

Kimberley
Development Commission

Annual Report 2013/2014





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Statement of Compliance

The Hon Terry Redman MLA
Minister for Regional Development; Lands
Minister Assisting the Minister for State Development
Level 9, 2 Havelock Street
WEST PERTH WA 6005

In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Kimberley Development Commission for the financial year ending 30 June 2014.

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



Mr Ralph Addis
Chairperson

Date: 11 September 2014



Jeff Gooding, PSM, JP
Accountable Officer

Date: 11 September 2014

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The 2013/2014 Annual Report of the Kimberley Development Commission has been compiled in accordance with the requirements set out in the *Public Sector Commissioner's Circular 2013-01 Annual Reporting*, the Public Sector Commission's Annual Reporting Framework for the 2013/2014 Reporting Year, Treasurer's Instructions, relevant Legislation and Government policy.

1 Overview

Executive Summary

The Commission directs its efforts toward strategically relevant initiatives and especially, development of the overarching Kimberley Regional Investment Blueprint (the Blueprint).

Significantly, the Commission has worked to ensure that its Blueprint is regionally relevant to establish a visionary roadmap for the future social and economic growth and prosperity of regional Western Australia.

To achieve this outcome, the Commission has undertaken extensive research and stakeholder consultation to build its Blueprint on a robust evidence base and strong analysis that supports a shared vision, goals, strategies and priorities for sustainable growth and development across the Kimberley.

The finished Blueprint which, subject to Ministerial approval, will be released in early 2014/2015, will guide development effort across the region and specifically the strategic allocation of Royalties for Regions funding as well as providing a mechanism for attracting and leveraging other investment.

Simultaneously, the Commission has worked:

- with the Shires of Broome and Derby West Kimberley, the Department of Housing and LandCorp, to position a set of strategic West Kimberley projects in readiness for implementation under the West Kimberley Revitalisation initiative. These projects include the West Kimberley Transitional Housing project that will yield 60 houses (40 in Broome and 20 in Derby) for Aboriginal people in employment; the Broome Chinatown Redevelopment and development of Broome as a Regional City;
- with government, industry and community stakeholders to:
 - progress other alternative Aboriginal housing initiatives designed to incentivize employment and provide affordable rental and home ownership options;
 - secure new resource sector investment in the region;
 - support potential agricultural development in the region through the “Seizing the Opportunity Agriculture – Water for Food” initiative; and
 - facilitate regional development outcomes through a diverse range of smaller initiatives.

The Commission maintains a high level of integrity, has complied with legislation and government policy and once again, matched its key performance indicators in effectiveness and efficiency.

Chairperson's Report

The Kimberley faces a set of unique challenges, but importantly has great potential to overcome these.

To help set the direction and provide a clear vision for what is possible, over the last year, the Commission has engaged with an extensive range of regional stakeholders to compile the Kimberley Regional Investment Blueprint – a first of its kind in the region.

This first Blueprint for the Kimberley provides an exciting opportunity to develop a clear and united vision for the future of our region and to identify those matters of greatest importance to achieving the enormous potential of our region and its people.

During its evolution, the Blueprint development process has galvanised and united regional stakeholders from a range of backgrounds and disciplines and contributed to the clear development narrative that will underpin the Blueprint's successful implementation.

Major partnership projects, consistent with the Blueprint, are already in the development stage; to underpin growth centre development in Broome and provide alternative transitional housing options for Aboriginal people in the West Kimberley. At the same time the Commission is partnering other State Government Agencies to facilitate the Seizing the Opportunity – Agriculture and to work with the Northern Territory (NT) Government to accelerate planning for irrigated agricultural development across the border into the NT – Ord Stage 3.

Importantly, the Commission has continued to develop its role as a facilitator of clear headed thinking and deeper understanding of the major development drivers for the Kimberley. This is critical as we work to support effective regional leadership for our most important challenges and opportunities and to ensure that leadership is constructively engaged across the State government.

The Commission is wholly focussed on making sure that the people of the Kimberley region have the capabilities, opportunities and responsibility to fully participate in our States development. I acknowledge the outstanding commitment of the Board, our Staff and key partners in this endeavour and look forward to continuing our work with Minister Redman and the Kimberley Community to realise this potential.

A handwritten signature in blue ink, appearing to read 'R Addis', with a long horizontal stroke extending to the right.

Mr Ralph Addis
Chairperson

Date: 11 September 2014

The Kimberley Region

The Kimberley is Australia's most north westerly region and encompasses an ancient, rugged landscape, comprising expansive savannah grasslands, deep gorges and a remote and picturesque coastline, set in a sub-tropical climate. Rich in natural and cultural assets, the region is distinguished by this unique environment and a sparsely distributed, multi-cultural population of 39,890¹, comprising 44% Aboriginal people and a majority of non-Aboriginal people born outside of the region.

The six Kimberley towns and approximately 160 Aboriginal communities are scattered across a region twice the size of Victoria in four local government areas. Broome, the largest town, is 3,000 kilometres from Perth and 1,000 kilometres south west of Kununurra, the next largest town. The Kimberley is in close proximity to Asia and to provide context, nearer Bali than Perth. This setting provides the basis for a thriving regional economy with three main industries; agriculture, mining and tourism and associated service industries.

Recent years have seen a 100% increase in irrigated agricultural land on the Ord River with associated community/social infrastructure development. The focus is now radiating out toward potential irrigated agricultural land development in the East and West Kimberley and beyond the Western Australian/Northern Territory border with the intention of capitalising on domestic and nearby Asian markets.

Similarly, mineral exploration and mining is also targeting Asian markets, with the established Argyle Diamond Mine Underground project, iron ore and nickel mines, all exporting overseas. Continuing exploration and feasibility studies are focussing on silver, nickel and lead at Sorby Hills in the East Kimberley, heavy rare earth near Halls Creek and substantial oil and gas reserves, onshore in the Canning Basin to the southwest and off shore in the Browse Basin.

As roads and infrastructure are enhanced across the region, tourism opportunities, especially eco, adventure and Indigenous tourism are being realised. Tourism WA estimates that from 2011 to 2013 there were, on average, 365,900 visitors a year to the region. A significant number of these visitors are retirees and 'back packers' who also contribute to a temporary workforce for the seasonal hospitality and agricultural/horticultural industries.

Small Business makes up a substantial part of the Kimberley economy contributing through the service and retail sectors and forming niche markets that add to the region's diversity and sustainability.

With a growing population, a spectacular environment, unique lifestyle opportunities and a vibrant economy, the region is well placed to provide sustainable outcomes for the people of the Kimberley and its stakeholders.

¹ Source Population Data: Australian Bureau of Statistics – Estimated Resident Population 2013

Operational Structure

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

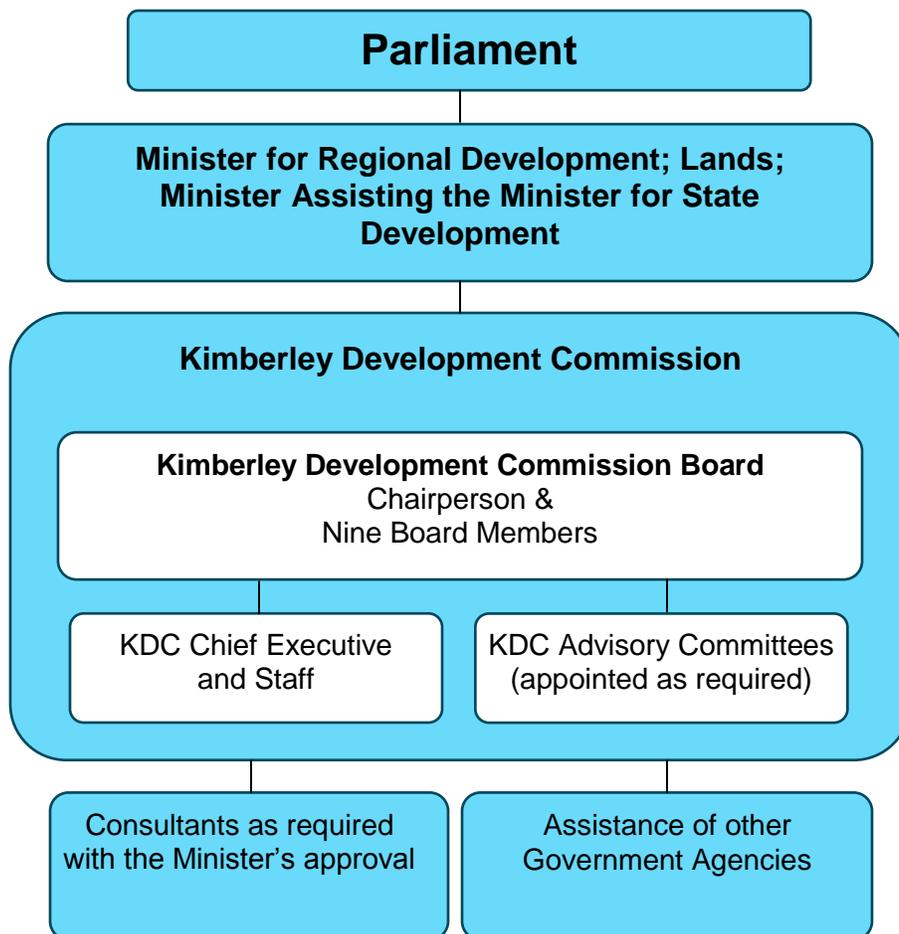
Enabling Legislation

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

Responsible Minister

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

Reporting Structure



Board Profiles

The Kimberley Development Commission's Board comprises:

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

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



The Members of the Board at 30 June 2014 are pictured above and from left to right were: Nigel Grazia, Cr Eunice Yu, Ralph Addis, Chairperson, Robert Boshammer, Graeme Campbell, Jeff Gooding, Chief Executive, Cr Elsie Archer and Ian Trust.

Mr Ralph Addis, Chairperson

Community representative – appointed 2009 – term expires 2015

Mr Addis has been involved in Aboriginal economic development strategies and commercial projects in tourism, agriculture, and construction across the Kimberley, working in both the government and non-government sectors, since 1996. Mr Addis served two terms as Councillor of the Shire of Wyndham-East Kimberley, and previously held the position of founding Chief Executive Officer of Wunan, an Aboriginal

development agency, where he contributed to innovative strategies in housing, employment and welfare reform. Mr Addis is a Chartered Accountant, holds a Masters of Economic Studies, and is a Graduate of the Australian Institute of Company Directors. Mr Addis is a member of both the WA Regional Development Council and the WA Regional Development Trust.

Cr Elsia Archer, Member

Local Government representative – appointed 2008 - term expires 2014

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

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

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

Cr Graeme Campbell, Member

Local Government representative - appointed 2012 - term expires 2014

Cr Campbell was elected to the Shire of Broome Council in 2003 and has held the office of President since 2005. He has also held a range of appointments including; Chairperson, Kimberley Zone for four years, former Chair of the Kimberley Area Consultative Committee (the forerunner to Regional Development Australia), Deputy Member WA State Grants Commission, Member, Australian Institute of Company Directors, Chair of Regional Road Group for the Kimberley, a Member of the Kimberley Regional Planning Committee and Chair of Regional Development Australia - Kimberley.

