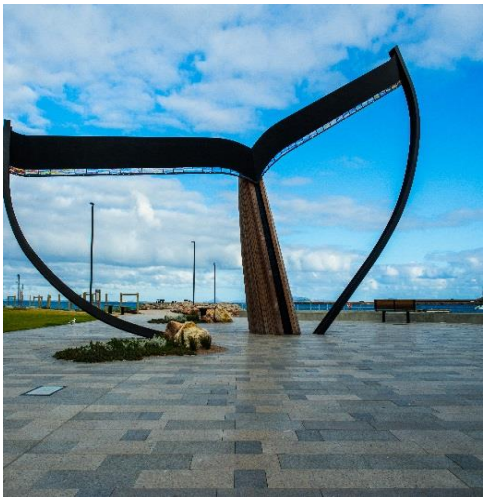
Government of **Western Australia**
Department of **Regional Development**

Goldfields-Esperance Development Commission

2015/2016 Annual Report



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OUR REGION

Characterised by its size, the Goldfields-Esperance Region covers a vast area of 771,276 km², with a diverse ancient landscape sprawling from the Little Sandy Desert and Gibson Desert to the north, and 16 million hectares of world renowned Great Western Woodlands in the west, to the coastal beauty of the south, and east across the Nullarbor Plain.

In the region, the largest in Western Australia, communities and economic activity are isolated from major urban centres and capital cities. Approximately 60,532 people call the region home, living and working in nine Local Government areas. Aboriginal people represent nearly ten percent of the region's population.

Aboriginal culture, interstate and international migration, and social legacies passed on by descendants of early mining and agricultural pioneers, have influenced the character of the Goldfields-Esperance region - a multicultural regional identity that offers great diversity and opportunity.

With over $9 billion in earnings per annum, the region's rich mineral deposits continue to drive the economy, producing over half the economic output. Agriculture also makes up a smaller but nonetheless important contribution and is essential for many smaller communities.

The Goldfields-Esperance region is divided in three sub-regional areas, reflecting the differing economic activity and landscapes; the Goldfields, the north-east, known as the Ngaanyatjarra Lands (or the Lands) and the Southern Region.

The Goldfields includes historic Kalgoorlie-Boulder, Western Australia's largest inland city. With around 31,000 residents, this vibrant social and economic hub serves region wide industry and community requirements. Lead industry sectors include mining, mining services, manufacturing, construction, transport, public administration, education, health, retail, and hospitality. Recreational, creative and tourism experiences continue to develop as sectors for local and visitor enjoyment.

Local employment in other centres of the Goldfields such as Menzies, Leonora, Laverton, Leinster, Coolgardie, Norseman and Kambalda include mining, pastoral, retail, hospitality, community services, and other government services. There is also a component of fly-in fly-out or drive-in drive-out workers associated with mining operations or service provision. With rugged and beautiful landscapes, along with historical and contemporary attractions, these smaller Goldfields centres draw tourism activity, growing related sectors and enhancing quality of life experiences for the combined permanent population of around 8000.

The Shire of Ngaanyatjarraku to the region's north-east, with its widely dispersed Aboriginal communities, some situated close to the Northern Territory and South Australian borders, has valuable employment sectors in community services, education and health. Mining exploration is substantial as are arts and tourism activities. The Outback Way, connecting Queensland to Western Australia through to central Australia is an important external link for the Shire and offers spectacular views on the journey.

Norseman, located on the Eyre Highway is the gateway to the Southern Region and welcomes over 70,000 work or recreation vehicles annually. The Southern Region with stunning white sandy beaches, blue sea, picturesque islands, national parks, and world famous flora and fauna has a thriving tourism and adventure industry.

Coastal Esperance, with around 14,000 people, provides the region's critical port infrastructure. Diversity in employment and lifestyle is enjoyed with strong construction and manufacturing industries, active retail, hospitality, culture and recreation, and established industry and community services.

Ravensthorpe and Hopetoun along with smaller surrounding communities are popular tourist destinations that contribute to 24% of the Southern Regions mining output and are also the leading agricultural producer contributing 10% to the region.

MAP OF THE GOLDFIELDS-ESPERANCE REGION

KEY FACTS

- The Goldfields-Esperance region generates approximately $18 billion per annum in economic output across industries in the region through the efforts of 29,000 employed people and 4,400 businesses, of which over half are sole traders.

- Founded on rich mineral wealth and a strong mining history, the Goldfields-Esperance region is the second most important mining region in Western Australia. With $9.16 billion production in 2014/2015 accounting for 9.2% per cent of the state's mining production, the region has increased its share by 1.2% since 2013/2014 (8%).

- Despite the volatility of the gold price, it is expected that gold mining will continue to be the foundation industry in the region in the medium and long term. In 2014/2015 gold production was worth $5.9 billion due to increasing production volumes, representing two thirds of Western Australia's gold output and 64.7% of the value of all mineral production in the region.

- The mining industry provides significant flow on benefits to local communities with mining, exploration, and mining support services injecting nearly $2 billion in expenditure on locally provided goods and services.

- Industry and the community are supported by a diverse range of industries. In the region, the industry sectors of agriculture, forestry and fishing, manufacturing, construction and transport and storage share 23% of GRP. This diversity is also reflected by retail, manufacturing, construction, health and the education sectors providing 35% of all regional employment.

- Agriculture, forestry and fishing are significant sectors in the southern region contributing to 10% of the regional economic output and approximately 16% of employment. The areas surrounding Ravensthorpe and Esperance are the major agriculture employers, producing wheat, barley and canola.

- Regional farmers are at the forefront of embracing new and emerging technologies and developing practical innovations to accelerate agricultural production and land management practices. An Esperance based company offers a number of innovative services, including drone mapping and data collection and processing services to manage and improve productivity.

KEY FACTS continued

- The Great Western Woodlands is considered to be the largest remaining area of intact Mediterranean climate woodland in the world, supporting more than 3,000 flowering plant species, representing over 20% of Australia's flora. The woodlands also contain around a third of Australia's iconic eucalypt species.

- People living in the Goldfields-Esperance region are highly engaged with their communities, with 33% of Goldfields-Esperance retirees participating in social and cultural activities, in comparison to the State average of 14%. Goldfields-Esperance retirees spend 37% of their time participating in sporting activities compared to the State average of 23% and 45% contribute to their communities through volunteerism.

*Source: REMPLAN Economic Profile _GEDC website July 2016, REMPLAN Community Profile _GEDC website July 2016, Government of Western Australia Department of Mines and Petroleum, Western Australian Mineral and Petroleum Statistics Digest 2014–15.

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CHAIRMAN'S REPORT

A strong focus for the Goldfields-Esperance Development Commission (The Commission) over the past twelve months has seen further consolidation of the Commission, building on the progress that was achieved during 2014/2015, under the stewardship of Chief Executive Officer, Shayne Flanagan.

I refer particularly to the completion of the Regional Investment Blueprint, launched in March 2016 by Minister Terry Redman and the repositioning of the Commission and its re-engagement with its key stakeholders across the region. The Blueprint is the defining document for the future social and economic growth and prosperity out to 2050 and beyond. While our mining and agricultural sectors will continue to be the driving force of our economic base up to and beyond 2050, the diversity of our economy will be key to riding out the boom and bust nature of the industries we rely on, and the Blueprint will help achieve this goal.

The Commission is an active participant in the Regional Centres Development Plan, (Phase 2) together with the City of Kalgoorlie-Boulder, the Department of Regional Development, Landcorp and the Regional Development Council, having allocated significant internal resources to the project, which will deliver a Growth Plan for the City of Kalgoorlie-Boulder.

The Commission also played a key role in facilitating significant events during the year. Highlights were the CEDA (Committee for Economic Development of Australia) Forum in Kalgoorlie-Boulder in July 2015 and the Kalgoorlie-Boulder Futures Forum held in May 2016. The CEDA event was primarily focussed on discussing the challenges and opportunities facing the Goldfields-Esperance region and how a mining focused region can diversify its economy and build a prosperous, sustainable future for its communities.

The Kalgoorlie-Boulder Futures Forum in May 2016 was delivered as a key element of the Regional Centres Development Program, where the community and key stakeholders were invited to participate in an interactive forum aimed specifically at the growth opportunities for Kalgoorlie-Boulder as a pre-eminent city in regional Western Australia. The Commission continues to play a key role in the management of Royalties for Regions funding for the region.

The first projects funded under the Goldfields-Esperance Revitalisation Fund (GERF) are either complete or progressing well with the Hopetoun Community Centre officially opened by Minister Redman in March 2016 and the Northern Goldfields Regional Office and Administration Centre in Leonora close to completion. The Ray Finlayson Sports Centre pavilion in Kalgoorlie is on track and a further six regional projects were allocated $33 million in June 2016. The recent round of funding under the Regional Grants Scheme and Community Chest Fund were oversubscribed and 33 organisations will benefit from over $2.1 million in funding to develop community projects.

A key achievement during the past two years is the work the Commission has undertaken in rebuilding its relationships with key stakeholder across the entire Goldfields-Esperance region. Significant effort has been applied to ensuring that the Commission provides equitable representation and advocacy for all of its key stakeholders on matters that impact and can provide benefit to the Goldfields-Esperance Region. Of particular significance to the Commission was the decision by the Laverton Shire Council to rescind its vote of no-confidence in the Commission in June 2016.

The Regional Development Council continues in its role in providing strategic leadership and governance to ensure effective regional decisions are focussed on delivering effective and sustainable regional development outcomes. I commend the efforts of Council and secretariat for their tireless efforts in driving the regional development agenda across Government and Industry.

I would like to thank Board Members for their enthusiasm, support and contribution over what has been a very positive year for the GEDC and to all staff for their commitment and continued passion for our region.

On behalf of the Board, I acknowledge and thank the Minister for Regional Development, Terry Redman, MLA, and his office for their support and advocacy for Western Australia.

Tony Crook
Chairman

EXECUTIVE SUMMARY

The 2015/2016 year has been one of challenges as well as achievements for the Commission, building on the work that commenced in 2014/2015 on consolidating and developing the Commission's organisational capacity, resetting our region's Blueprint, refining the 'investment pipeline' through the various Royalties for Regions funding programs we administer, as well as rebuilding our relationships with key regional stakeholders.

