotional Intelligence Training
- Advanced Diploma of Management
- Professional Executive Secretary
- Facilitation Skills
- Adobe in Design, Photoshop and Dreamweaver
- Diploma of Project Management
- Economic Forum
- Introduction to Policy Work
- Assertive Communication for Women

- Bullying and Harassment
- MS Publisher & Excel
- Cultural Awareness Training
- Finance for Non-Finance Managers
- Occupational Safety and Health Representative Training
- Building and Leading High Performance Teams Training
- Due Diligence
- Support for Bachelor of Commerce
- Public Interest Disclosure
- Workplace Health and Safety for Managers
- Accountable and Ethical Decision Making Facilitation
- Negotiation

Contracts with Senior Officers

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

Publications Produced During 2013/2014

During the 2013/14 financial year the Commission produced and released individually or jointly in partnership, the following major publications and documents:

- Gascoyne Development Commission Annual Report for the Year Ended 30 June 2013

Compliance

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

(a) Advertising agencies	\$ 0
(b) Market research organisations	\$ 0
(c) Polling organisations	\$ 0
(d) Direct mail organisations	\$ 0
(e) Media advertising organisations	\$ 6,111
WA Newspapers	\$ 1,139
Market Creations Pty Ltd	\$ 531
Forge Creative	\$ 1,641
Gascoyne Connect	\$ 2,000
Albany Advertiser	\$ 800
Total	\$ 6,111

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



Anthony Beard
Chairman
12 September 2014



Stephen Webster
Chief Executive Officer
12 September 2014

Office Locations

Street Address:

Carnarvon

Gascoyne Development Commission
15 Stuart Street
CARNARVON WA 6701

Exmouth

Gascoyne Development Commission
21 Maidstone Crescent
EXMOUTH WA 6707

Postal Address:

Carnarvon

Gascoyne Development Commission
PO Box 781
CARNARVON WA 6701

Exmouth

Gascoyne Development Commission
PO Box 266
EXMOUTH WA 6707

Telephone:

Carnarvon: (08) 9941 7000

Exmouth: (08) 9949 2090

Free Call: 1800 061 173

Facsimile:

Carnarvon: (08) 9941 2576

Exmouth: (08) 9949 1618

Email:

Carnarvon: info@gdc.wa.gov.au

Exmouth: exmouth@gdc.wa.gov.au

Website

<http://www.gdc.wa.gov.au>