Through these roles he has gained broad experience in Local Government, business, tourism and Aboriginal Affairs. Cr Campbell's preference is for economic development that facilitates the social and cultural aspects of the region. He considers the key issues for the Kimberley to include housing, the affordability and delivery of municipal and normalised services, the cost of doing business and the need for government servicing to be commensurate with metropolitan areas. He is keen to see long term opportunities for Kimberley people.

Ms Eunice Yu, Member

Community representative – appointed 2012 - term expires 2015

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

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

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

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

Mr Robert Banfield, Member

Ministerial representative – appointed 2012 - term expires 2015

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

Robert's focus is on providing strategic leadership and vision for the diverse portfolio that has expanded to include six Willie Creek Pearls showrooms in Broome and Perth, the multi award winning Willie Creek Pearl Farm, Broome Sightseeing Tour, Pearl Luggers Tour and Banfield Property Developments.

During his career, he has led the organizational growth of the company in the Tourism, Retail and Property Industries, including overseeing the company's national and international presence.

Robert has been an active participant on committees in Broome industry and is currently sits a Board Member, Australia's North West Tourism.

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

Mr Robert Boshammer, Member

Ministerial representative - appointed 2012 - term expires 2015

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

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

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

Mr Ian Trust, Member

Community representative – appointed 2012 - term expires 2014

Mr Trust has a background in Aboriginal affairs and management in the East Kimberley. His former positions include Administrator, East Kimberley Aboriginal Medical Services (now Ord Valley Aboriginal Health Services), Chairperson Aboriginal and Torres Strait Islander Commission, Wunan Regional Council and later WA - Commissioner Kimberley Region.

He is currently Deputy Chair of Indigenous Business Australia and Indigenous Land Corporation, Interim Chair Aarnja Ltd, Executive Director of Wunan and Chair Jawun Kimberley Advisory Group.

Mr Trust believes the basis of any region is a strong economy with access to regional opportunities. To enable people to access the opportunities affordable housing and good quality education is required. He believes a measure of success of government policy and funding in the Kimberley is the social and economic enhancement of the Aboriginal people in the region.

Mr Niegel Grazia, Member

Ministerial – appointed 2012 - term expires 2014

Mr Grazia currently holds the position of Vice President – Kimberley, Woodside Browse LNG Development. He has a Bachelor of Business from Curtin University and his experience includes fifteen years in the WA Public Service, including policy roles across the energy, resources and emergency services portfolios, and nineteen years in the oil and gas industry. He held the position of Assistant Director, the Pilbara Development Commission in 1994-1995 and subsequently joined the Australian Petroleum Production and Exploration Association and later Woodside. He has significant experience in working with communities to solve complex problems, and in governance. He has served on the Governing Council of the Kimberley Training Institute and as a member of the Kimberley Regional Planning Committee.

Mr Grazia would like to see the Kimberley developing through economic diversification to increase opportunities for its residents, without compromising its natural values and cultural diversity.

Mr Jeff Gooding PSM, Member - Ex Officio

Chief Executive

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

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

Other regional roles include membership of the Kimberley Regional Planning Committee, Chairman Kimberley Workforce Development Alliance and Chairman of the Warmun Community Re-establishment Taskforce established by Cabinet to coordinate the response to destructive flooding of that Community.

Advisory Committees

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

Senior Officers

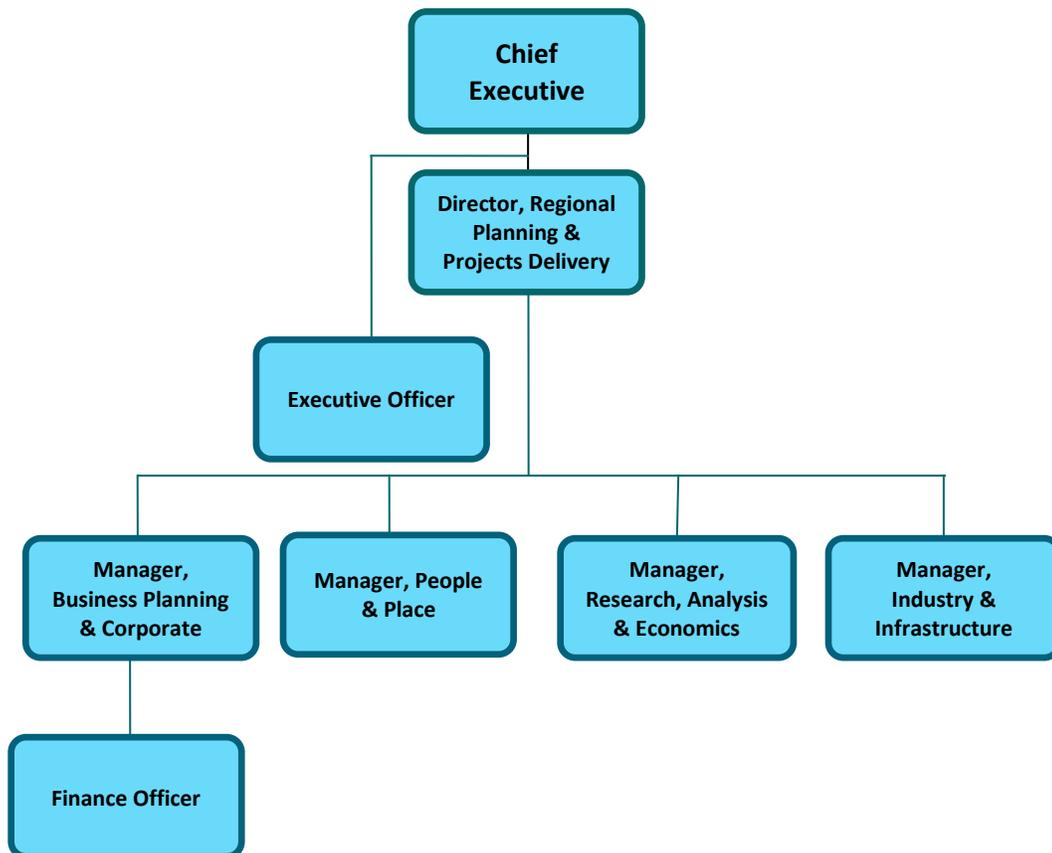
Mr Jeff Gooding, PSM, Chief Executive

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

Mr Kelvin Barr, Director, Regional Planning & Projects Delivery

Mr Barr has twenty years experience working in the Kimberley, a background in regional business development and Public Sector programs and management. For the latter part of the year, he was seconded to the Department of Regional Development, Perth and was relieved jointly by Mr Tim Bray, BSc. B Comm (Hons) and Ms Elizabeth Kirkby, BSc. who contributed extensive private and public sector management and regional development experience.

Organisational Chart – Staff



Legislation impacting on the Commission's Activities

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

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

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

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

Performance Management Framework

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

Statutory Objectives and Functions

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

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

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

- **State Building – Major Projects** - Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development.
- **Financial and Economic Responsibility** - Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.
- **Results-based Service Delivery** - Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.
- **Stronger Focus on the Regions** - Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.
- **Social and Environmental Responsibility** - Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

Outcome Based Management Framework

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

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

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

Strategic Planning

To meet its legislative obligations, maximise its contribution toward the Government Goals, and achieve high level and lasting outcomes for the Kimberley, the Commission regularly engages in a strategic planning process and has in the last year prepared a new Strategic Plan 2013-2018. This approach adds detail to its performance management framework and guides its work with regional stakeholders. The Strategic Plan describes the Board's:

- Vision for the region;
- Corporate Intent; and
- Major Strategies identified to address regional growth, diversity and regional investment and contribute to Service 1 and 2 implementation.

Corporate Intent

The Commission has a strong and unified Vision:

The Kimberley aspires to a long-term future transformed into one of the world's most successful and sustainable regions. The hallmarks of the success will be:

People – a well-housed, highly educated and healthy people enjoying high amenity in sustainable communities.

Place – a place with outstanding infrastructure, services and governance set within a well-conserved and iconic natural environment.

Prosperity – shared prosperity arising from the success of the region's main drivers of economic opportunity; Agriculture, Rangeland Industries, Tourism, Minerals & energy.

The Commission's Mission is: Understanding the Region's development needs - connecting, influencing and coordinating to deliver strategic regional development outcomes.

The Commission's strategy comprises six primary Strategic Directions targeting key regional development objectives in the Kimberley. A seventh Strategic Direction focuses on building the organisational capability of the Kimberley Development Commission. This enhanced organisational capability will be structured to support the disciplined operating model outlined in its Mission and Overarching strategies:

- Regional Planning and Development Priorities
- Enabling Industry and Infrastructure
- People Capacity & Capability Building
- Aboriginal Participation
- Housing for Regional Development
- Growth Centres
- Organisational Capability

Changes to Outcome Based Management Framework

The Commission's Outcome Based Management Framework has not changed in 2013/2014.

Shared Responsibilities with Other Agencies

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

Examples of the Commission's shared responsibilities with Agencies, in 2013/2014 to each Agency's benefit, include:

- consulting wide ranging stakeholder Agencies in the development of the Kimberley Regional Investment Blueprint, that will guide future Royalties for Regions and other investment in the region;
- working with the Department of Housing to design a new and alternate Aboriginal housing model: West Kimberley Transitional Housing that will provide 60 new houses (40 in Broome and 20 In Derby) for Aboriginal people in employment; and
- partnering LandCorp and the Shire of Broome to undertake preparatory work to position Broome as a priority for Growth Centre funding.

2 Agency Performance

This section summarises the Commission's performance, major achievements and highlights in 2013/2014 against its Resource Agreement, Budget Statements, the eight strategic areas identified in its Corporate Intent and the five Government Goals.

Report on Operations

As planned, the Commission has, this year, consistent with Government's regional development policy, refocussed its efforts in two areas that will significantly influence the development of the Kimberley:

- progressing Phase 2 of the Kimberley Regional Investment Blueprint through a comprehensive process of evidence based research, stakeholder consultation and verification; and
- progressing early initiatives in a pipeline of West Kimberley Projects that are consistent with the Blueprint and that include: the West Kimberley Transitional Housing project; positioning Broome for development as a regional Growth Centre; Broome Chinatown redevelopment and providing input into the potential development of new West Kimberley agricultural precincts at La Grange and Knowsley Area.

Simultaneous to these initiatives, the Commission has also:

- supported regional organisations in continuing Royalties for Regions funded projects, including the Kimberley Aboriginal Community Housing Project; and
- participated in collaborative work under a Memorandum of Understanding between the Western Australia (WA) and Northern Territory (NT) Governments to progress expansion of the Ord agricultural area across the NT/WA border.

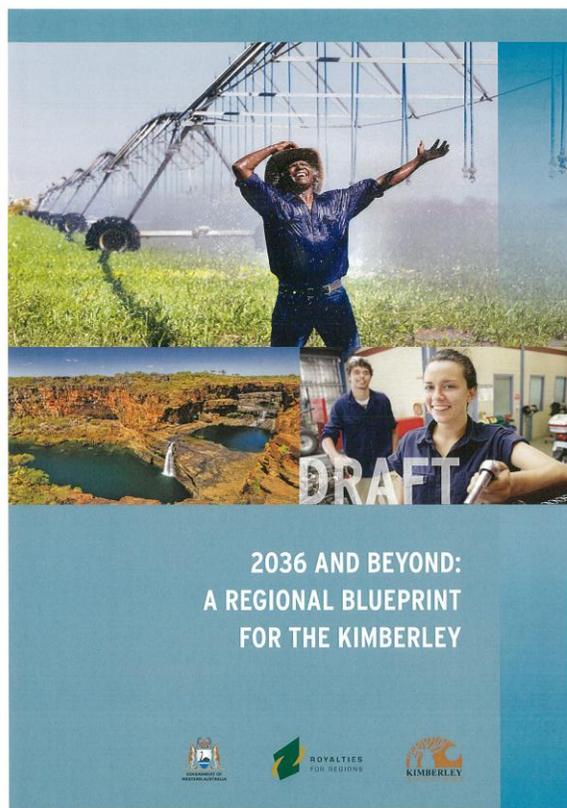
Table A (page 21) provides the Commission's project areas matched against its two Service Areas identified in its Resource Agreement 2013/2014 and the five Government Goals. Ticks denote project area contributions towards each Government Goal.