The revision of the Goldfields-Esperance Regional Investment Blueprint was finalised during 2015, with the Minister for Regional Development formally releasing the Blueprint in March 2016. The Blueprint is aimed at guiding the development of the region until 2050. The Blueprint is already being put to good use in informing decisions on funding under the Goldfields-Esperance Revitalisation Fund (GERF) and the development of the Kalgoorlie-Boulder Growth Plan under the Regional Centres Development Plan Phase 2 (RCDP).

During 2015 and 2016 the Commission completed the assessment of the remaining business cases which had been selected through the first funding round of the GERF, with $42.7 million being allocated to eight projects worth a total of $62 million.

These include projects that deliver age care services and accommodation in Kalgoorlie-Boulder and Esperance, community services and recreation facilities in Laverton, transport infrastructure in Norseman and Drug and Alcohol rehabilitation services in the region. Other approved projects will see the revitalisation of Kalgoorlie's Central Hannan's Precinct, improved recreation facilities through the development of the Ray Finlayson Sporting Centre, and enhanced tourist attractions with the Golden Mile Loopline Railway Society's - Boulder City Station Rail Development.

In addition to securing funding for these significant projects for our region, the GEDC called for Expression of Interest for projects seeking funds from the remaining unallocated GER funds. A total of 19 applications were submitted by regional proponents and the GEDC Board elected to invite seven projects from the region to develop *Royalties for Regions* Business Cases for submission to Cabinet in late 2016.

Kalgoorlie-Boulder was selected in June 2015 as one of the first four regional centres in WA to participate in the Regional Centre Growth Program, with the Commission working with the City of Kalgoorlie-Boulder, the Department of Regional Development, the Regional Development Council and Landcorp.

The Growth Plan will guide the cities strategic economic development in alignment with the Region's Blueprint. During 2015/2016 significant work has been completed in the development of the Growth Plan with expert research and analysis being undertaken. Identified focus areas of expanding development are natural resources, diversifying the economy and improving liveability. Significant community consultation has taken place, a highlight of which was the Futures Forum in May 2016, with key note speaker Bernard Salt. It is expected the Growth Plan will be completed by October 2016.

All staff in the Kalgoorlie, Leonora and Esperance offices continue to work closely and effectively with key stakeholders and partners and represent the Commission on numerous economic and social community forums. The Commission has close strategic links with the local Chambers of Commerce and Industry, Chamber of Minerals and Energy, Local Government, Regional Development Australia and continues to provide support to community organisations.

During 2015/2016 substantial progress has been made in building the Commission's capacity to ensure that it can drive forward in delivering positive regional development outcomes for the Goldfields-Esperance region.

The Commission will commence the 2016/2017 financial year with a full complement of staff, including three new positions funded for a three-year period to assist with Blueprint implementation, administration of the GER fund and the RCDP Growth Plan.

The Commission is continuing to work with its portfolio partners in progressing the current Regional Development Reform process with a key focus on the implementation of a revised operating model aimed at delivering improved regional development outcomes. Generating growth, jobs and ensuring the development of appropriate economic and community infrastructure will remain our key priorities during 2016/2017.

Shayne Flanagan
Chief Executive Officer

COMMISSION OVERVIEW

COMMISSION OVERVIEW

The Goldfields-Esperance Development Commission is a West Australian State Government Agency committed to encouraging and promoting economic and social activity in the Goldfields-Esperance region of Western Australia. The GEDC is one of nine Regional Development Commissions, established under the *Regional Development Commissions Act (1993).*

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

A Board of Management comprised of up to ten members is drawn from Local Government, Community representatives and by Ministerial appointment. The Board sets the overall strategic direction and goals for the Commission.

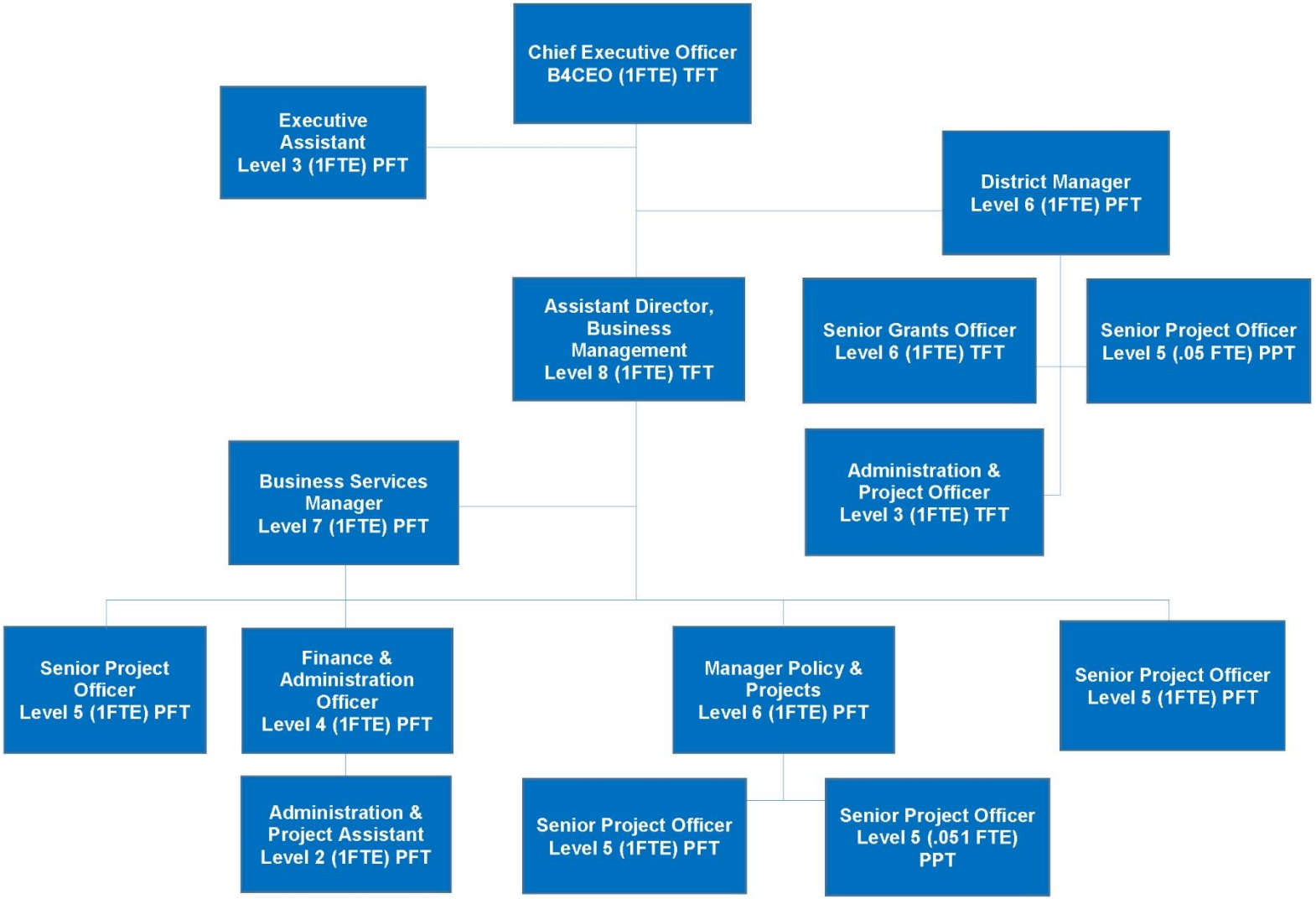
VISION:

We create opportunities to build a vibrant sustainable future for our region.

MISSION:

Increase investment and attract population to our region.

GEDC 6 MONTH INTERIM ORGANISATION STRUCTURE AS AT 30 JUNE 2016



GEDC BOARD OF MANAGEMENT

The Minister for Regional Development is responsible for the appointment of Board members. The Commission's Board of Management is currently comprised of a Chairman, Deputy Chairman and seven members. The Board is selected from the community and local government, as well as Ministerial appointments and the Chief Executive Officer.

The Board is the governing body of the Goldfields-Esperance Development Commission and is responsible for setting the strategic direction of the Commission. The Board considers matters relating to the development of the region and provides advice to the Minister on regional issues

BOARD REMUNERATION

Chairman:	$47,250 per annum
Deputy Chairman:	$5000 per annum and sitting fee of $790 per day or $513 per half day
Members:	Full Day $622. Half Day $403

ATTENDANCE

Tony Crook	9/9
John Bowler	8/9
Kate Fielding	9/9
Kevin Doig	8/9
Matthew Taylor	8/9
Christine Boase	8/9
Gail Adamson-Reynolds	6/9
Ron Yuryevich	0/9
Malcolm Heasman	3/9
Shayne Flanagan	9/9

CHAIRMAN Tony Crook

Tony Crook was born and raised in Merredin in the Wheatbelt region where his family were pioneer farmers. Tony was involved in the pastoral industry before entering the House of Representatives as Member for O'Connor in 2010. He retired in 2013.

Tony served as Chairman of the Western Division of the Royal Flying Doctor Service for 10 years and National President for 3 years.

1st term: 18 August 2014 to 30 June 2016
Representative: Ministerial

DEPUTY CHAIRMAN John Bowler

John is the Mayor of the City of Kalgoorlie-Boulder and is committed to driving growth and sustainability throughout the Goldfields. John's background is in media and small business. He was a Member of the WA Legislative Assembly for 12 years. During that time, John served as Minister for Local Government, Regional Development; Land Information, Goldfields-Esperance, Great Southern, Resources and Employment Protection.

John is involved in many community organisations and initiatives that share his dedication to develop and promote Kalgoorlie-Boulder and the Goldfields, and is passionate about supporting local businesses through a Buy Local campaign.

1st term: 10 March 2014 to 30 June 2016
Representative: Community

GEDC BOARD OF MANAGEMENT continued

BOARD MEMBER Kate Fielding

Kate is a cultural strategist who works with not-for-profit, government and private sectors, mobilising people in formulating solutions to complex problems. She moved to the Goldfields-Esperance region in 2008 to lead a community development team in the remote Ngaanyatjarra Lands, and relocated to Kalgoorlie in 2013.

Kate is a 2014/2015 Sidney Myer Creative Fellow, awarded for national cultural leadership and literature and is the elected Chair of Regional Arts Australia.

1st term: 18 August 2014 to 30 June 2017
Representative: Community

BOARD MEMBER Kevin Doig

Kevin is the Interim Managing Director of the Northern Regional TAFE.

He is a member of the Governing Council and Kevin has a strong background in education and training.

1st term: 18 August 2014 to 30 June 2017
Representative: Ministerial

GEDC BOARD OF MANAGEMENT continued

BOARD MEMBER Matthew Taylor

Matthew Taylor is Deputy President of the Shire of Leonora and Chair of the Gwalia - Leonora Reference Group.

Matt owns and operates his own business in the Northern Goldfields with experience in mining, pastoral and transport industries

1st term: 26 Nov 2013 to 30 June 2016
Representative: Local Government

BOARD MEMBER Christine Boase

Christine is a community development practitioner with over 35 years' experience working in the public, private and not-for-profit sectors. A passionate long-term Goldfields resident, she has a background in tourism and the arts, Aboriginal economic development, business development, education and training.

She is currently Chairperson of the Goldfields Education and Mining Industry Alliance Incorporated, a member of the Goldfields Aboriginal Workforce Development Centre Advisory Board, and since 2008 has worked with Anglogold Ashanti Australia as Community Relations Advisor. Through her role with Anglogold, Christine is the Treasurer of a charitable community organisation & art gallery in Laverton.

1st term: 18 August 2014 to 30 June 2017
Representative: Ministerial

GEDC BOARD OF MANAGEMENT continued

BOARD MEMBER Gail Reynolds-Adamson

Gail Reynolds-Adamson is a descendant from the *Nudju people*, who are from the Norseman/Balladonia area, *Mirrnning people* ("Whale people"), who stretch along the coast between Western Australia and South Australia and the *Noongar people* who are from the South East Coast of Western Australia.

A large portion of Gail's accomplishments in the private sector has been in mining and mining services.

Gail is also the Co-Chairperson of the Esperance Tjaltjraak Native Title Aboriginal Corporation.

1st term: 18 August 2014 to 30 June 2017
Representative: Community

BOARD MEMBER Ron Yuryevich

Ron is a businessman and former Mayor of the City of Kalgoorlie-Boulder. Mr Yuryevich has lived in Kalgoorlie-Boulder all his life and is strongly committed to economic and social development in the Goldfields-Esperance region.

12 months (6th year) 18 August 2014 to 30 June 2015
Resigned 16 October 2015
Representative: Local Government

BOARD MEMBER Malcolm Heasman

Malcolm is a practicing Chartered Accountant who has lived in Esperance since 1977. He has had a long involvement with sporting clubs and associations and is a Life Member of the Esperance Hockey Club Association.

He was elected to the Shire of Esperance Council in 2011 and was Shire President.

1st term: 18 August 2014 to 30 June 2017
Resigned 12 November 2015

CHIEF EXECUTIVE OFFICER Shayne Flanagan

Shayne brings to the position a wealth of experience gained in Regional WA. Prior to his appointment as CEO of the Goldfields-Esperance Development Commission, Shayne headed the Esperance Port Authority during a period of significant transformation.

He has also held management positions at the Goldfields-Esperance Development Commission and within Regional Local Government and the Western Australian Department of Transport.

COMMISSION PERFORMANCE

The Commission's achievements for 2015/2016 have been underpinned by the revised Goldfields-Esperance Strategic Development Plan 2011/2021 and the 2013/2018 Goldfields-Esperance Development Commission Strategic Plan. The State Government's commitment to working towards achieving a sustainable Western Australia enables the Commission to meet the needs of stakeholders, capitalise on sustainable development opportunities and provides a clear direction for our future actions and projects.

STRATEGIC PRIORITIES

ECONOMIC DEVELOPMENT	ORGANISATION	SERVICE DELIVERY	INFRASTRUCTURE
Promote & facilitate economic development	**Build an agile, innovative and collaborative agency**	**Regional service provision**	**Identify infrastructure to promote economic & social development**
Promoting the region. **F**acilitating coordination between relevant statutory bodies and State Government agencies. **I**dentifying opportunities for investment in the region and encouraging that investment. **C**ooperating with Public Service of the State and Commonwealth and other agencies instrumentalities and statutory bodies, and local government.	**D**elivering state outcomes. **A**rticulating clear strategic directions. **E**stablishing and maintaining productive relationships with stakeholders. **A**dhering to the public sector code of ethics that sets the standards of conduct and integrity.	**B**y establishing and maintaining partnerships and alliances with government and non-government agencies.	**C**ooperating with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community within the region. **A**s well as identifying the infrastructure needs of the region, and encourage the provision of that infrastructure in the region.

MAJOR ACHIEVEMENTS

Service 1 – Facilitation of Provision of appropriate Infrastructure and Industry.

GOLDFIELDS-ESPERANCE REVITALISATION FUND

The Goldfields-Esperance Revitalisation Fund was established in the 2013/2014 State Budget to provide Royalties for Region funding for priority projects in the Goldfields-Esperance Region, with a total funding pool of $198 million.

The Goldfields-Esperance Development Commission (GEDC) is successfully administering the program, and a total of $100 million in funding has been allocated to projects which will deliver a range of benefits to the Goldfields-Esperance Region including community, health, recreation, safety, education, industry and business development. The current list of funded projects includes:

PROJECT	FUNDING $
Laverton Community Hub	$8.01 million
Norseman Airstrip Upgrade	$1.45 million
Esperance Aged Care Facility	$3 million
Killarney Retirement Living	$9.8 million
Kalgoorlie Central Hannan St Precinct	$8 million
Goldfields Rehabilitation Services	$2.78 million
Hopetoun Community Centre	$2 million
Northern Goldfields Regional Office and Administration Centre	$4.6 million
Golden Mile Loopline Railway Project	$3.7 million
Ray Finlayson Sporting Complex	$6 million
Kalgoorlie Boulder Community High School	$45 million
Goldfields Arts Centre	$6.2 million
Great Eastern Highway passing lanes	$36 million
Total	**$133.54 million**

Further allocation of the remaining funds is progressing with a number of proponents currently developing business cases.

GOLDFIELDS-ESPERANCE REGIONAL GRANTS SCHEME AND COMMUNITY CHEST FUND

The Commission has responsibility for administering both funding programs which are open to community, public and not for profit organisations. The objective is to improve economic and community infrastructure and services in the region by funding projects that will assist in attracting investment and increasing jobs or help to improve the quality of life in the region, to make it an even more vibrant and interesting place to live.

Round five of the Goldfields-Esperance Regional Grants Scheme (GERGS) was opened in January 2016 for funding in 2016/2017 and 2017/2018 financial years. The scheme was open for applications ranging from $50,001 to $300,000. A total of 22 applications were received, seeking in excess of $3.9 million for projects of a total value of $10.9 million. A total of $1.6 million was allocated to 10 projects approved by the Minister for Regional Development:

ORGANISATION	PROJECT	$R4R
Esperance Volunteer Sea Search & Rescue Group Inc.	Replacement of Esperance Volunteer Marine Rescue Vessel Volunteer II	$300,000.00
Goldfields Individual and Family Support Association Inc. (GIFSA)	Positive Behaviours Support for People with Disabilities	$135,000.00
Shire of Leonora	Gwalia Headframe Restoration	$300,000.00
Wilurarra Creative, Warburton Community Inc.	Wilurarra Social Enterprise Salon	$266,600.00
Life Without Barriers (LWB)	Return to Country	$77,620.00
Kalgoorlie-Boulder Urban Landcare Group	An Eco-Education Centre for Karlkurla Bushland Park	$108,939.78
Arts and Culture Goldfields Association (T/A Artgold)	Heartwalk: Art in the Heart of the CBC	$120,000.00
Royal Flying Doctor Service Western Australia	Aero Medical Equipment	$101,980.86

St John Ambulance Kambalda Sub-Centre	St John Ambulance Kambalda Sub Centre Upgrade	$130,932.00
Ravensthorpe Progress Association	Ravensthorpe Streetscape Seat - Art Project	$87,423.36
Total		**$1,628,496.00**

The Community Chest Fund is a 'small grants' fund that caters for funding applications up to $50,000. In 2016 a total of 40 applications were received from across the region, seeking $1,168,087 to support projects to the total value of $3,548,140. A total of $552,834.80 was allocated to 23 projects approved by the Minister for Regional Development.

ORGANISATION	PROJECT	$R4R
Goldfields Equestrian Centre Management Committee (Inc)	Build, Promote and Grow a Brighter Riding Future for the Goldfields	$45,120.00
Goldfields Repertory Club Inc (1931)	Goldfields Repertory Club Renovations	$23,900.00
Indian Association of Goldfields W.A. Incorporated	'Diwali Mela' Festival of Lights Celebration	$16,500.00
Shire of Ngaanyatjarraku	'Working in Early Childhood' learning resource update	$18,237.00
Goldfields Nullarbor Rangelands Biosecurity Association	"Putting the Pieces Together" Conference	$15,000.00
The Cannery Arts Centre	Colour My Art	$28,960.00
Leeuwin Ocean Adventure Foundation	Leeuwin Young Leadership Program	$45,900.00

Esperance Mechanical Restoration Club Inc	Machinery Display and Visitors Centre	$50,000.00
Goldfields Community Legal Centre (GCLS)	National Accreditation Scheme and Information Materials	$40,500.00
Coolgardie Day Celebrations	Coolgardie Day Celebrations	$10,000.00
Kalgoorlie-Boulder Chamber of Commerce and Industry	2016 Women's Leadership Forum	$7,235.80
Saint Barbara's Festival Inc	Saint Barbara's Festival	$10,000.00
Kalgoorlie-Boulder Chamber of Commerce and Industry	2016 Lorna Mitchell Spring Festival	$18,000.00
Eastern Goldfields Historical Society	EGHS Website redevelopment	$14,890.00
Kalgoorlie Central Play Group	Nature Play Area	$20,000.00
Kambalda Community Christmas Tree	2016 Kambalda Community Christmas Tree 50th Anniversary	$22,000.00
Goldfields Education Mining Industry Alliance (GEMIA)	Inspiring Success through Science	$20,000.00
Eastern Goldfields Cycle Club Inc	2017 Goldfields Cyclassic	$20,000.00
Rotary Club of Esperance	Rotary Australia Day - Sound Equipment	$6,142.00
Gibson Bush Fire Brigade	Truck Wash Down Area and Shed Extension	$39,950.00

Grass Patch Community Development Association	Grass Patch Post Office Toilet	$10,000.00
FORM Building a State of Creativity	Goldfields-Esperance Pilot Artistic Program	$45,000.00
Goldfields Tourism Network	GQDT Travelsafe App	$25,500.00
Total		**$552,834.80**

REGIONAL CENTRES DEVELOPMENT PLAN

The State Planning Strategy 2050 identifies Western Australia's network of Regional Centres and Sub-regional centres, and the Regional Centres Development Plan (RCDP) Program and Pilbara Cities initiative. The State Planning Strategy 2050 identifies the need for these strategic regional centres to build on their competitive and collaborative advantages to support sustained growth and prosperity of Western Australia.