Achievement Area	Service Areas 1 & 2		Government Goals				
	Regional Development Policies, Strategies & Information	Diversification of Industries & Infrastructure	State Building – Major Projects	Financial & Economic Responsibility	Results Based Service Delivery	Stronger Focus on the Regions	Social & Environmental Responsibility
Kimberley Regional Investment Blueprint	✓	✓	✓	✓	✓	✓	✓
Royalties for Regions Program	✓	✓	✓	✓	✓	✓	✓
Regional Planning & Development Priorities	✓	✓	✓	✓	✓	✓	✓
Enabling Industry and Infrastructure	✓	✓	✓	✓	✓	✓	✓
People Capacity & Capability Building	✓	✓	✓	✓	✓	✓	✓
Aboriginal Participation	✓	✓	✓	✓	✓	✓	✓
Housing for Regional Development	✓	✓	✓	✓	✓	✓	✓
Growth Centres	✓	✓	✓	✓	✓	✓	✓
Organisational Capability	✓	✓	✓	✓	✓	✓	✓

Table A - The Commission's Achievements in 2013/2014 matched against its Service Areas & Government Goals

Kimberley Regional Investment Blueprint

Consistent with the State Government's regional development policy the Commission has, this year, progressed the Kimberley Regional Investment Blueprint to final draft stage. This has been achieved through collaborative work with the Regional Development Council, Regional Development Commissions, Western Australian Planning Commission and extensive regional stakeholder consultation.



The Kimberley Regional Investment Blueprint (Blueprint) is the first aspirational economic plan for the Kimberley. It determines the long term strategic imperatives and themes required to transform the economic future of the region. The Kimberley Development Commission has adopted a number of deliberate strategies in structuring its Blueprint:

- maximising the “in-house” development of its Blueprint to ensure that the Blueprint goals reflect the aspirations and economic potential of the region and opportunities structured and understood by regional experts;
- focusing on those undertakings and areas whose development will deliver transformational outcomes;
- basing the goals and targets on the strongest evidence base the Commission is able to establish;
- building in metrics that can be used to measure the progress towards transformational outcomes;

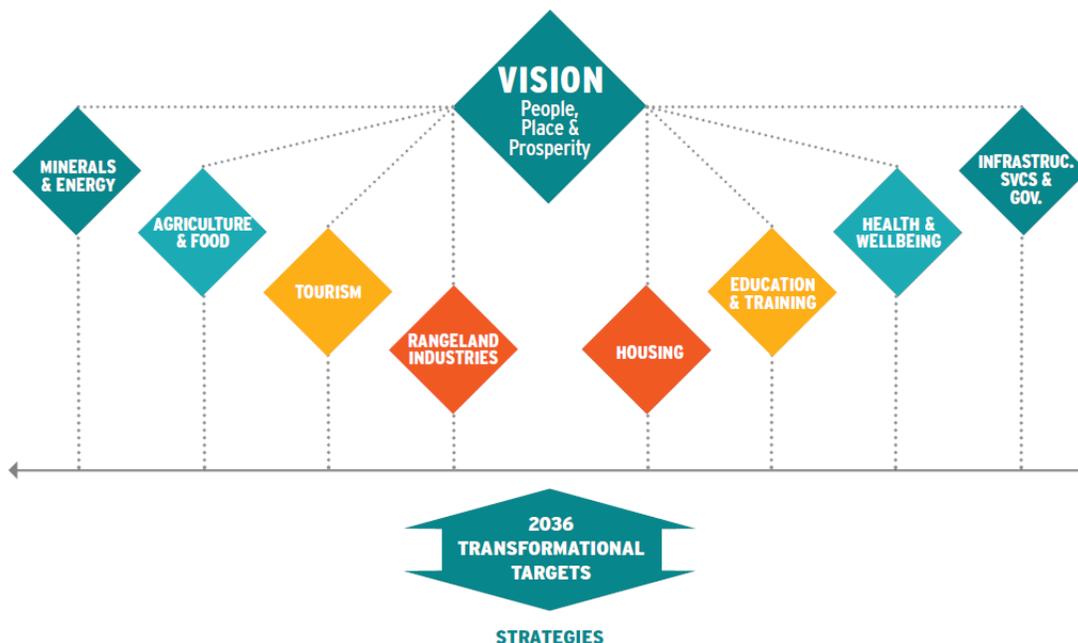
- adopting a program of continuous and ongoing engagement with strategic partners and stakeholders; and
- ensuring that even the most challenging of economic and social outcomes are confronted and addressed with positivity and honesty.

The Kimberley Regional Investment Blueprint proposes that above trend or aspirational rates of growth can be achieved over a prolonged period of time if precise, disciplined and well planned ‘investments’ are prioritised. The Commission has chosen a planning horizon of 2036 to facilitate a determination to drive achievement in even the most challenging areas and to align with the regular undertaking and assessment Australian Census data.

The Blueprint is targeted at four areas of comparative advantage (tourism, agriculture and food, minerals and energy, rangelands industries) and four areas where barriers to achievement need to be overcome (health, education and training, housing, infrastructure, services and governance). Progress across these areas is focused around six transformational priorities (leadership and development readiness, Aboriginal advancement, maximizing the use of resources, policy changes to drive development, Kimberley growth centres and Infrastructure for Driving Growth).

It is expected that the Kimberley Regional Investment Blueprint will provide strong, productive and consistent strategic guidance not just for the Commission but also for State, Commonwealth, non-government and private investors who wish to drive or participate in the development of the Kimberley.

The Blueprint Vision and Goals



Royalties for Regions Program

The Royalties for Regions program was launched in December 2008 and underpins the State Government's long-term focus on regional development across Western Australia through investment in projects, infrastructure and community services. In the Kimberley it is especially relevant to facilitate enhanced regional development to match the region's growing population and potential.

The Commission plays a pivotal implementation role in the Royalties for Regions Program in the Kimberley. This has included the management of three rounds of the Royalties for Regions Kimberley Regional Grants Scheme since 2008, facilitation and identification of major Royalties for Regions funded, input into Statewide application and assessment processes and promoting and implementing other Royalties for Regions programs across the region.

Importantly, the Commission has increased its involvement in alternative Aboriginal housing developments, consistent with its overarching Strategic Direction "Housing for Regional Development" and strategy to "facilitate key stakeholder partnerships to deliver housing that will enable regional development". These projects, described below, are part funded through the Royalties for Regions program and leverage significant contributions from Traditional Owner groups.

West Kimberley Transitional Housing Project

Consistent with the Commission's desire to overcome affordable housing shortages in the Kimberley and establish an alternative approach to supporting Aboriginal people enter the mainstream economy, the Commission conceptualised this project which will be implemented in partnership through the Department of Housing. The project is based on the construction of sixty new houses (forty in Broome and twenty in Derby) for Aboriginal people in employment. Wrap around support services will be provided with the intention of enabling tenants to achieve economically independent futures and opportunities for home ownership. This scalable model may potentially be implemented elsewhere in the region.

The Commission oversees the project with the Department of Housing and is committed to ensuring that the project reflects Aboriginal stakeholders needs as they progress along the housing continuum.

Yawuru Housing Project

The Yawuru Housing Pilot Project is a partnership with Nyamba Buru Yawuru (NBY) to deliver eight affordable houses in Broome for first home owner Yawuru Traditional Owners to purchase under a shared equity arrangement with NBY.

Royalties for Regions funding has been facilitated by the Commission to complement the NBY contribution of freehold land and low interest mortgages facilitated by KeyStart Home Loans.

Royalties for Regions assistance in this initial project will enable Yawuru Traditional Owners to enter the mainstream housing market and over time build more houses without financial assistance.

Kimberley Aboriginal Community Housing Project

An alternative Aboriginal housing model has been developed and piloted by the Commission with a State Government allocation of \$15 million from the 2009/2010 Royalties for Regions budget. This model has been implemented in partnership with Bunuba Inc. in Fitzroy Crossing, Miriuwung Gajerrong (MG) Corporation in Kununurra and initially the Shire of Halls Creek subsequently replaced by the Department of Housing in Halls Creek.

The aim of the project and its extensions, which is yielding thirty-five houses, has been to provide housing for Aboriginal people in employment and thus incentivise employment, leverage other Aboriginal socio-economic benefits and assist reduce welfare dependency.

Each host organisation was granted \$5 million Royalties for Regions funding which it complemented by committing land for the housing. The grants were provided conditional upon the housing being available as affordable rental accommodation and/or home ownership for Aboriginal people for a period of twenty-five years and during the twenty-five year timeline any income from project housing sales being reinvested into more Aboriginal housing.

MG Corp and the Shire of Halls Creek attracted further Royalties for Regions funding of \$2,280,000 and \$2,250,000 through the Regional Development Council's Action Agenda funding scheme to extend the housing project in both towns.

Ten initial MG Corp project houses, one each in ten MG Community Living Areas, have been occupied for almost eighteen months and a further four extension houses are midway through construction in the town of Kununurra. Bunuba has rented six completed project houses and is commencing construction of a remaining two. The Halls Creek project components are underway and will yield a total of fifteen houses in Halls Creek.

In addition to providing the agreed housing and enhancing the tenants lives, this pilot project has built capacity in Aboriginal organisations managing two of the project components and in Aboriginal people engaged in the construction, including 70% Aboriginal employment in the MG Corp extension housing build.

Kimberley Regional Grants Scheme

The Kimberley Regional Grants Scheme provided access to funding for the benefit of the Kimberley region. The Scheme was not active in 2013/14 however a range of projects have continued through implementation and finalisation. The process has enabled the Commission to provide project development assistance to organisations across the region.

A total of 93 Kimberley Regional Grant Scheme projects were funded with a total direct contribution of \$9.8 million as leverage towards projects valued at over \$47 million. The Scheme has contributed towards implementing projects that are consistent with the Commission's Board's strategic direction. The Commission is well placed to contribute towards developing projects of strategic significance, that are consistent with the Kimberley Regional Investment Blueprint, through any similar scheme in the future.

Country Local Government Fund

The Commission has worked with the four Kimberley Local Governments to develop joint projects that provide strategic benefits. Through 2013/2014 the Commission facilitated the development of a set of robust business cases aimed at enhancing attraction and retention of key local government staff through the Key Worker Housing project. The project will enable local government to enhance service provision to the local community. Implementation of the project will enable improved and expected to be implemented through 2014/2015. The CLGF program has been reviewed by Government and residual funds have been returned to the Department of Regional Development.

Other Achievements

Regional Planning & Development Priorities

Regional planning and determining and implementing development priorities are critical steps in positioning the region to capture investment and achieve benefits for the entire community.

Over the last year, the Commission has undertaken an extensive process in consultation with regional stakeholders to complete a Draft Kimberley Regional Investment Blueprint.

This is a significant achievement for the Kimberley and one that will complement regional planning and assist prioritise development initiatives well into the future. Concurrently and consistent with the Blueprint, the Commission has undertaken significant work on the West Kimberley Revitalisation Initiative; a suite of West Kimberley partnership projects, that include: the West Kimberley Transitional Housing program, a partnership initiative between the Commission and Department of Housing and the Redevelopment of Broome Chinatown, for which the Commission has committed funding to the Shire of Broome for the Business Case. These initiatives complement the development of Broome as a Growth Centre detailed later in this section.

The Commission has also provided significant comment via the State to the Commonwealth Government's Development of Northern Australia initiative, to influence where possible, the Commonwealth Green Paper being consistent with the Draft Kimberley Regional Investment Blueprint.

Enabling Industry and Infrastructure

Since the completion of the Ord/East Kimberley Expansion Project, under a Memorandum of Understanding between the Western Australian and Northern Territory Governments, the Commission has:

- provided input into government planning and Native Title processes that will assist to develop irrigated agricultural land on the Northern Territory side of the border;
- worked with the Department of Agriculture and Food and the Department of Water to assist in the preparation of Business Cases in support of the Statewide "Seizing the Opportunity Agriculture" Water for Food initiative that includes several proposed agricultural developments in the Kimberley; at La Grange south of Broome, the Knowsley Plain area between Broome and Derby and Cockatoo Sands in the lower Ord catchment.

Simultaneously, the Commission has provided advice to resource companies on the regions attributes, services and infrastructure; labour force potential and investment opportunities and worked collaboratively with Tourism WA in support of initiatives funded under the Kimberley Science and Conservation Strategy.

In recognition that telecommunications are a critical component of the Kimberley's regional development, the Commission has worked with the State to identify and prioritise locations for potential State and Commonwealth funding targeted at increasing mobile coverage.

People Capacity and Capability Building

Retaining and building leaders of a high calibre across the region is essential to ensure regional benefits are secured and maximised. The Commission is committed to working with existing and potential leaders to drive systemic change by targeting upstream education, training, youth and labour market constraints.

Directly and indirectly the Commission has worked with stakeholder organisations to build capacity, integrity and governance and increase the capabilities of community organisations to manage and implement Royalties for Regions projects. The Commission's Board Members and project staff have completed Australian Institute of Company Director's programs and share knowledge gained in a wide range of regional interactions and forums.

Aboriginal Participation

To assist Aboriginal people realise their aspirations and share in the region's prosperity, the Commission is committed to working with Traditional Owners to overcome welfare dependency and increase Aboriginal participation in the mainstream economy.

Current work involves facilitating a number of alternative Aboriginal housing projects; exploring options with East Kimberley Aboriginal leaders to implement an innovative Aboriginal employment project and supporting the Empowered Communities initiative which is being developed in eight regions across Australia. In the Kimberley Aboriginal people will be playing a much greater role in decision making about service delivery to their communities.

An ongoing approach, adopted by the Commission, is to facilitate and promote Aboriginal employment through projects including the Aboriginal housing projects; resource projects and other Royalties for Regions funded initiatives. To do this the Commission takes an advocacy role with Traditional Owners, Government and Industry Investors.

In this context, the Commission is also monitoring the Commonwealth "Forrest Review" on Indigenous Training and Employment.

Housing for Regional Development

Throughout the year, the Commission has closely monitored regional housing supply and demand across the six Kimberley towns and worked to increase the supply of affordable housing, to retain regional workers and provide especially young people and Aboriginal people with an entry to the housing market.

The Commission is working to develop a Housing Strategy that will be consistent with the Draft Kimberley Regional Investment Blueprint and guide future regional development housing activities in the Kimberley.

Importantly, the Commission has worked with Traditional Owners, the Department of Housing and other stakeholders, to research and develop alternate affordable housing models that remove disincentives and encourage Aboriginal people to remain in employment. In the long term, this approach has the potential to significantly reduce Aboriginal welfare dependency for the benefit of the entire region.

Growth Centres

The State Government has identified regional centres to be developed as Growth Centres/Regional Cities. In the Kimberley, Broome and Kununurra have been highlighted. To position Broome for early development, the Commission has signed a Memorandum of Understanding with the Shire of Broome and LandCorp, to work collaboratively on all town growth centre related projects. To date this has included development of a Broome Tourism Strategy and making significant progress in compiling an Economic Development Strategy. The Commission has also committed \$50,000 to enable the Shire of Broome to prepare a Chinatown redevelopment Business Case.

To complement its Growth Centre work, the Commission is also committed to facilitating a range of strategic projects in the West Kimberley, including the Broome Chinatown redevelopment and agricultural developments described in this section under “Enabling Industry and Infrastructure”

Organisational Capability

Subsequent to the “Duncan Review” of Regional Development Commissions, the Commission enhanced its capacity by refocussing its work and modifying its organisational structure to match. The Commission has focussed on building the capability of its workforce and has used the recent movement of two long term, senior employees out of the Commission to assist remaining staff diversify their skills and/or assume higher level responsibilities. A collaborative arrangement with the Department of Housing has complemented this approach by allowing the Commission to benefit from the specialised skills of a senior officer from that Department.

The Commission plans to establish a small, high calibre West Kimberley Strategic Projects Unit to focus on the development of high level strategic initiatives consistent with the Kimberley Regional Investment Blueprint.

The Commission has also worked to maintain a high level of Governance by maintaining currency in Public Sector Management policy and ensuring innovation is underpinned by transparency and accountability.

Actual Results against Budget Targets

Financial Targets

	2013/14 Target \$000	2013/14 Actual \$000	Variation
Total Cost of Services (expense limit) (sourced from Statement of Comprehensive Income)	3,920	5,841	1,921
Net Cost of Services (sourced from Statement of Comprehensive Income)	3,898	5,807	1,909
Total Equity (sourced from Statement of Financial Position)	1,583	2,088	505
Net increase / (decrease) in cash held	(170)	(1,911)	(1,741)
Approved full time equivalent (FTE) staff level	12	12	-

The variation between target and actual Total Cost of Services is primarily attributed to an increase in Royalties for Regions grant funding which made available \$3.03m for the Kimberley Aboriginal Community Housing Project Extensions in Halls Creek and Kununurra. This funding and subsequent expense was announced after the 2013-14 Budget had been handed down. Re-arrangement of Royalties for Regions funding also impacted by -\$1m.

The variation between target and actual in Net Cost of Services is primarily attributed to grant income and expense of \$3.03m for the Kimberley Aboriginal Community Housing Project Extensions and the re-arrangement of Royalties for Regions funding -\$1m.

The variations between target and actual in Total Equity and Net Increase/(Decrease) in Cash Held is linked with the increase in grant expense and the increase in revenue as detailed above.

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

3 Significant Issues Impacting the Commission

Current and Emerging Issues and Trends

Significant issues impacting on the Commission in 2013/2014 and highlighted in the State Budget for that year include:

- *Regional Planning and Priorities* - The Commission is drafting a Kimberley Regional Investment Blueprint (Blueprint) as an aspirational level plan designed to complement regional planning and guide and prioritise future regional development investment in the Kimberley. A range of transformational initiatives will be identified and promoted and related projects progressively developed.
- *Enabling Industry and Infrastructure* – facilitation of regional industry and infrastructure development, consistent with the direction articulated by the Blueprint, is critical to realising the economic and employment development potential of the Kimberley.
- *People and Capacity Building* – the Kimberley regional population is challenged by a range of employment development issues including employee retention at all levels and an under skilled, under employed Aboriginal workforce. Capacity building of the regional population is required to ensure the regional labour market is developed and investment is both attracted and maximised.
- *Aboriginal Participation* - Aboriginal people comprise 44% of the Kimberley population. Enhanced Aboriginal participation in the mainstream economy has the potential to benefit the entire regional Community, however, a mismatch of capacity issues, skills development and policy disincentives must be overcome.
- *Housing for Regional Development* – Development of the Kimberley necessitates improvements in the availability of affordable housing across a range of housing types. Alternative housing models that incentivise Aboriginal employment, reduce overcrowding and welfare dependency, are required.
- *Growth Centres* – Comprehensive Growth Centre planning is required to position the Kimberley's major centres to lead and drive growth outcomes.

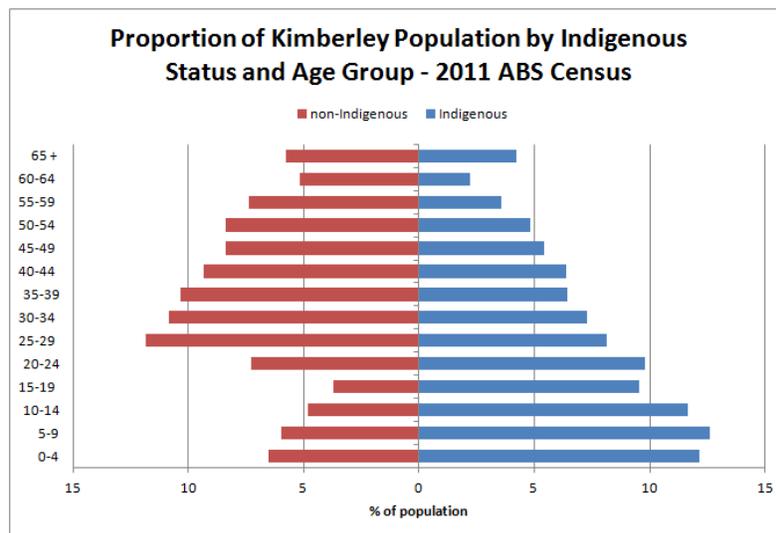
Economic and Social Trends

The Kimberley is influenced by a unique mix economic and social trends:

- The economy of the region is underdeveloped but developing, based heavily on resource extraction, service delivery, construction, primary production and visitation.
- The investment profile of the resource and agricultural sector has lifted markedly since the Global Financial Crisis of 2008 and Live exports bans of 2009, with significant growth in investment (particularly in the oil and gas sector) and recoveries in the volumes of export from the agricultural sector to near pre-2009 levels.
- The Kimberley's annual Gross Regional Product (GRP) has more than doubled over the past decade from around \$1.3 billion in 2001-02 to around \$3.1 billion in 2011-12.
- Investment from both the government and private sector in the agricultural sector demonstrates considerable confidence regarding the production and export capability profile of the sector. This confidence and expectation is being driven strongly by well supported views that demand from nearby Asian markets will grow both strongly and sustainably over the next decade.
- The employment structure of the Kimberley reflects strong concentrations of employment relative to all of Western Australia in the following sectors:
 - Health care and social assistance
 - Education and training
 - Public administration and safety
 - Accommodation and food services
 - Other services
 - Transport, postal and warehousing
 - Agriculture, forestry and fishing
 - Administrative support services
- The regional economy has a relatively heavy reliance on the basic services sectors, and highlights the currently limited expression of productive regional industries that could drive the regional economy and employment.
- There have been some significant changes in employment between 2006 and 2011, which demonstrate the rise of certain sectors and indicate the presence of a very dynamic employment structure. Highlights include:
 - Mining (employment change of +53% between 2006 and 2011)
 - Construction (+49%)
 - Electricity, gas, water and waste services (+30%)
 - Manufacturing (-16%)

- A highly important insight into employment in the Kimberley relates to the labour force status of the region's Aboriginal people. Aboriginal people in the Kimberley have:
 - A dramatically low participation rate compared to the non-Aboriginal population
 - An unemployment rate 7.5 times higher
 - Almost no self-employment
 - Very low participation in the private sector
- Aboriginal disadvantage poses both a significant challenge and an opportunity for the developing region especially in terms of employment where Aboriginal people are under-represented in the workforce but with concerted effort can provide a ready source of labour and economic benefit.
- At 44%, the Aboriginal population dominates the demography of the Kimberley. Many of the Aboriginal population exhibit socio-economic characteristics that impact heavily upon public policy and service provision through increased demands on health, education, training and justice, community and regional development and industry.