The successful outcome of a joint submission by the GEDC and the City of Kalgoorlie-Boulder has resulted in Kalgoorlie-Boulder being selected as one of the first four cities/towns to be part of the Regional Centres Development Program (Phase 2). The GEDC, together with the City of Kalgoorlie-Boulder (CKB), the Department of Regional Development, the Department of Planning and Landcorp are part of the governance group for implementing this program.

The aim of the program is the development of a Growth Plan to identify competitive advantages and a pathway to sustainable growth. A Growth Plan Partnership (GPP) has been established comprising of the City of Kalgoorlie-Boulder, Goldfields-Esperance Development Commission, Department for Regional Development, Department of Planning, Landcorp, and several local community and industry groups including two mining companies. A lead consultant from Parson Brinckerhoff has been engaged to work with the GPP to coordinate and lead the process, which is being managed by Landcorp.

Significant work has been carried out by subject matter experts, on areas of priority identified by the GPP, including: Risk Management, Stakeholder Engagement, Economic Analysis, Housing Assessment, Aboriginal Economic Development Strategy, Industrial Land Use Availability Assessment, Urban Design and Place Making Review, Tourism and Branding Strategy, Infrastructure Capacity Assessment, Governance Planning and Livability Enhancement and Promotion. These bodies of work will feed into the Growth Plan to identify priority projects and programs recommended for future economic growth. An Investment Prospectus will be developed once the Growth Plan has been finalised.

Further work has been carried out with the four centres at a program level on: Scenario Planning, State and Regional Cluster Analysis, Migration and Market Perception Analysis, Invest Attraction Analysis and Performance Management Framework.

The Growth Plan will outline opportunities to attract business investment, a skilled workforce and to position the economy of Kalgoorlie-Boulder to realise these opportunities. The Plan will guide growth and sustainability under the agreed three pillars identified by the GPP - Natural Resources, Diversify the Economy and Improve Livability. It is expected that the Kalgoorlie-Boulder Growth Plan will be completed by October 2016.

TRANSPORT

Royalties for Regions and the Commonwealth National Building Program funded the long awaited study on the possibilities of a freight route from the Goldfields to the North-West, linking Port Hedland, Geraldton, Kalgoorlie-Boulder and Esperance. The $7 million study, in which the GEDC played an early role in promoting, examined the Port Link proposal with interest in seeing Kalgoorlie-Boulder emerge as a critical transport hub, was finalised by the Department of Transport in 2016.

WASTE

Talis Consultants Pty Ltd (Talis) recently completed the Goldfields Waste Data and Priorities Study on behalf of the Goldfields Environment Management Group (GEMG). The Study gathered and analysed waste data from a range of stakeholders in the Goldfields-Esperance Region with the aim of examining the lifecycle of waste from generation to treatment or disposal along with identifying key regional waste management priorities.

Service 2 – Promotion of the Region and its Investment Opportunities

GOLDFIELDS-ESPERANCE REGIONAL INVESTMENT BLUEPRINT (Blueprint)

A major achievement of the GEDC in 2015/2016 has been the completion of the Goldfields-Esperance Regional Investment Blueprint.

The Blueprint details the economic and social context of the Goldfields-Esperance Region, highlighting the strengths and identifying areas where we have capacity to grow and improve. It sets priorities to focus development and respond to emerging global trends and local strategies and issues, such as the digital age, a growing and ageing population and urbanisation, to further develop a prosperous economy and equity of opportunity.

The development of the Blueprint involved extensive consultation with over 50 meetings, 25 workshops, 10 surveys, and over 400 stakeholders from Federal, State and Local government, business and industry, Non-Government Organisations and community stakeholders across the Goldfields-Esperance Region.

The Blueprints provide commitment, certainty and consistency for the future growth and development of regional Western Australia and will help guide the strategic allocation of Royalties for Regions funding, while also providing a mechanism for attracting and leveraging other investment.

$642 million has been allocated over the next four years in the Western Australian 2016 State Budget, to implement major economic, social and community development projects that arise from the Blueprints, for all nine regions.

COMMUNITY SERVICES AND INFRASTRUCTURE

Northern Goldfields Regional Office and Administration Centre Project

Funding of $4.6 million from the Goldfields-Esperance Revitalisation Fund through Royalties for Regions was provided to the Shire of Leonora to construct a $7.2 million regional office and administration centre in Leonora. The Northern Goldfields Regional Office and Administration Centre Project will provide the infrastructure necessary to grow a health and social services base within the Northern Goldfields, as well as providing the community with meeting and training rooms to facilitate eHealth and vocational education. The expected completion date is 31 December 2016.

Laverton Town Site Revitalisation and Enhancement Masterplan.

In 2010, the community of Laverton participated in a comprehensive master planning process (The Laverton Town Site Revitalisation and Enhancement Masterplan) to address the sporting, recreational, arts and cultural needs of the region. The report identified the need for a Community Hub with three interlinked components comprising of:

- A replacement swimming pool, including change facilities,
- A multi-purpose building suitable for indoor and outdoor sporting activities, community events and an evacuation/command centre, and
- The refurbishment of the Town Hall to accommodate a new youth centre, a community amphitheatre and office space for visiting agencies.

In 2016 funding of $8 million was provided to the Shire of Laverton towards the Laverton Community Hub from the Goldfields-Esperance Revitalisation Fund through Royalties for Regions.

EDUCATION, TRAINING AND EMPLOYMENT

The GEDC commissioned a consultant to conduct a feasibility study of a Regional University Centre for the Goldfields-Esperance Region, with a key objective to determine the viability of a Regional Universities Campus and the optimum tertiary service model to meet regional tertiary aspirations and development of human capital in the region. The Carpe Diem 'Feasibility Study for a Regional Universities Centre for the Goldfields-Esperance Region" was a valuable planning tool and assisted the regional stakeholders in planning for future education and training needs and was completed in April 2015. However, due to reforms to the Western Australian TAFE sector and further consultation with Curtin University and the Western Australian School of Mines, The Carpe Diem 2015 Regional Universities Centre study for the Goldfields-Esperance Region is currently being revised.

The GEDC has continued to participate actively in forums to advance regional workforce, education and training outcomes, such as the Goldfields-Esperance Workforce Development Alliance (GEWDA), the Kalgoorlie-Boulder Chamber of Commerce and Industry Education sub committees and the Goldfields Youth and Transition Working Group.

GOVERNMENT AND INDUSTRY GROUPS

The Committee for Economic Development (CEDA) held its 'Future of the Goldfields-Esperance region' event on 7 July 2015 in Kalgoorlie. The forum was part of the State of the Regions Series, to discuss the challenges and opportunities facing regional Australia in order to build a prosperous, sustainable future.

The GEDC supported this event and also continued its association with the Kalgoorlie-Boulder Chamber of Commerce and Industry, The Chamber of Minerals and Energy, the Esperance Chamber of Commerce and Industry with the important industry and community forums 'What's down the Track' on 28 October 2015 in Kalgoorlie, and the 'Over the Horizon' in Esperance on 10 March 2016.

REGIONAL PROMOTION

The GEDC has been involved in a number of important promotional activities through co-funding projects such as the 'Absolute Gold Special' televised on 'Destination WA' on the 13 November 2015. The three televised segments showcasing the region was made possible through a grant to the Golden Tourism Network Association.

STUDIES, REPORTS, AND PARTNERSHIPS

In partnership with the Shire of Esperance, Dundas, Ravensthorpe and Esperance Chamber of Commerce and Industry, the Goldfields-Esperance Development Commission facilitated the development of the Esperance Region Economic Development Strategy. The plan outlines a list of regional and local initiatives which will help develop and sustain the local and regional economy. Work has commenced on implementing the strategies across the three shires.

The GEDC contributes to inter-agencies meetings across the region, including the Northern Goldfields Interagency Forum, Chairs the Regional Heads of State Government Agency group and Co-Chairs the Heads of Agency meetings in Kalgoorlie. GEDC participation ensures the organisation is informed of what is occurring across the region and allows the GEDC to brief the Minister for Regional Development on critical issues as they arise. It also allows the Commission to share relevant information about funding opportunities, and network across a broad range of public, private and non-government organisations.

Significant community consultation on the development of the Regional Centres Development Growth Plan is occurring through a local stakeholder engagement consultant. The consulting agency is working with the subject matter experts engaged by Landcorp. The Growth Plan in conjunction with the Growth Plan Partnership Group will be developed in partnership with the City of Kalgoorlie-Boulder, Goldfields-Esperance Development Commission and other stakeholders:

- Economic Analysis
- Housing Needs Assessment
- Aboriginal Economic Development
- Land Use and Availability
- Urban Design and Place Making
- Tourism and Branding – Economic Transitions
- Infrastructure Capacity Assessment
- Livability Enhancement
- Further Governance and
- Investment Prospectus

The studies will provide the Growth Plan with expert information on the region with the plan due for completion in October 2016.

SIGNIFICANT ISSUES

SIGNIFICANT ISSUES IMPACTING THE COMMISSION 2015/2016

- Despite recent upgrades of mobile based stations, poor mobile communication coverage and unreliable broadband internet connection particularly in the agricultural sector are a significant issue, limiting productivity, innovation and social amenity.

- A significant increase in the ageing of the population in the Goldfields-Esperance region as demonstrated in the Ageing in the Bush Report, has serious implications on the provision of accommodation for the aged.

- The continued reduction in government services is causing ongoing concern in the region. Over the last 18 months a number of senior government management roles have been relocated, reclassified or not replaced in Kalgoorlie-Boulder in addition to loss of Health and Social Services throughout the Northern Goldfields Communities.

INDEPENDENT AUDITOR'S REPORT

Auditor General

To the Parliament of Western Australia

GOLDFIELDS-ESPERANCE DEVELOPMENT COMMISSION

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accounts and financial statements of the Goldfields-Esperance Development Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2016, 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.

OPINION

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Goldfields-Esperance Development Commission at 30 June 2016 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.

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 for the Audit of the Financial Statements

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.

REPORT ON CONTROLS

I have audited the controls exercised by the Goldfields-Esperance Development Commission during the year ended 30 June 2016.

Controls exercised by the Goldfields-Esperance 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.