Kimberley Population Profile



Source: 2011 ABS Census of Population and Housing

- Kimberley households are generically younger, larger, more expensive to run, less educated and have a lower income than the Western Australian average.
- Kimberley Aboriginal people live in households that are almost twice as large, they have a quarter of the income, are one third as likely to own their own home, twenty times more likely to be incarcerated and will die at least ten years younger.

Changes in Written Law

There have been no changes to written law in 2013/2014 that impact significantly on the Commission.

Likely Developments and Forecast Results of Operations

It is anticipated that in 2013/2014 the Commission's role will be characterised by the implementation of the Kimberley Regional Investment Blueprint, as it assumes a strategic leadership role in regional development and continues to partner Government, Community and Industry in progressing initiatives to effect positive change.

Major initiatives in which the Commission expects to facilitate and/or play an influential role include:

- regional growth centre development;
- West Kimberley revitalisation;
- alternative Aboriginal housing developments that incentivise employment;
- transformational Royalties for Regions projects;
- facilitating new agricultural developments in the Kimberley in partnership with the Departments of Agriculture and Water and also across the Northern Territory border, through the existing partnership between the WA State Government and Northern Territory Government.

4 Disclosures and Legal Compliance

Opinion of the Auditor General

(Financial Statements and Key Performance Indicators)



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

KIMBERLEY DEVELOPMENT COMMISSION

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 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 Kimberley 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 Kimberley Development Commission during the year ended 30 June 2014.

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

Commission's Responsibility for Controls

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the controls exercised by the Kimberley Development Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2014.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Kimberley 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.

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

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

Opinion

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

Financial Statements

KIMBERLEY DEVELOPMENT COMMISSION CERTIFICATION OF FINANCIAL STATEMENTS For the year ended 30 June 2014

The accompanying financial statements of the Kimberley Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 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 any particulars included in the financial statements misleading or inaccurate.



Mr Ralph Addis
Chairman of Accountable Authority

Date: 11 September 2014



Jeff Gooding, PSM, JP
Member of Accountable Authority

Date: 11 September 2014



Steve Winter
Chief Finance Officer

Date: 11 September 2014

**KIMBERLEY DEVELOPMENT COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2014**

	Note	2014 \$	2013 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	7	1,336,011	1,863,680
Supplies and services	8	552,874	385,893
Depreciation and amortisation expense	9,20	41,783	42,724
Accommodation expenses	10	261,212	224,308
Grants and subsidies	11	3,300,212	6,523,655
Administration expenses	12	348,576	251,820
Total cost of services		5,840,668	9,292,080
Income			
<i>Revenue</i>			
Interest Revenue	13	2,046	133,489
Other revenue	14	31,843	51,819
Total revenue		33,889	185,308
Total income other than income from State Government		33,889	185,308
NET COST OF SERVICES		5,806,779	9,106,772
INCOME FROM STATE GOVERNMENT			
	15		
Service appropriation (inc SAT Act 1975)		253,000	2,027,000
Resources Received Free of Charge		15,508	13,112
Royalties for Regions – operational funding		2,004,000	0
Royalties for Regions Fund – grant & other funding		3,822,614	2,634,384
Total income from State Government		6,095,122	4,674,496
(DEFICIT)/SURPLUS FOR THE PERIOD		288,343	(4,432,276)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		288,343	(4,432,276)

See also note 35 “Schedule of Income and Expenses by Service”.

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

KIMBERLEY DEVELOPMENT COMMISSION
STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	25	1,062,829	750,594
Restricted cash and cash equivalents	16,25	1,360,095	3,583,662
Receivables	17	11,158	24,669
GST Receivable	17	6,225	277,155
Other current assets	19	6,174	16,866
Total current assets		2,446,481	4,652,946
Non-current assets			
Amounts receivable for services	18	39,000	39,000
Property, plant and equipment	20	92,526	134,310
Total non-current assets		131,526	173,310
TOTAL ASSETS		2,578,007	4,826,256
LIABILITIES			
Current liabilities			
Payables	22	43,231	2,302,520
GST Payable	22	675	225,754
Provisions	23	386,436	379,755
Other current liabilities	22	21,181	23,557
Total current liabilities		451,523	2,931,586
Non-current liabilities			
Provisions	23	38,010	94,539
Total non-current liabilities		38,010	94,539
TOTAL LIABILITIES		489,533	3,026,125
NET ASSETS		2,088,474	1,800,131
EQUITY			
Contributed equity	24	145,000	145,000
Accumulated surplus / (deficit)		1,943,474	1,655,131
TOTAL EQUITY		2,088,474	1,800,131

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

**KIMBERLEY DEVELOPMENT COMMISSION
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014**

	Note	Contributed equity \$	Accumulated surplus/(deficit) \$	Total Equity \$
Balance at 1 July 2012		131,000	6,087,407	6,218,407
Total comprehensive income for the year		-	(4,432,276)	(4,432,276)
Transactions with owners in their capacity as owners:				
Capital appropriations		14,000	-	14,000
Other contributions by owners		-	-	-
Distribution by owners		-	-	-
Balance at 30 June 2013		145,000	1,655,131	1,800,131
Balance at 1 July 2013		145,000	1,655,131	1,800,131
Total comprehensive income for the year			288,343	288,343
Transactions with owners in their capacity as owners:				
Capital appropriations		-	-	-
Other contributions by owners		-	-	-
Distribution by owners		-	-	-
Balance at 30 June 2013	24	145,000	1,943,474	2,088,474

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

KIMBERLEY DEVELOPMENT COMMISSION
STATEMENT OF CASH FLOWS
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		253,000	2,013,000
Capital appropriation		-	14,000
Holding account drawdown		-	123,000
Royalties for Regions – operational funding		2,046,614	-
Royalties for Regions – grant & other funding		3,780,000	2,634,384
Net cash provided by State Government		6,079,614	4,784,384
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,353,199)	(1,909,557)
Supplies and services		(569,225)	(375,200)
Accommodation		(246,715)	(259,231)
Grants and subsidies		(5,510,312)	(4,941,423)
GST payments on purchases		(543,603)	82,311
GST payments on taxation authority		-	(801,066)
Administration expenses		(363,499)	(268,681)
Receipts			
Interest received		23,530	175,526
GST receipts on sales		225,939	415
GST receipts from taxation authority		316,438	801,066
Other receipts		29,697	117,015
Net cash provided by (used in) operating activities	25	(7,990,949)	(7,378,825)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		-	(136,749)
Receipts			
Proceeds from sale of non-current physical assets		-	-
Net cash (used in) investing activities		-	(136,749)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Net cash provided by/(used in) financing activities			
Net increase/(decrease) in cash and cash equivalents		(1,911,332)	(2,731,190)
Cash and cash equivalents at the beginning of period		4,334,256	7,065,446
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	25	2,422,924	4,334,256

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

KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 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 Standard Board (AASB).

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

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Australian Accounting Standards that have been issued or amended (but not operative) have been early adopted by the Commission for the annual reporting period ended 30 June 2014.

Note 2. Summary of significant accounting policies

(a) General Statement

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

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

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

(b) Basis of Preparation

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

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

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

KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

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

Note 5 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting Entity

The reporting entity is the Kimberley Development Commission.

(d) Contributed Equity

AASB Interpretation 1038 '*Contributions by Owners Made to Wholly-Owned Public Sector Entities*' requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by Treasurer's Instruction T1 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

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

(e) Income

Revenue recognition

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

Sale of goods

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

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

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Service Appropriations

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

Grants, donations, gifts and other non-reciprocal contributions

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

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

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

Gains

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

(f) Borrowing Costs

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

(g) Property, Plant and Equipment

Capitalisation/Expensing of assets

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

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Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

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

Subsequent measurement

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

Derecognition

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

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 20 'Property, plant and equipment'.

Depreciation

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

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

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

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

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

(h) Intangible Assets

Capitalisation/Expensing of assets

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

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Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

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

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

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

Licences	up to 10 years
Research and Development Costs	3 to 5 years
Software ^(a)	3 to 5 years
Web site costs	3 to 5 years

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

Licences

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

Development costs

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

Computer Software

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

Web site costs

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

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(i) Impairment of Assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. 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 an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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

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

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

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

(k) Leases

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

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

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(l) Financial Instruments

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

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

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Restricted cash and cash equivalents
 - Receivables
 - Amounts receivable for services
- Financial Liabilities
 - Payables

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

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

(m) Cash and Cash Equivalents

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

(n) Accrued Salaries

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

(o) Amounts Receivable for Services (holding account)

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

(p) Inventories

The Commission does not hold any inventories for sale.

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(q) Receivables

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

(r) Payables

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

(s) Borrowings

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

(t) Amounts due to the Treasurer

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

(u) Provisions

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

Provisions - Employee Benefits

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

Annual Leave

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.

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

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

Long service leave

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

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

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

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

Superannuation

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

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

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

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

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

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

Provisions - Other

Employment On-Costs

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

(v) Superannuation Expense

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

(w) 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 and/or the fair value of those services that can be reliably measured and the Commission would otherwise pay for. 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.

(x) Jointly controlled operations

The Commission does not have any jointly controlled operations.

(y) Comparative Figures

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

(z) Rounding

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

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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. Other accounting policies

The Commission has not adopted or implemented any other accounting policies during the report year.

Note 5. Key sources of estimation uncertainty

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

Long Service Leave

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

Note 6. Disclosure of changes in accounting policy and estimates

Voluntary changes in Accounting Policy

There is no voluntary change in accounting policy in year 2014.

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

Fair Value Measurement

This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for assets and liabilities measured at fair value. There is no financial impact.

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- AASB 119** *Employee Benefits*
- This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements.
- The Commission assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.
- AASB 1048** *Interpretation of Standards*
- 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** *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]*
- 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** *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)[AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]*
- 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.

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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 Commission 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.