OPINION

In my opinion, in all material respects, the controls exercised by the Goldfields-Esperance 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 2016.

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 for the Audit of Controls

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Goldfields-Esperance 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.

REPORT ON THE KEY PERFORMANCE INDICATORS

I have audited the key performance indicators of the Goldfields-Esperance Development Commission for the year ended 30 June 2016.

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

OPINION

In my opinion, in all material respects, the key performance indicators of the Goldfields-Esperance 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 2016.

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 for the Audit of Key Performance Indicators

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.

INDEPENDENCE

In conducting the above audits, 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 Goldfields-Esperance Development Commission for the year ended 30 June 2016 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

29 August 2016

GOLDFIELDS-ESPERANCE DEVELOPMENT COMMISSION
PERIOD OF AUDIT: 30 JUNE 2016

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	**Moderate**	**Minor**
1. Accumulating leave balance		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

SIGNIFICANT — Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

MODERATE — Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

MINOR — Those findings that are not of primary concern but still warrant action being taken.

1. ACCUMULATING LEAVE BALANCE

FINDING

Review of the leave balances show that employees are carrying forward significant annual and long service leave balances and there is no leave plan in place for employees to take the leave in the near future.

RATING: MODERATE

IMPLICATION

Excessive leave balances may result in significant cash flow issues for the Board, should an employee contract be terminated and leave balances be required to be paid out, as well as the increasing salary resulting in higher leave value in the future.

RECOMMENDATION

We recommend that management perform a detailed review of leaves balances for all employees. Where these leave balances are excessive, we recommend a leave management plan be put in place.

MANAGEMENT COMMENT

The Goldfields Esperance Development Commission is acutely aware of current leave liability and those staff with excessive leave have plans in place to clear outstanding leave and have reduced current entitlements in recent months. Management will continue to monitor until all staff leave is reduced to acceptable levels within prescribed policy.

Responsible Person: Assistant Director, Business Management

Completion Date: 30 April 2017

STATEMENT OF COMPLIANCE

DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS
CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

The accompanying financial statements of the Goldfields-Esperance Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2016 and the financial position as at 30 June 2016.

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

Tony Crook
Chairman
25 August 2016

Shayne Flanagan
Executive Officer
25 August 2016

Cameron Patterson Chief
A/Chief Finance Officer
25 August 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2016

	Note	2016 $	2015 $
COST OF SERVICES			
EXPENSES			
Employee benefits expense	6.	1,508,046	1,260,358
Supplies and services	7.	702,838	753,368
Depreciation and amortisation expense	8.	29,955	26,831
Accommodation expense	9.	162,716	160,755
Grants and subsidies	10.	523,423	743,828
Other expenses	11.	1,139,867	139,640
Total cost of services		**4,066,845**	**3,084,780**
INCOME			
Revenue			
Other revenue	12.	19,953	10,962
Total Revenue		**19,953**	**10,962**
Total income other than income from State Government		**19,953**	**10,962**
NET COST OF SERVICES		**4,046,892**	**3,073,818**
INCOME FROM STATE GOVERNMENT			
Service Appropriation	13.	230,000	225,000
Income received from Other State Agencies	13.	171,818	7,261
Royalties for Regions Fund	13.	2,171,300	2,536,057
Services received free of charge	13.	18,484	17,677
Total income from State Government		**2,591,602**	**2,785,995**
SURPLUS/(DEFICIT) FOR THE PERIOD		**(1,455,290)**	**(287,823)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(1,455,290)**	**(287,823)**

See also Note 36 'Schedule of Income and Expenses by Service.

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 $	2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	24.	390,023	1,515,023
Restricted cash and cash equivalents	14.	212,531	454,291
Receivables	15.	10,786	85,844
Other current assets	17.	45,298	30,087
Total Current Assets		**658,638**	**2,085,245**
Non-Current Assets			
Amounts receivable for services	16.	195,000	195,000
Property, plant and equipment	18.	28,080	51,266
Intangible assets	19.	7,919	14,688
Total non-current assets		**230,999**	**260,954**
TOTAL ASSETS		**889,637**	**2,346,199**
LIABILITIES			
Current Liabilities			
Payables	21.	1,378	74,670
Provisions	22.	186,836	143,664
Total Current Liabilities		**188,214**	**218,334**
Non-Current Liabilities			
Provisions	22.	89,541	60,693
Total non-current liabilities		**89,541**	**60,693**
TOTAL LIABILITIES		**277,755**	**279,027**
NET ASSETS		**611,882**	**2,067,172**
EQUITY			
Contributed equity	23.	54,000	54,000
Accumulated surplus/(deficit)		557,882	2,013,172
TOTAL EQUITY		**611,882**	**2,067,172**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Contributed equity $	Reserves $	Accumulated surplus (deficit) $	Total equity $
	23				
Balance at 1 July 2014		54,000	-	2,300,995	2,354,995
Surplus (deficit)		-	-	(287,823)	(287,823)
Total comprehensive income for the period		-	-	(287,823)	(287,823)
Total					
Balance at 30 June 2015		**54,000**	**-**	**2,013,172**	**2,067,172**
Balance at 1 July 2015		54,000	-	2,013,172	2,067,172
Surplus (deficit)		-	-	(1,455,290)	(1,455,290)
Total comprehensive income for the period		-	-	(1,455,290)	(1,455,290)
Total					
Balance at 30 June 2016		**54,000**	**-**	**557,882**	**611,882**

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30 JUNE 2016

	Note	2016 $	2015 $
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		230,000	225,000
Royalties for Regions Fund		2,171,300	2,536,057
Income received from Other State Agencies		171,818	7,261
Net cash provided by State Government		**2,573,118**	**2,768,318**
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,467,811)	(1,197,723)
Supplies and services		(741,067)	(765,310)
Grants and Subsidies		(523,423)	(743,828)
Other expenses		(1,139,867)	(139,640)
GST payments on purchases		(124,757)	(158,825)
GST payments to taxation authority		-	-
Accommodation		(162,716)	(143,078)
Receipts			
GST receipts on sales		-	1,020
GST receipts on taxation authority		199,312	80,804
Other receipts		20,451	14,502
Net cash provided by / (used in) operating activities	24.	**(3,939,878)**	**(3,052,078**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		-	(84,915)
Net cash provided by (used in) investing activities		**-**	**(84,915)**
Net increase/(decrease) in cash and cash equivalents		(1,366,760)	(368,675)
Cash and cash equivalents at the beginning of the period		1,969,314	2,337,989
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	24.	**602,554**	**1,969,314**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1. AUSTRALIAN ACCOUNTING STANDARDS

GENERAL

The Commission's financial statements for the year ended 30 June 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

EARLY ADOPTION OF STANDARDS

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2016.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) GENERAL STATEMENT

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

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

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

(b) BASIS OF PREPARATION

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

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

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

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

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

(c) REPORTING ENTITY

The reporting entity comprises the Goldfields-Esperance Development Commission.

MISSION

Increase investment and attract population to the Goldfields-Esperance region.

SERVICES

The Commission provides the following services:

SERVICE 1: FACILITATION OF THE PROVISION OF APPROPRIATE INFRASTRUCTURE AND INDUSTRY SERVICES

To coordinate the identification of appropriate infrastructure, industries and enterprise services to the region so as to ensure that they are provided effectively and efficiently to meet the expanding needs of the region.

SERVICE 2: PROMOTION OF THE REGION AND ITS INVESTMENT OPPORTUNITIES

To promote the region's advantages and attractions by way of appropriate policies, strategies and plans, so as to encourage investment that will contribute to economic growth, employment and an increased population base in the region.

(d) CONTRIBUTED EQUITY

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

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

(e) INCOME

REVENUE RECOGNITION

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

Provision of services

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

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.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Commission. In accordance with the most recent determination, as quantified in the 2015- 16 Budget Statements, the Commission retained $19,953 in 2016 ($10,962 in 2015) from the following:

- proceeds from fees and charges;
- commonwealth specific purpose grants and contributions;
- other Commission revenue.

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 or 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) PROPERTY, PLANT AND EQUIPMENT

CAPITALISATION/EXPENSING OF ASSETS

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

INITIAL RECOGNITION AND MEASUREMENT

Property, plant and equipment are initially recognised at cost.

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

SUBSEQUENT MEASUREMENT

Subsequent to initial recognition as an asset, 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 and infrastructure, 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 on a class of assets basis.

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:

Plant and equipment	10 to 15 years
Office equipment	5 years
Software	3 to 5 years

(g) INTANGIBLE ASSETS

CAPITALISATION/EXPENSING OF ASSET

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 lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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.

Software [(a)]	3 years

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

COMPUTER SOFTWARE

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

WEBSITE COSTS

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

(h) IMPAIRMENT OF ASSETS

Property, plant and equipment, and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and 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, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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.

(i) LEASES

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the 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 its 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.

(j) FINANCIAL INSTRUMENTS

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

- Receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

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

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

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

(k) 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.

(l) ACCRUED SALARIES

Accrued salaries (see note 21 '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.

The accrued salaries suspense account (See note 14 'Restricted cash and cash equivalents / consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(m) AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)

The Commission receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(n) RECEIVABLES

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

(o) PAYABLES

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

(p) PROVISIONS

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

PROVISIONS - EMPLOYEE BENEFITS

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

Annual leave

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

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

Long service leave

Long service leave not expected to be settled wholly 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 the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Purchased leave

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

Superannuation

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

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

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The Commission 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 Commission's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

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

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

PROVISIONS - OTHER

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised 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'.

(q) SUPERANNUATION EXPENSE

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation fund. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(r) ASSETS AND SERVICES RECEIVED FREE OF CHARGE OR FOR NOMINAL COST

Assets or services received free of charge or for nominal cost are recognised as income at the fair value of the assets and/or the fair value of those services that 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.

(s) COMPARATIVE FIGURES

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

NOTE 3. JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES

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

OPERATING LEASE COMMITMENTS

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

NOTE 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

LONG SERVICE LEAVE

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

NOTE 5. *DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES*

INITIAL APPLICATION OF AN AUSTRALIAN ACCOUNTING STANDARD

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2015 that impacted on the Commission.

AASB *2013-9* *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.*

Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017. 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.

AASB *2014-8* *Amendments to Australian Accounting Standards arising from* AASB *9 (December 2014) – Application of* AASB *9 (December 2009) and* AASB *9 (December 2010) (AASB 9 [2009 & 2010]).*

This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010), arising from the issuance of AASB 9 Financial Instruments in December 2014. The Commission has not yet determined the application or the potential impact of the Standard.

AASB *2015-3* *Amendments to Australian Standards arising from the Withdrawal of* AASB *1031 Materiality*

This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.

AASB *2015-7* *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities (AASB 13).*

This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.

FUTURE IMPACT OF AUSTRALIAN ACCOUNTING STANDARDS NOT YET OPERATIVE

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. Where applicable, the Commission plans to apply these Australian Accounting Standards from their application date.

	Operative for reporting periods beginning on/after
AASB 9 *Financial Instruments*	*1 Jan 2018*

This Standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement,* introducing a number of changes to accounting treatments.

The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 Amendments to Australian Accounting Standards. The Commission has not yet determined the application or the potential impact of the Standard

AASB 15 *Revenue from Contracts with Customers*	*1 Jan 2018*

This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Commission has not yet determined the application or the potential impact of the Standard.

	Operative for reporting periods beginning on/after
AASB 16	*1 Jan 2019*

Leases

This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 1057	*1 Jan 2016*

Application of Australian Accounting Standards

This Standard lists the application paragraphs for each other Standard (and Interpretation). There is no financial impact on application of the Standard.

AASB 2010-7	*1 Jan 2018*

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)*

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.

The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2014-1	*1 Jan 2018*

Amendments to Australian Accounting Standards

Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Authority to determine the application or potential impact of the Standard.

	Operative for reporting periods beginning on/after
AASB 2014-3	*1 Jan 2016*

Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (AASB 1 & 11).

The Commission establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.

AASB 2014-4	*1 Jan 2016*

Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation (AASB 116 & 138).

The adoption of this Standard has no financial impact for the Commission as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.

AASB 2014-5	*1 Jan 2018*

Amendments to the Australian Accounting Standards arising from AASB 15 This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018.The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2014-7	*1 Jan 2018*

Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.

Operative for reporting periods beginning on/after

AASB 2014-9 — *1 Jan 2016*

Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements (AASB 1, 127 & 128).

This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2014-10 — *1 Jan 2016*

Amendments to Australian Accountings Standards - Sale or Contributions of Assets between and Investor and its Associate or Joint Venture (AASB 10& 128).

This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 1O and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2015-1 — *1 Jan 2016*

Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140)

These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Commission has determined that the application of the Standard has no financial impact.

	Operative for reporting periods beginning on/after
AASB 2015-2	*1 Jan 2016*

Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 (AASB 7, 101, 134 & 1049).

This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.

AASB 2015-6	*1 Jul 2016*

Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (AASB 10, 124 & 1049).

The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for- profit public sector entities. There is no financial impact.

AASB 2015-8	*1 Jan 2017*

Amendments to Australian Accounting Standards – Effective Date of AASB 15.

This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Commission has not yet determined the application or the potential impact of AASB 15.

Operative for reporting periods beginning on/after

AASB 2015-10 *1 Jan 2016*

Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 & 128.

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. The Commission has not yet determined the application or the potential impact of AASB 2014-10.

AASB 2016-2 *1 Jan 2017*

Amendments to Australian Accounting Standards -Disclosure Initiative: Amendments to AASB 107.

This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.

NOTE 6. EMPLOYEE BENEFITS EXPENSES

	2016 $	2015 $
Wages and salaries [a]	1384,356	1,158,490
Superannuation [b]	123,690	101,868
	1,508,046	**1,260,358**

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component and 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 11 'Other Expenses'.

Employment on-costs liability is included at note 22 'Provisions'.

NOTE 7. SUPPLIES AND SERVICES

	2016 $	2015 $
Communications	72,984	29,392
Consultants and contractors	416,937	577,871
Consumables	45,078	34,643
Travel	65,172	60,240
Maintenance	2,694	80
Employee related expenses	223	11,372
Other	99,750	39,770
	702,838	**753,368**

NOTE 8. DEPRECIATION AND AMORTISATION EXPENSES

	2016 $	2015 $
Depreciation		
Furniture and fittings	-	1,685
Office equipment	1,649	1,649
Computer hardware	21,537	17,878
Total depreciation	**23,186**	**21,212**
Amortisation		
Intangible assets-computer software	6,769	5,619
Total amortisation	6,769	5,619
TOTAL DEPRECIATION & AMORTISATION	**29,955**	**26,831**

NOTE 9. ACCOMMODATION EXPENSES

	2016	2015
	$	$
Lease rentals	146,589	156,930
Repairs and maintenance	13,179	700
Power and water	2,948	3,125
	162,716	**160,755**

NOTE 10. GRANTS AND SUBSIDIES

	2016	2015
	$	$
Royalties for Regions Funds		
Regional Grants	523,423	369,937
Community Chest	-	368,266
Blueprint	-	5,625
	523,423	**743,828**

NOTE 11. OTHER EXPENSES

	2016	2015
	$	$
Other expenses [a] [b]	1,139,867	139,640
	1,139,867	**139,640**

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

(b) Includes $1,125,000 consolidated fund monies returned to Department of Treasury.

NOTE 12. OTHER REVENUE FROM ORDINARY ACTIVITIES

	2016	2015
	$	$
Other revenue/recoups	19,953	10,962
	19,953	**10,962**

NOTE 13. INCOME FROM STATE GOVERNMENT

	2016 $	2015 $
Appropriation received during the period		
Service appropriation [(a)]	230,000	225,000
	230,000	225,000
Income received from Other State Agencies	171,818	7,261
	171,818	7,261
Services received free of charge		
Government Accommodation-Leasing	18,484	17,677
	18,484	17,677
Royalties for Regions Fund		
Royalties for Regions Regional Community Services [(b)]	569,300	936,057
Royalties for Regions Regional and State-wide initiatives [(b)]	1,602,000	1,600,000
	2,171,300	**2,536,057**
	2,591,602	**2,785,995**

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

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

NOTE 14. RESTRICTED CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Current		
Royalties for Regions Grants Scheme [(a)]	155,130	407,387
Restricted Non RfR (CF) – GER	57,401	-
Accrued salaries suspense account [(b)]	-	46,904
	212,531	**454,291**
Non-Current	-	-
Accrued salaries suspense account [(b)]	-	-

(a) These unspent funds are committed to projects and programs in the region.

(b) Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

NOTE 15. RECEIVABLES

	2016 $	2015 $
Current		
Trade debtors	-	499
Other debtors	13	12
GST receivable	10,773	85,333
TOTAL CURRENT	**10,786**	**85,844**

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

NOTE 16. AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)

	2016 $	2015 $
Non-Current	195,000	195,000
TOTAL RECEIVABLES FOR SERVICES	**195,000**	**195,000**

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 17. OTHER ASSETS

	2016 $	2015 $
Current		
Prepayments	45,298	30,087
TOTAL CURRENT	**45,298**	**30,087**

NOTE 18. PROPERTY, PLANT AND EQUIPMENT

	2016 $	2015 $
Furniture and fittings at cost	30,491	30,491
Accumulated depreciation	(30,491)	(30,491)
	-	-
Office equipment at cost	22,887	22,887
Accumulated depreciation	(20,001)	(18,352)
	2,886	4,535
Computing hardware at cost	64,609	64,609
Accumulated depreciation	(39,415)	(17,878)
	25,194	46,731
Communications equipment at cost	28,353	28,353
Accumulated depreciation	(28,353)	(28,353)
	-	-
TOTAL PLANT & EQUIPMENT	**28,080**	**51,266**

All Property, Plant and Equipment are measured at cost.

Reconciliations of the carrying amounts for furniture, equipment and computers, at the beginning and end of the reporting period are set out in the table below:

	Furniture & Fittings $	Office Equipment $	Computing Hardware $	Comms Equipment $	Total $
2016					
Carrying amount at start of period	-	4,535	46,731	-	51,266
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation	-	(1,649)	(21,537)	-	(23,186)
Reclassification	-	-	-	-	-
CARRY AMOUNT AT END OF PERIOD	-	**2,886**	**25,194**	**-**	**28,080**

	Furniture & Fittings $	Office Equipment $	Computing Hardware $	Comms Equipment $	Total $
2015					
Carrying amount at start of period	1,686	6,184	-	-	7,870
Additions	-	-	64,609	-	64,609
Disposals	-	-	-	-	-
Depreciation	(1,686)	(1,649)	(17,878)	-	(21,213)
Reclassification	-	-	-	-	-
CARRY AMOUNT AT END OF PERIOD	-	**41,535**	**46,731**	**-**	**51,266**

NOTE 19. INTANGIBLE ASSETS

	2016	2015
	$	$
Computer Software		
At cost	20,307	20,307
Accumulated amortisation	(12,388)	(5,619)
	7,919	**14,688**
Reconciliations:		
Computer Software		
Carrying amount at start of period	14,688	-
Additions	-	20,307
Disposals	-	-
Amortisation expenses	(6,769)	(5,619)
CARRY AMOUNT AT END OF THE PERIOD	**7,919**	**14,688**

NOTE 20. IMPAIRMENT OF ASSETS

There were no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 30 June 2016.

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 2016 have either been classified as assets held for sale or written-off.

NOTE 21. PAYABLES

	2016	2015
	$	$
Trade payables	900	-
Accrued salaries	-	31,785
Accrued expenses	478	42,885
	1,378	**74,670**

NOTE 22. PREVISIONS

	2016 $	2015 $
Current		
Employee benefits provision		
Annual leave [a]	107,749	68,425
Long service leave [b]	76,641	74,250
	184,390	**142,675**
Other Provisions		
Employment on-cost [c]	2,446	989
	2,446	989
	186,836	**143,664**
Non-Current		
Employee Benefits Provision		
Long service leave [b]	88,331	60,257
	88,331	60,257
Employment on-costs [c]	1,210	436
	1,210	436
	89,541	**60,693**

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

	2016 $	2015 $
Within 12 months of the end of the reporting period	86,165	59,279
More than 12 months after the end of the reporting period	21,584	9,146
	107,749	**68,425**

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

	2016 $	2015 $
Within 12 months of the end of the reporting period	93,125	85,828
More than 12 months after the end of the reporting period	71,847	48,679
	164,972	**134,507**

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

The associated expense, apart from unwinding of the discount (finance cost), is disclosed in note 11 'Other expenses'.

NOTE 23. EQUITY

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.