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Future impact of Australian Accounting Standards not yet operative

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

		Operative for reporting periods beginning on/after
<i>Int 21</i>	<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
<i>AASB 9</i>	<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
<i>AASB 10</i>	<p><i>Consolidated Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>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 Commission as it does not impact accounting for related bodies and the Commission has no interests in other entities.</p>	1 Jan 2014

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		Operative for reporting periods beginning on/after
<i>AASB 11</i>	<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 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
<i>AASB 12</i>	<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
<i>AASB 14</i>	<p><i>Regulatory Deferral Accounts</i></p> <p>The Commission has not yet determined the application or the potential impact of the Standard.</p>	
<i>AASB 127</i>	<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

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		Operative for reporting periods beginning on/after
<i>AASB 128</i>	<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 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
<i>AASB 1031</i>	<p>Materiality</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
<i>AASB 1055</i>	<p>Budgetary Reporting</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>	
<i>AASB 2009-11</i>	<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>[modified by AASB 2010-7]</p>	1 Jan 2015

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		Operative for reporting periods beginning on/after
<i>AASB 2010-7</i>	<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 consequential amendments to other 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
<i>AASB 2011-7</i>	<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
<i>AASB 2012-3</i>	<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
<i>AASB 2013-3</i>	<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

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		Operative for reporting periods beginning on/after
<i>AASB 2013-4</i>	<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 Commission does not routinely enter into derivatives or hedges, therefore there is no financial impact.</p>	1 Jan 2014
<i>AASB 2013-8</i>	<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
<i>AASB 2013-9</i>	<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
<i>AASB 2014-1</i>	<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

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	2014	2013
	\$	\$
Note 7. Employee benefits expense		
Wages and salaries ^(a)	1,006,104	1,354,353
GROH rental expense	66,515	166,217
Staff travel expense	102,748	78,050
Other staffing costs ^(a)	67,818	120,743
Superannuation - defined contribution plans ^(b)	92,826	144,317
	1,336,011	1,863,680

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

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

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

Employment on-costs liability is included at note 23 'Provisions'.

Note 8. Supplies and services

Communications	43,510	40,547
Consumables	37,250	47,029
Services & contracts	472,114	298,317
	552,874	385,893

Note 9. Depreciation and amortisation expense

Depreciation

Property, plant and equipment	41,783	42,724
Total depreciation	41,783	42,724

Note 10. Accommodation expenses

Lease rentals	241,594	199,448
Repairs and maintenance	2,554	7,661
Utilities	17,064	17,199
	261,212	224,308

Note 11. Grants and subsidies

Recurrent

State Government	2,250,000	-
Local Government	10,000	-
Non-Government Organisations	2,500	-
Community	837,712	4,911,905
Royalties for Regions		
Regional Community Services Account	200,000	1,611,750
	3,300,212	6,523,655

KIMBERLEY DEVELOPMENT COMMISSION
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	2014	2013
	\$	\$
Note 12. Administration expenses		
Operating lease fleet vehicles	25,831	44,633
Repairs and maintenance	39,211	38,488
Travel - non-staff related	57,049	55,187
Audit fees	52,021	47,400
Insurances ^(a)	27,763	28,761
Advertising	6,569	5,106
Return of R4R Funds –		
Support to Regional Groupings of Local Government	109,008	-
Other administration expenses ^(a)	31,124	32,245
	348,576	251,820

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 23 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Note 13. Interest Revenue

Interest Revenue ^(a)	2,046	133,489
	2,046	133,489

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

Note 14. Other revenue

Recoups of expenditure from various bodies	30,980	11,486
Sundry income	864	6,407
Refund of grant payment	-	576
Other receipts	-	33,350
	31,844	51,819

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For the year ended 30 June 2014

	2014	2013
	\$	\$
Note 15. Income from State Government		
<u>Appropriation received during the year:</u>		
Service appropriation ^(a)	1,000	1,983,000
Salaries and Allowances Act 1975 – CEO Salary	252,000	44,000
	253,000	2,027,000
<u>Resources received free of charge: (b)</u>		
Determined on the basis of the following estimates		
Provided by agencies:		
Department of Finance Building Management and Works	15,508	13,112
	15,508	13,112
<u>Royalties for Regions Fund:</u>		
Regional grants scheme	-	517,083
Regional & Statewide Initiatives – operational funding ^(a)	2,004,000	-
Regional workers incentives allowance payments ^(c)	42,614	79,539
Regional community services fund ^(c)	3,780,000	2,037,762
	5,826,614	2,634,384
	6,095,122	4,674,496

- (a) Service appropriations received in 2013 funded the net cost of services delivered. This appropriation revenue comprised a cash component and a receivable (asset). The receivable (holding account) comprised the depreciation expense for the year and any agreed increase in leave liability during the year.
 Royalties for Regions operational funding, which commenced in 2014, now funds the net cost of services delivered. The operational revenue is cash based and there is no component for a receivable (asset).
- (b) Discretionary transfers of assets (including grants) and liabilities between State Government agencies are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004 in respect of net assets transferred. Other non-discretionary non-reciprocal transfers of assets and liabilities designated as contributions by owners under TI 955 are also recognised directly to equity.
- (c) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

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	2014	2013
	\$	\$
Note 16. Restricted cash and cash equivalents		
<u>Current</u>		
Community Resource Centre Wyndham	75,000	74,930
Kimberley Regional Development Scheme	220,295	237,795
Regional Investment Fund	-	17,000
Telecentre	-	75,000
Indigenous Arts	-	10,000
Kimberley Capabilities Register	17,202	20,402
Ord Enhancement Scheme	-	2,199,342
Royalties for Regions Fund ^(a)	853,436	737,429
Warmun Re-Establishment Taskforce	169,618	190,153
KDC 27 th Pay Period	24,544	21,611
Total current restricted cash	1,360,095	3,583,662

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

Note 17. Receivables

<u>Current</u>		
Receivables	9,166	1,192
GST receivable	6,225	277,155
Interest receivable	-	21,485
Other receivable	1,992	1,992
	17,383	301,824

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

Note 18. Amounts receivable for services (Holding Account)

Non-current	39,000	39,000
	39,000	39,000

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

Note 19. Other Assets

<u>Current</u>		
Prepayments	6,174	16,866
	6,174	16,866

KIMBERLEY DEVELOPMENT COMMISSION
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For the year ended 30 June 2014

	2014	2013
	\$	\$
Note 20. Property, plant and equipment		
<u>Improvements - leasehold</u>		
At cost	130,226	130,226
Accumulated depreciation	(130,226)	(122,556)
	-	7,670
<u>Furniture, Fixtures & Fittings</u>	79,140	79,140
Accumulated depreciation	(19,319)	(11,897)
	59,821	67,243
<u>Computing equipment</u>		
At cost	83,275	83,275
Accumulated depreciation	(58,283)	(35,179)
	24,992	48,096
<u>Office equipment</u>		
At cost	17,937	17,937
Accumulated depreciation	(10,224)	(6,637)
	7,713	11,300
Total property, plant and equipment	92,526	134,309

Reconciliations

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

	Improvements Leasehold	Furniture, Fixtures & Fittings	Computing Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$
2014					
Carrying amount at start of period	7,670	67,243	48,096	11,300	134,309
Additions	-	-	-	-	-
Depreciation	(7,670)	(7,422)	(23,104)	(3,587)	(41,783)
Carrying amount at end of period	-	59,821	24,992	7,713	92,526
2013					
Carrying amount at	20,819	404	3,924	14,887	40,034
Additions	-	72,733	64,266	-	136,999
Depreciation	(13,149)	(5,894)	(20,094)	(3,587)	(42,724)
Carrying amount at end of period	7,670	67,243	48,096	11,300	134,309

KIMBERLEY DEVELOPMENT COMMISSION
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Note 21. Impairment of assets

There were no indications of impairment of property, plant and equipment, or intangible assets 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.

	2014	2013
	\$	\$
Note 22. Payables		
<u>Current</u>		
Trade payables	36,238	2,251,422
Other payables	6,993	51,098
	43,231	2,302,520
GST Payable	675	225,754
	675	225,754
Accrued expenses	2,112	2,251
Accrued salaries	19,069	21,306
	21,181	23,557
Note 23. Provisions		
<u>Current</u>		
Employee benefits provision		
Annual leave ^(a)	178,748	185,325
Long service leave ^(b)	166,253	152,107
	345,001	337,432
Other provisions		
Employment on-costs ^(c)	41,435	42,323
Total current provisions	386,436	379,755

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	2014	2013
	\$	\$
<u>Non-current</u>		
Employee benefits provision		
Long service leave ^(b)	35,074	85,833
	35,074	85,833
Other provisions		
Employment on-costs ^(c)	2,936	8,706
Total non-current provisions	38,010	94,539

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

Within 12 months of the end of the reporting period	97,345	93,379
More than 12 months after reporting date	81,403	91,946
	178,748	185,325

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

Within 12 months of the end of the reporting period	38,185	47,149
More than 12 months after the reporting period	163,143	190,791
	201,328	237,940

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

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

KIMBERLEY DEVELOPMENT COMMISSION
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Movements in provisions

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

	2014	2013
	\$	\$
<u>Employment on-cost provision</u>		
Carrying amount at start of year	51,028	50,693
Additional provisions recognised	(6,657)	335
Payments/other sacrifices of economic benefits	-	-
Carrying amount at end of year	44,371	51,028

Note 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. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity

Balance at start of year	145,000	131,000
Contributions by owners	-	14,000
Capital contribution	-	-
Balance at end of period	145,000	145,000

Accumulated surplus/ (deficit)

Balance at start of year	1,655,131	6,087,407
Result for the period	288,343	(4,432,276)
Balance at end of period	1,943,474	1,655,131
Total equity at end of period	2,088,474	1,800,131

Note 25. Notes to the Statement of Cash Flows

Reconciliation of cash

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

Cash and cash equivalent	1,062,829	750,594
Restricted cash and cash equivalent (refer to note 16)	1,360,095	3,583,662
	2,422,924	4,334,256

KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
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	2014 \$	2013 \$
Reconciliation of net cost of services to net cash flows provided by / (used in) operating activities		
Net cost of services	(5,806,779)	(9,106,772)
<u>Non-cash items:</u>		
Depreciation expense (note 9)	41,783	42,724
Resources received free of charge	15,508	13,112
Net loss on sale of plant and equipment	-	-
<u>(Increase)/decrease in assets:</u>		
Current receivables ^(a)	13,510	112,706
Other current assets	10,692	(13,202)
<u>Increase/(decrease) in liabilities:</u>		
Current payables ^(a)	(2,259,289)	1,525,720
Current provisions	6,681	(26,211)
Other current liabilities	(2,376)	(17,922)
Non-current provisions	(56,529)	8,295
Net GST receipts/(payments) ^(b)	-	(49,881)
Change in GST receivables/payables ^(c)	45,850	132,605
Net cash (used in) operating activities	(7,990,949)	(7,378,826)

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

(b) This is the net GST paid/received, i.e. cash transactions.

(c) This reverses out the GST in receivables and payables.

Note 26. Resources received free of charge

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

Building Management and Works –		
Government Accommodation	15,508	13,112
	15,508	13,112

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	2014	2013
	\$	\$
Note 27. Commitments		
Lease commitments		
Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:		
Within 1 year	188,685	180,201
Later than 1 year and not later than 5 years	356,609	421,622
Later than 5 years	-	-
	545,294	601,823
Representing:		
Cancellable operating leases	23,587	47,898
Non-cancellable operating leases	521,707	554,325
	545,294	601,823

Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year	172,268	155,231
Later than 1 year and not later than 5 years	349,439	399,094
Later than 5 years	-	-
	521,707	554,325

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

Other expenditure commitments

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

	2014	2013
	\$	\$
Within 1 year	34,409	47,115
Later than 1 year and not later than 5 years	-	-
	34,409	47,115

Note 28. Contingent liabilities and contingent assets

There are no contingent liabilities or assets that the Commission is aware of as at 30 June 2014.

Contaminated Sites

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

The Commission has no known or suspected contaminated sites.

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Note 29. Events occurring after the balance sheet date

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

Note 30. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2014 and between the actual results for 2014 and 2013. Significant variations are considered to be those greater than 10% or \$100,000.