	2016 $	2015 $
Contributed Equity		
Balance at start of period	54,000	54,000
Contributions by owners		
Capital appropriation	-	-
TOTAL CONTRIBUTIONS BY OWNERS	-	-
BALANCE AT THE END OF THE PERIOD	**54,000**	**54,000**

Accumulated surplus/(deficit)	2016 $	2015 $
Balance at start of period	2,013,172	2,300,995
Result for the period	(1,455,290)	(287,823)
Balance at end of the period	**557,882**	**2,013,172**
TOTAL EQUITY AT END OF THE PERIOD	**611,882**	**2,067,172**

NOTE 24. 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:

	2016	2015
	$	$
Cash and cash equivalents	390,023	1,515,023
Restricted cash and cash equivalents (N*ote 14 Restricted cash and cash equivalents)*	212,531	454,291
	602,554	**1,969,314**

Reconciliation of net cost of services to net cash flows provided by/ (used in) operating activities.

	2016	2015
	$	$
Net cost of services	(4,046,892)	(3,073,818)
Non-cash items:		
Resources received free of charge	18,484	17,677
Depreciation and amortisation expense	29,955	26,831
(Increase)/Decrease in assets:		
Current receivables [(a)]	498	3,528
Other current assets	(15,211)	(21,907)
Increase/(Decrease) in liabilities:		
Current payables [(a)]	(73,291)	-
Current provisions	43,172	23,589
Other current liabilities	-	21,635
Non-current provisions	28,848	27,388
Net GST receipts/(payments) [(b)]	74,645	77,001
Change in GST in receivables/payables [(c)]	(86)	-
NET CASH PROVIDED BY/(USED) IN OPERATING ACTIVITIES	**(3,939,878)**	**(3,052,078)**

(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.

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

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

NOTE 25. SERVICES PROVIDED FREE OF CHARGE

The Commission did not provide any resources free of charge.

NOTE 26. COMMITMENTS

Non-cancel/able operating lease commitments

	2016 $	2015 $
Commitments for minimum lease payments are payable as follows:		
Within 1 year	163,235	201,927
Laster than 1 year and not later than 5 years	190,271	329,895
	353,506	**531,822**

The Commission has commitments for property leases for an office and staffs housing that are non-cancellable, with two properties with leases of up to five years.

NOTE 27. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At the reporting date, the Commission had no contingent liabilities or contingent assets.

NOTE 28. CONTROLLED ENTITIES

At the reporting date, the Commission had not controlled entities.

NOTE 29. EVENT OCCURRING AFTER THE FINANCIAL POSITION DATE

No material events have occurred after 30 June 2016.

NOTE 30. EXPLANATORY STATEMENT

All variances between estimates (original budget) and actual results for 2016, and between the actual results for 2016 and 2015 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and $53,740 for the Statements of Comprehensive Income and Cash Flows; and
- 5% and $34,100 million for the Statement of Financial Position

STATEMENT OF COMPREHENSIVE INCOME	Variance Note	Estimate 2016 $	Actual 2016 $	Actual 2015 $	Variance between estimated and actual $	Variance between actual results for 2016 & 2015 $
Expenses						
Employee benefits expense	A	1,506,000	1,508,046	1,260,358	2,046	247,688
Supplies and services	1	344,000	702,838	753,368	358,838	(50,530)
Depreciation and amortisation expense		9,000	29,955	26,831	20,955	3,124
Accommodation expenses		168,000	162,716	160,755	(5,284)	1,961
Grants and subsidies	B	556,000	523,423	743,828	(32,577)	(220,405)
Other expenses	2, C	104,000	1,139,867	139,640	1,035,867	1,000,227
TOTAL COST OF SERVICES		**2,687,000**	**4,066,845**	**3,084,780**	**1,379,845**	**982,065**
Income						
Revenue		-	-	-	-	-
Other revenue		-	19,953	10,962	19,953	8,991
Total revenue		-	19,953	10,962	19,953	8,991
Total Income other than income from State Government		-	19,953	10,962	19,953	8,991
NET COST OF SERVICES		**2,687,000**	**4,046,892**	**3,073,818**	**1,359,892**	**973,074**
Income from State Government						
Service appropriation		230,000	230,000	225,000	-	5,000
Income received from other State Agencies	3, D	-	171,818	7,261	171,818	164,557
Royalties for Region Fund	4, E	2,356,000	2,171,300	2,536,057	(184,700)	(364,757)
Resources received free of charge		12,000	18,484	17,677	6,484	807
TOTAL INCOME FROM STATE GOVERNMENT		**2,598,000**	**2,591,602**	**2,785,995**	**(6,398)**	**(194,393)**
SURPLUS(DEFICIT) FOR THE PERIOD		**(89,000)**	**(1,455,290)**	**(287,823)**	**(1,366,290)**	**(1,167,467)**

STATEMENT OF FINANCIAL POSITION

	Variance	Estimate 2016	Actual 2016	Actual 2015	Variance between estimated and actual	Variance between actual results for 2016 & 2015
ASSETS						
Current Assets		$	$	$	$	$
Cash and cash equivalents	5, F	1,352,000	390,023	1,515,023	(961,977)	(1,125,000)
Restricted cash and cash equivalents	6, G	88,000	212,531	454,291	124,531	(241,760)
Receivables	H	12,000	10,786	85,844	(1,214)	(75,058)
Other current Assets	7	8,000	45,298	30,087	37,298	15,211
TOTAL CURRENT ASSETS		**1,460,000**	**658,638**	**2,085,245**	**(801,362)**	**(1,426,607)**
Non-Current Assets						
Restricted cash and cash equivalents	8	47,000	-	-	(47,000)	-
Amounts receivable for services		195,000	195,000	195,000	-	-
Property, plant and equipment		3,000	28,080	51,266	25,080	(23,186)
Intangible assets		-	7,919	14,688	7,919	(6,769)
TOTAL NON-CURRENT ASSETS		**245,000**	**230,999**	**260,954**	**(14,001)**	**(29,955)**
TOTAL ASSETS		**1,705,000**	**889,637**	**2,346,199**	**(815,363)**	**(1,456,562)**
LIABILITIES						
Current Liabilities						
Payables	9, I	54,000	1,378	74,670	(52,622)	(73,292)
Provisions	10, J	119,000	186,836	143,664	67,836	43,172
TOTAL CURRENT LIABILITIES		**173,000**	**188,214**	**218,334**	**15,214**	**(30,120)**
Non-Current Liabilities						
Provisions	11	33,000	89,541	60,693	56,541	28,848
TOTAL NON-CURRENT LIABILITIES		**33,000**	**89,541**	**60,693**	**56,541**	**28,848**
TOTAL LIABILITIES		**206,000**	**277,755**	**279,027**	**71,755**	**(1,272)**
NET ASSETS		**1,499,000**	**611,882**	**2,067,172**	**(877,118)**	**(1,455,290)**
EQUITY						
Contributed Equity		54,000	54,000	54,000	-	-
Accumulated surplus/(deficit)		1,445,000	557,882	2,013,172	(887,118)	(1,455,290)
TOTAL EQUITY		**1,499,000**	**611,882**	**2,067,172**	**(887,118)**	**(1,455,290)**

STATEMENT OF CASH FLOW

	Variance Note	Estimate 2016 $	Actual 2016 $	Actual 2015 $	Variance between estimated and actual $	Variance between actual results for 2016 & 2015 $
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		230,000	230,000	225,000	-	5,000
Royalties for Regional Fund	12, K	2,356,000	2,171,300	2,536,057	(184,700)	(364,757)
Income received from other State Agencies	13, L	-	171,818	7,261	171,818	164,557
NET CASH PROVIDED BY STATE GOVERNMENT		**2,586,000**	**2,573,118**	**2,768,318**	**(12,882)**	**(195,200)**
Utilised as follows:						
CASH FLOW FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	M	(1,506,000)	(1,467,811)	(1,197,723)	38,189	(270,088)
Supplies and services	14	(252,000)	(741,067)	(765,310)	(489,067)	24,243
Grants and subsidies	N	(556,000)	(523,423)	(743,828)	32,577	220,405
Other expenses	15, O	(191,000)	(1,139,867)	(139,640)	(948,867)	(1,000,227)
GST payments on purchases	16	(325,000)	(124,757)	(158,825)	200,243	34,068
Accommodation		(168,000)	(162,716)	(143,078)	5,284	(19,638)
Receipts						
GST receipts on sales		-	-	1,020	-	(1,020)
GST receipts from taxation authority	17, P	325,000	199,312	80,804	(125,688)	118,508
Other receipts		-	20,451	14,502	20,451	5,949
NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES		**(2,673,000)**	**(3,939,878)**	**(3,052,078)**	**(1,266,878)**	**(887,800)**
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets	Q	-	-	(84,915)	-	84,915
Loss of disposal		-	-	-	-	-
NET CASH PROVIDED BY/ (USED IN) INVESTING ACTIVITIES		**-**	**-**	**(84,915)**	**-**	**84,915**
Net increase (decrease) in cash and cash equivalents)		**(87,000)**	**(1,366,760)**	**(368,675)**	**(1,279,760)**	**(998,085)**
Cash and cash equivalents at the beginning of the period		1,574,000	1,969,314	2,337,989	395,314	(368,675)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**1,487,000**	**602,554**	**1,969,314**	**(884,446)**	**(1,366,760)**

MAJOR ESTIMATE AND ACTUAL (2016) VARIANCE NARRATIVES

1. Supplies and Services expense exceeded estimates by $358,838 predominantly due to spending funded through carry overs from 2014/15 of $407,000.
2. Other expenses exceeded estimates by $1,035,867 predominately due to the return of $1,125,000 consolidated fund monies to Department of Treasury.
3. Income received from other state government exceeded estimates by $171,818 due to additional funding received from Department of Regional Development for Goldfields-Esperance Revitalisation Unit.
4. Royalties for Regions Fund was lower than estimated due to the carryover of funds from 2014/15 financial year of $187,000.
5. Cash and cash equivalent was lower than estimated by $961,977 predominantly due to the return of consolidated fund monies to Department of Treasury of $1,125,000.
6. Restricted cash and cash equivalent increased by $124,531 due to underestimation when the budget was set.
7. Other current assets exceeded budget by $37,298 due to higher prepayments than anticipated.
8. Restricted cash and cash equivalent (non-current) lower than estimated by $47,000 due to an additional payment of salary for the 27th pay in the 2015/16 financial year.
9. Payables were lower than estimates by $52,622 due to a lower level of trades' payable than anticipated at the end of 2015/16 financial year.
10. Provisions (current) exceeded estimates by $67,836 due to underestimation when the budget was set.
11. Provisions (non-current) exceeded estimates by $56,541 due to underestimation when the budget was set.
12. Royalties for Regions fund was lower than estimated due to the carryover of funds from 2014/15 financial year.
13. Income received from other State Agencies exceeded budget by $171,818 due to additional funding received from Department of Regional Development for Goldfields-Esperance Revitalisation Unit.
14. Supplies and services expense exceeded estimates by $489,067 predominantly due to the carry over fund from 2014/15 financial year.
15. Other expenses exceeded estimates by $948,867 predominately due to an amount of $1,125,000 of consolidated fund monies returned to Department of Treasury.
16. GST payments on purchases was lower than estimates by $200,243 due to lower taxable invoices than anticipated.
17. GST receipts from the taxation lower than estimate by $125,688 due to lower GST payments on purchases.