Significant variances between estimated and actual results for 2014

	2014 Estimate \$'000	2014 Actual \$'000	Variance \$'000
Income from State Government			
Royalties for Regions fund	3,466	5,826	2,360
Expenses			
Employee benefits	1,512	1,336	(176)
Grants and subsidies	1,230	3,300	2,070
Administration Expense	234	348	114

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

Variance is due to revised income associated with the Royalties for Regions - Regional Grants Scheme -\$1,000; Country Local Government Fund -\$200, Planning , Business Case & Capacity Building -\$318, District Allowance -\$43, Grants for Kimberley Aboriginal Community Housing Extensions \$3,000 and Yawuru Home Ownership Scheme \$750.

Employee benefits

The Budget estimate had provision for an additional FTE that was not recruited.

Grants and subsidies (\$'000)

Variance is due to the withdrawal of Royalties for Regions funding -\$1,000 together with extensions grants for the Kimberley Aboriginal Community Housing project \$3,000.

Administration Expenses (\$'000)

Variance is due to return of Royalties for Regions funds -\$109 for the Country Local Government Fund.

KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
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Significant variances between actual results for 2014 and 2013

	2014	2013	Variance
	\$'000	\$'000	\$'000
Income			
Service appropriation	253	2,027	(1,774)
Royalties for Regions - operational funding	2,004	-	2,004
Royalties for Regions – other funding	3,823	2,634	1,189
Interest revenue	2	133	(131)
Expenses			
Employee benefits expense	1,336	1,863	(527)
Supplies and services	553	386	167
Grants and subsidies	3,300	6,524	(3,224)

Service appropriation (\$'000)

Variance is due to service appropriations now being provided through Royalties for Regions operational funding. Service appropriation in 2014 contains \$252 for the CEO salary under the Salaries and Allowances Act 1975.

Royalties for Regions – operational funding (\$'000)

Commencing with the 2013-14 financial year, service appropriations are now funded by Royalties for Regions – Regional & Statewide Initiatives Program.

Royalties for Regions – other funding (\$'000)

Variance is due to a re-arrangement of funding together with new grant funding \$3,000 for the Kimberley Aboriginal Community Housing Project Extensions in Kununurra and Halls Creek.

Interest revenue (\$'000)

The Ord Enhancement Scheme came to conclusion on 30 June 2013 with final grant funding extinguished in that year. Interest in 2014 was paid on a small amount of residual funds retained for finalizing operational aspects of the scheme.

Employee benefits expense (\$'000)

Variance is due to reduced FTE in employ during the year and in particular departure of staff associated with the Ord Enhancement Scheme 30 June 2013.

KIMBERLEY DEVELOPMENT COMMISSION
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Supplies and services (\$'000)

Variance is due to a significant reduction in spending associated with the Warmun Aboriginal Community Re-Establishment Taskforce and also limited expenditure of Royalties for Regions funds (Royalties for Regions Country Local Government Fund and also Planning, Business Case and Capacity Building).

Grants and subsidies (\$'000)

Variance is due to the Ord Enhancement Scheme project concluding and final grant funds of \$2,200 paid.

Note 31. Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission. The Commission measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 31 'Financial instruments disclosures' and note 17 'Receivables'.

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

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Liquidity risk

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

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

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

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks.

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

(b) Categories of financial instruments

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

	2014	2013
	\$	\$
Financial assets		
Cash and Cash equivalents	1,062,829	750,594
Restricted cash and cash equivalents	1,360,095	3,583,662
Loans and receivables ^(a)	50,158	63,669

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

(c) Financial Instruments Disclosure

Credit risk, liquidity risk and interest risk exposure

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

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

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	Weighted Average Effective Interest Rate %	Carrying Amount \$	Variable Interest Rate \$	Non- Interest Bearing \$	Up to 1 month \$	1-3 month \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
2014									
Financial Assets									
Cash & cash equivalent		1,062,829		1,062,829	1,062,829				
Restricted cash & cash equivalents		1,360,095		1,360,095	1,360,095				
Receivables ^(a)									
Amounts receivable for services		39,000		39,000			39,000		
		2,461,924		2,461,924	2,422,924		39,000		
Financial Liabilities									
Payables		43,231		43,231	43,231				
		43,231		43,231	43,231				
2013									
Financial Assets									
Cash & cash equivalent		750,594		750,594	750,594				
Restricted cash & cash equivalents	3.4	3,583,662	2,199,342	1,384,320	3,583,662				
Receivables ^(a)		24,669		24,669	24,669				
Amounts receivable for services		39,000		39,000			39,000		
		4,397,925	2,199,342	2,198,583	4,358,925		39,000		
Financial Liabilities									
Payables		2,302,518		2,302,518	2,302,518				
		2,302,518		2,302,518	2,302,518				

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

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Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Commission's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-100 basis points		+100 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
	\$	\$'000	\$'000	\$'000	\$'000
2014					
<u>Financial Assets</u>					
Restricted cash and cash equivalents	1,360,095	(13,601)	(13,601)	13,601	13,601
Total Increase/ (Decrease)		(13,601)	(13,601)	13,601	13,601
2013					
<u>Financial Assets</u>					
Restricted cash and cash equivalents	3,583,662	(35,837)	(35,837)	35,837	35,837
Total Increase/ (Decrease)		(35,837)	(35,837)	35,837	35,837

Fair values

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

Note 32. Remuneration of members of the accountable authority and senior officers

Remuneration of members of the accountable authority

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

Remuneration Band (\$)	2014	2013
1 - 10,000	7	7
30,001 - 40,000	-	1
40,001 - 50,000	1	-
280,001 - 290,000	-	1
290,001 - 300,000	1	-
	\$	\$
Base remuneration and superannuation	317,371	304,194
Annual leave and long service leave accruals	168,454	202,660
Other benefits	50,010	51,138
The total remuneration of the members of the accountable authority:	535,835	557,992

**KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014**

Note 33. 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:

	2014	2013
\$190,001 - \$200,000	1	-
\$240,001 - \$250,000	-	1
The total remuneration of senior officers is:	\$	\$
Base remuneration and superannuation	137,553	165,444
Annual leave and long service leave accruals	40,251	57,416
Other benefits	16,944	18,891
	\$194,478	\$241,751

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

No senior officers are members of the Pension Scheme.

Note 34. Remuneration of auditor

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

	2014	2013
	\$	\$
Auditing the accounts, financial statements and key performance indicators	36,600	35,500

Payment for auditing services is paid in the following year. Audit fee for 2013-14 will be paid in 2014-15.

KIMBERLEY DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Note 35 Schedule of income and expenses by service

	Regional Promotion		Industry & Infrastructure		Total	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
COST OF SERVICES						
<u>Expenses</u>						
Employee benefits expense	935,209	1,006,387	400,802	857,293	1,336,011	1,863,680
Supplies and services	387,012	208,382	165,862	177,511	552,874	385,893
Depreciation and amortisation expense	29,248	23,071	12,535	19,653	41,783	42,724
Accommodation expenses	182,848	121,126	78,364	103,182	261,212	224,308
Grants and subsidies	2,310,148	3,522,774	990,064	3,000,881	3,300,212	6,523,655
Administration expenses	244,003	135,983	104,573	115,837	348,576	251,820
Total cost of services	4,088,468	5,017,723	1,752,200	4,274,357	5,840,668	9,292,080
<u>Income</u>						
Interest revenue	-	-	2,046	133,489	2,046	133,489
Other revenue	22,290	9,662	9,553	42,157	31,843	51,819
Total income other than income from State Government	22,290	9,662	11,599	175,646	33,889	185,308
NET COST OF SERVICES	4,066,178	5,008,061	1,740,601	4,098,711	5,806,779	9,106,772
INCOME FROM STATE GOVERNMENT						
Service appropriation	177,100	1,094,580	75,900	932,420	253,000	2,027,000
Resources received free of charge	10,855	7,080	4,653	6,032	15,508	13,112
Royalties for Regions – operational funding	1,402,800	-	601,200	-	2,004,000	2,634,384
Royalties for Regions – other funding	2,675,830	612,567	1,146,784	2,021,817	3,822,614	
Total income from State Government	4,266,585	1,714,227	1,828,537	2,960,269	6,095,122	4,674,496
Surplus/(deficit) for the period	200,407	(3,293,834)	87,936	(1,138,442)	288,343	(4,432,276)

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

Key Performance Indicators

KIMBERLEY DEVELOPMENT COMMISSION CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2014

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



Mr Ralph Addis
Chairperson
Kimberley Development Commission

Date: 11 September 2014



Jeff Gooding, PSM, JP
Chief Executive
Kimberley Development Commission

Date: 11 September 2014

Key Performance Indicators

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

The desired outcome from the Commission's activities is:

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

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

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

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

Key Performance Indicator of Effectiveness – Customer Survey

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

Advantage Communications was engaged to complete the client survey on the Commission's behalf for the 2013/2014 financial year. The same survey was used as previous years to allow for comparative analysis.

Respondent Profile

This year's customer survey was completed by 116 respondents with 37% from the Perth metropolitan area, 57% from regional Western Australia and 6% from interstate. The Commission provided Advantage Communications with a list of 163 clients of which the sample group of 116 provides a maximum survey error of +/-5% at the 95% confidence level.

The respondent group comprised 43% from the State Government Sector of Western Australia, 30% from the Private Sector, 22% from Community Organisations, 3% from the Commonwealth Government and 3% from Local Government. Respondents were also categorised according to industry, with the largest percentages working in Government/public administration/defence (20%) and community services (12%).

The respondents had varying levels of contact with the Commission; 47% had monthly, 18% weekly, 25% half yearly and 8% annually.

Effectiveness Indicator 1

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

The survey results illustrate the perceived effectiveness of the Commission in contributing to the economic and social development in the Kimberley. This outcome reinforces the positive impact the Commission is having in this area. The overall result is consistent with the high standard achieved in the previous four years.

	Strongly Agree (%)	Agree (%)	Disagree (%)	Strongly Disagree (%)	Don't Know (%)	Total (%)
2009/10	32	61	1	1	5	100
2010/11	49	41	2	0	8	100
2011/12	30	64	3	0	3	100
2012/13	36	57	2	2	3	100
2013/14	39	57	0	0	4	100

Effectiveness Indicator 2

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

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

The 2013/2014 outcome reinforces the positive impact the Commission is having in this area. These results suggest that respondents are taking the opportunity to access information and continue to be reliably informed. The overall results for this outcome indicate a consistent and steady trend over the last four years.

	Strongly Agree (%)	Agree (%)	Disagree (%)	Strongly Disagree (%)	Don't Know (%)	Total (%)
2009/10	34	57	4	0	5	100
2010/11	43	47	1	0	9	100
2011/12	36	55	5	0	4	100
2012/13	39	50	3	3	5	100
2013/14	43	53	3	0	1	100

The section of the survey seeking respondent views on “staff provide professional and helpful service” again resulted in a consistently high response with 98% indicating agreement that Commission staff provided professional and helpful advice.

Key Performance Indicators of Efficiency

The efficiency indicators for the services are calculated by the cost of the projects divided by the number of project hours allocated by staff. To calculate the cost per project hour, grant income and expenditure are deducted from the Total Operating Cost. Using hours spent on each service a ratio to total hours is calculated and this ratio then determines the Total Operating Cost for each service. For the 2013-14 year the ratio of hours has been determined at 70% for Service one and 30% for Service two. The Commission had announced in the 2013/14 Budget a ratio of 61% and 39% respectively for the Services, however, Government initiatives placed considerably more emphasis into strategies and plans that impacted on Service one.

Efficiency Indicators

Service 1: Policies, strategies, plans and regional promotion

	2013/14	2012/13	2011/12	2010/11	2009/10
Total Operating Cost	1,754,597	1,394,883	1,067,561	1,099,929	3,363,553
Number of Project Hours	7,520	7,313	6,608	5,688	4,863
Cost per Project Hour	\$233	\$191	\$162	\$193	\$692

Service 2: Industry and infrastructure identification, coordination and development

	2013/14	2012/13	2011/12	2010/11	2009/10
Total Operating Cost	751,970	1,188,234	1,415,140	1,518,950	19,846,690
Number of Project Hours	3,271	6,181	8,802	7,703	7,007
Cost per Project Hour	\$230	\$192	\$161	\$197	\$2,832

The increase in cost per project hour of \$42 and \$38 respectively, when compared to 2012/2013, is due to an overall decrease in project hours due to a reduction in staff numbers during the year.

Summary of Key Performance Indicators

This summary emphasises the Commission’s commitment to providing efficient and effective services consistent with agreed targets. Its level of success is demonstrated by the extent and variety of achievements described earlier and favourable performance indicators which suggest a high level of cost effectiveness and customer satisfaction.

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

	2013/2014 Target	2013/2014 Result	Reason for Significant Variation between Target and Result
Delivers effective activities in assisting economic and social development.	90%	96%	Reflects the continuing work of the Commission in delivery of its services and programs.
Makes a positive contribution to economic and social development in the Kimberley	90%	96%	Reflects the continuing work of the Commission in delivery of its services and programs.
Provides a reliable source of information and advice.	90%	96%	
Is an accessible source of information and advice.	90%	96%	

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

	2013/2014 Target	2013/2014 Result	Reason for Significant Variation between Target and Result
Service 1: Policies, strategies, plans and regional promotion Average cost per project hour	\$249	\$233	Staff hours were in line with target estimate but a lower than anticipated net cost of services contributed to a lower average cost per project hour..
Service 2: Industry and infrastructure identification, coordination and development Average cost per project hour	\$247	\$230	

Ministerial Directions

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

Other Financial Disclosures

Pricing policies of services provided

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

Capital projects completed

No capital projects were commenced, underway or completed in 2013/2014.

Employment and Industrial Relations

Staff Profile

Staff Employed	2009	2010	2011	2012	2013	2014
Full-time permanent	7	9	8	8	6	4
Full-time contract	4	3*	5*	5*	1	1
Part-time measured on FTE basis	0.6	0.6	0.8	0.8	0.8	0.8
Positions vacant	0	0	0	0	4	2
Total staff employed	11.6	12.6	13.8	23.8	11.8	5.8

Note: Filling of the two vacancies left by the resignation/transfer of long term officers is underway.

Professional (Staff) Development

The Commission provides a practical learning environment where staff work together to enhance individual and organisational skill sets. This approach overcomes the limited availability of professional development options in a remote region and is complimented by the Commission's Professional Development Program and compliance with related clauses in the Public Service Award 1992 and the Public Service General Agreement 2011.

Worker's Compensation Claims

The Commission received no Worker's Compensation Claims in 2013/2014.

Governance Disclosures

Board and Committee Remuneration

(Annual Reporting Framework 2013/2014 reporting year)

Agencies are required to report on the individual and aggregate costs of remunerating all positions on all Boards and Committees as described in Premier's Circular 2010/02 – State Government Boards and Committees and which appear in the Register published by the Department of Premier and Cabinet.

Remuneration by Board Position for 2014

Position	Name	Type of remuneration	Period of membership	Gross/Actual Remuneration \$
Chair	Ralph Addis	Annual	01/07/13 to 30/06/14	49,005
Deputy Chair	Sciona Browne	Annual	01/07/13 to 31/10/13	3,179
Member	Elsia Archer	Per meeting	01/07/13 to 30/06/14	4,652
Member	Ian Trust	Per meeting	01/07/13 to 30/06/14	4,962
Member	Eunice Yu	Per meeting	01/07/13 to 30/06/14	3,165
Member	Graeme Campbell	Per meeting	01/07/13 to 30/06/14	3,813
Member	Robert Boshammer	Per meeting	01/07/13 to 30/06/14	4,652
Member	Robert Banfield	Per meeting	01/07/13 to 30/06/14	3,813
Member	Niegel Grazia	Nil claimed	01/07/13 to 30/06/14	-
CEO	Jeff Gooding	Not eligible	01/07/13 to 30/06/14	-

Remuneration by Board Position for 2013

Position	Name	Type of remuneration	Period of membership	Gross/Actual Remuneration \$
Chair	Ralph Addis	Annual	01/07/12 to 30/06/13	38,060
Deputy Chair	Sciona Browne	Annual	01/07/12 to 30/06/13	8,871
Member	Elsia Archer	Per meeting	01/07/12 to 30/06/13	3,874
Member	Ian Trust	Per meeting	01/07/12 to 30/06/13	1,745
Member	Eunice Yu	Per meeting	01/07/12 to 30/06/13	3,382
Member	Graeme Campbell	Per meeting	01/07/12 to 30/06/13	1,745
Member	Robert Boshammer	Per meeting	01/07/12 to 30/06/13	3,281
Member	Robert Banfield	Per meeting	01/07/12 to 30/06/13	4,258
Member	Niegel Grazia	Nil claimed	01/07/12 to 30/06/13	-
CEO	Jeff Gooding	Not eligible	01/07/12 to 30/06/13	-

Contracts with Senior Officers

At the date of reporting, no Senior Officers, or firms of which Senior Officers are Members or entities in which Senior Officers have substantial interests, had interests in existing or proposed contracts with the Commission other than normal contracts of employment of service. On the 29 August 2013, \$6,531.25 (inc. GST and Stamp Duty) was paid, via RiskCover, to indemnify all Board Members and Senior Officers, as listed in Section 1 Overview of this report, against a liability incurred under sections 13 or 14 of the *Statutory Corporations (Liability of Directors) Act 1996*.

Other Legal Requirements

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

Advertising

(The Electoral Act 1907, Section 175ZE)

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

1. Total expenditure for 2013/2014 was \$5,538.09.
2. Expenditure was incurred in the following areas:

Class	Class costs (\$)	Agencies	Agency costs (\$)
Advertising agencies	5,538.09	Market Creations	2784.00
		Derby Visitor's Centre	500.00
		AdCorp	1361.59
		Lizart Productions	600.00
		Telstra	292.50
Market research organisations	Nil	Nil	Nil
Polling organisations	Nil	Nil	Nil
Direct mail organisations	Nil	Nil	Nil
Media advertising organisations	Nil	Nil	Nil

Disability Access and Inclusion Plan Outcomes

(Disability Services Act 1993, s29 and Schedule 3 of the Disability Services Regulations 2004)

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

The Commission has maintained its ongoing commitment to facilitating disability access to its services; to include assisting those with impaired hearing, sight and mobility.

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

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

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

The Commission is committed to making information available in a variety of formats and will on request make information available to suit people with specific disabilities.

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

All staff have continued to meet the needs of people with disabilities, when they visit the Commission's offices or make enquiries for information, with respect and dignity.

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

People with disabilities have the same opportunity as others to make complaints to the Commission. No complaints have been received in 2013/2014.

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

The Commission has maintained a flexible approach to its service delivery to ensure that people from different cross-cultural backgrounds and with a range of disabilities have the same opportunity as other people to participate in public consultation.

7. People with disability have the same opportunities as other people regarding employment practices (recruitment and retention) by a public authority.

Although the Commission does not currently employ anyone with a disability, its recruitment and retention practices are fair and unbiased.

Compliance with Public Sector Standards and Ethical Codes

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

In accordance with the *Public Sector Management Act 1994, s31* in 2013/2014 I am pleased to provide the following compliance report:

WA Public Sector Code of Ethics

The Commission's Board and Staff adhere to the WA Public Sector Code of Ethics which has been made available to both in hard copy and electronically. The Code is also included in new Board Member and Staff Induction Packages and reflected in the Commission's policies.

There have been no reports of non compliance.

Public Sector Standards in Human Resource Management

In 2013/2014 the Commission reviewed and updated its Governance and Human Resource Policies including those pertaining to the Public Sector Standards in Human Resource Management. These policies are available to all staff in hard copy and electronically.

No breach claims have been received.

Kimberley Development Commission Board and Staff Codes of Conduct

Both the Commission's Board and Staff Codes of Conduct have been reviewed to accommodate any changes in legislation and government policy.

There have been no reports of non compliance.



Jeff Gooding, PSM, JP
Chief Executive

Date: 11 September 2014

Reporting on Recordkeeping Plans

(State Records Act 2000 and State Records Commission Standard 2, Principle 6)

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

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

The Commission undertook an evaluation of its recordkeeping system in December 2013 prior to preparing its third Recordkeeping Plan in May 2014. Both have been submitted to the State Records Office.

The organisation conducts a recordkeeping training program.

A formalised Recordkeeping Training program exists and supports ongoing informal staff development about recordkeeping across the Commission's three offices. All staff have been updated on the new Recordkeeping Plan 2014 and associated Recordkeeping Policies that have also been updated.

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

The efficiency and effectiveness of the recordkeeping training program has been reviewed in relation to development of an amended Recordkeeping Plan and updating of Recordkeeping policies.

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

The Staff Induction Manual has been updated to reflect the new Recordkeeping Plan 2014 and has also been submitted to the State Records Office.

Government Policy Requirements

Substantive Equality

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

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

Occupational Safety and Health

(Public Sector Commissioner's Circular 2012-05: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector)

Statement of the Commission's commitment to occupational safety and health and injury management with an emphasis on Executive commitment.

The Commission's Board and Senior Staff have continued to maintain a high standard of occupational safety and health and injury management 2013/2014.

Description of the formal mechanism for consultation with employees on occupational safety and health matters.

Given the small size of the organisation the mechanism of consultation is for the Commission's Senior Staff and employees to liaise directly with one another.

Statement of compliance with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*.

To ensure ongoing compliance with the *Workers' Compensation and Injury Management Act 1981* the Commission has completed an annual review of its Workers Compensation and Injury Management Policy and Procedure.

Statement confirming that an assessment of the occupational safety and health management system has been completed (within previous five years).

A self evaluation of the Commission's Occupational Safety and Health management system was completed in 2013/2014.

Report of Annual performance for 2013/2014

Indicator	Actual 2011/2012	Actual 2013/2014	Target 2013/2014	Comment on Result
Number of fatalities	Zero (0)	Zero (0)	Zero (0)	
Lost time injury and/or disease incidence rate	Zero (0)	Zero (0)	Zero (0)	
Lost time injury and/or disease severity rate	Zero (0)	Zero (0)	Zero (0)	
Percentage of injured workers returned to work: i) within 13 weeks ii) within 26 weeks	i) Zero (0) injured workers ii) Zero (0) injured workers	iii) Zero (0) injured workers iv) Zero (0) injured workers	Greater than or equal to 80% return to work within 26 weeks	
Percentage of managers trained in occupational safety, health and injury management responsibilities	50%	50%	Greater than or equal to 80%	Due limited availability of training in the Kimberley.