MAJOR ACTUAL (2016) AND COMPARATIVE (2015) VARIANCE NARRATIVES

A Employee benefits expense increased by $247,688 due to vacancies in permanent positions during the 2014/15 financial year.

B Grants and Subsidies expense decreased by $220,405 due to the decrease in expenditure for Regional Grants Scheme 2014/15 project which is near its completion stage.

C Other expenses increased by $1,000,227 predominately due to the return of $1,125,000 of consolidated funds to Department of Treasury.

D Income received from other state agencies increased by $164,557 due to additional funding received from Department of Regional Development for Goldfields- Esperance Revitalisation Unit.

E Royalties for Regions Fund decreased predominately due to carry over funds from 2014/15 financial year of $407,000.

F Cash and cash equivalent decreased by $1,125,000 due to funds returned to Department of Treasury.

G Restricted cash and cash equivalents decreased by $241,760 due to the decrease in expenditure for Regional Grants Scheme 2014/15 project which is near its completion stage.

H Receivable decreased by $75,058 due to a decrease in GST receivable at year end.

I Payables decrease by $73,292 due to lower trade creditors' invoices to be paid in July 2016.

J Provisions (current) increased by $43,172 due to vacancies in permanent positions during 2014/15 financial year.

K Royalties for Regions Fund decreased by $364,757 is due to carry over funds from 2014/15 financial year of $407,000.

L Income received from other state agencies increased by $164,557 predominantly due to additional funding of $171,818 received from Department of Regional Development for Goldfields-Esperance Revitalisation Unit.

M Employee benefits payments increased by $270,088 due to vacancies in permanent positions during 2014/15 financial year and additional salary payment for the 27th pay in the 2015/16 financial year.

N Grants and Subsidies payments decreased by $220,405 due to the decrease in expenditure for Regional Grants Scheme 2014/15 project which is near its completion stage.

O Other expenses payments increased by $1,000,227 predominately due to $1,125,000 funds returned to Department of Treasury.

P GST receipts from taxation authority increased by $118,508 due to GST receivable amount of $73,000 at the end of 2014/15 financial year and increase in the purchase of taxable supplies in 2015/16 financial year.

Q Payments for the purchase of non-current assets decreased by $84,915 due to no investing payments during the 2015/16 financial year.

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, 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 l obligations resulting in financial loss to the Commission.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 31 (c) 'Financial instrument disclosures' and Note 15 '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 services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

LIQUIDITY RISK

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

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

MARKET RISK

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

(b) CATEGORIES OF FINANCIAL INSTRUMENTS

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2016	2015
Financial Assets	**$**	**$**
Cash and cash equivalents	390,023	1,515,023
Restricted cash	212,531	454,291
Receivables	13	511
Amounts receivable for services	195,000	195,000
	797,567	**2,164,825**
Financial Liabilities		
Payables [(a)]	1,378	74,670
	1,378	**74,670**

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

(c) FINANCIAL INSTRUMENT DISCLOSURES

CREDIT RISK

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

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

AGEING ANALYSIS OF FINANCIAL ASSETS

			Past due but not impaired					
	Carrying amount	**Not past due and not impaired**	**Up to 3 Months**	**3 – 12 Months**	**1-2 Years**	**2 – 5 Years**	**More than 5 Years**	**Impaired Financial assets**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
2016								
Cash and cash equivalents	390,023	390,023	-	-	-	-	-	-
Restricted cash and cash equivalents	212,531	212,531	-	-	-	-	-	-
Receivables [(a)]	13	13	-	-	-	-	-	-
Amounts receivable for services	195,000	195,000	-	-	-	-	-	-
	797,567	**797,567**	-	-	-	-	-	-
2015								
Cash and cash equivalents	1,515,023	1,515,023	-	-	-	-	-	-
Restricted cash and cash equivalents	454,291	454,291	-	-	-	-	-	-
Receivables [(a)]	511	511	-	-	-	-	-	-
Amounts receivable for services	195,000	195,000	-	-	-	-	-	-
	2,164,825	**2,164,825**	-	-	-	-	-	-

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

LIQUIDITY RISK AND INTEREST RATE EXPOSURE

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

INTEREST RATE EXPOSURE AND MATURITY ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

		Interest rate exposure				Maturity dates				
2016	**Weighted average effective interest rate** **%**	**Carrying amount** **$**	**Fixed interest rate** **$**	**Variable interest rate** **$**	**Non interest bearing** **$**	**Nominal Amount** **$**	**Up to 3 Months** **$**	**3 – 12 Months** **$**	**1-2 Years** **$**	**2 – 5 Years** **$**	**More than 5 Years** **$**
Financial Assets											
Cash & cash equivalents	-	390,023	-	-	-	390,023	390,023	-	-	-	-
Restricted cash & cash equivalents	-	212,531	-	-	-	212,531	212,531	-	-	-	-
Receivables [(a)]	-	13	-	-	-	13	13	-	-	-	-
Amounts receivable for services	-	195,000	-	-	-	195,000	-	-	-	-	195,000
	-	**797,567**	**-**	**-**	**-**	**797,567**	**602,567**	**-**	**-**	**-**	**195,000**
Financial Liabilities											
Payables	-	1,378	-	-	-	1,378	1,378	-	-	-	-
	-	**1,378**	**-**	**-**	**-**	**1,378**	**1,378**	**-**	-	-	-

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

INTEREST RATE EXPOSURE AND MATURITY ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

		Interest rate exposure					Maturity dates				
2015	Weighted average effective interest rate %	Carrying amount $	Fixed interest rate $	Variable interest rate $	Non-interest bearing $	Nominal amount $	Up to 3 Months $	3 – 12 Months $	1-2 Years $	2 – 5 Years $	More than 5 Years $
Financial Assets											
Cash & cash equivalents	-	1,515,023	-	-	-	1,515,023	1,515,023	-	-	-	-
Restricted cash & cash equivalents	-	454,291	-	-	-	454,291	454,291	-	-	-	-
Receivables [(a)]	-	511	-	-	-	511	511	-	-	-	-
Amounts receivable for services	-	195,000	-	-	-	195,000	-	-	-	-	195,000
	-	**2,164,825**				**2,164,825**	**1,969,825**	**-**	**-**	**-**	**195,000**
Financial Liabilities											
Payables	-	74,670	-	-	-	74,670	74,670	-	-	-	-
	-	**74,670**	**-**	**-**	**-**	**74,670**	**74,670**	**-**	**-**	**-**	**-**

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

INTEREST RATE SENSITIVITY ANALYSIS

None of the Commission's financial assets and financial liabilities at the end of the reporting period are sensitive to movements in interest rates, hence movements in interest rates have no bottom line impact on the Commission's surplus or equity.

FAIR VALUES

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 32. REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY

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

	2016	2015
	$	$
$		
Under $10,000	5	6
10,001-20,000	2	1
40,001-50,000	-	1
50,001-60,000	1	-
Base remuneration and superannuation	104,121	78,495
THE TOTAL REMUNERATION OF MEMBER OF THE ACCOUNTABLE AUTHORITY	**104,121**	**78,495**

The total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers. No members of the Accountable Authority are members of the Pension scheme.

REMUNERATION OF SENIOR OFFICERS

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

	2016	2015
	$	$
$		
170,001 – 180,000	-	1
220,001 – 230,000	1	-
Base remuneration and superannuation	210,104	159,619
Annual leave and long service leave accruals	14,482	14,214
Other benefits	2,483	1,637
THE TOTAL REMUNERATION OF MEMBER OF THE ACCOUNTABLE AUTHORITY	**227,069**	**175,470**

Total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers

NOTE 33. REMUNERATION OF AUDITORS

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

	2016 $	2015 $
Auditing the accounts, financial statements and key performance indicators.	39,400	38,500
	39,400	**38,500**

NOTE 34. RELATED BODIES

The Commission has no related bodies as defined by Treasurer's Instruction 951.

NOTE 35. SUPPLEMENTARY FINANCIAL INFORMATION

(a) WRITE-OFFS

There were no write-off of debts during the financial year.

(b) LOSSES THROUGH THEFT, DEFAULTS AND OTHER CAUSES

There have been no losses through theft, defaults or from other causes.

(c) GIFTS OF PUBLIC PROPERTY

There have been no gifts of public property provided by the Commission in this financial year.

NOTE 36. SCHEDULE OF INCOME AND EXPENSES BY SERVICE

FOR THE YEAR ENDED 30 JUNE 2016

COST OF SERVICES	Facilitation of the Provision of appropriate infrastructure and industry services.		Promotion of the region and its investment opportunities.		Total	
	2016	2015	2016	2015	2016	2016
Expenses	$	$	$	$	$	$
Employee benefits expenses	904,828	756,215	603,218	504,143	1,508,046	1,260,358
Supplies and services	421,703	452,021	281,135	301,347	702,838	753,368
Depreciation and amortisation expense	17,973	16,099	11,982	10,732	29,955	26,831
Accommodation expenses	97,630	96,453	65,086	64,302	162,716	160,755
Grants and subsidies	314,054	446,297	209,369	297,531	523,423	743,828
Other expenses	683,920	83,784	455,947	55,856	1,139,867	139,640
TOTAL COST OF SERVICES	**2,440,107**	**1,860,868**	**1,626,738**	**1,233,912**	**4,066,845**	**3,084,780**
Income						
Other revenue	11,972	6,577	7,981	4,385	19,953	10,962
Total income other than income from State Government	**11,972**	**6,577**	**7,981**	**4,385**	**19,953**	**10,962**
NET COST OF SERVICES	**2,428,135**	**1,844,291**	**1,618,757**	**1,229,527**	**4,046,892**	**3,073,818**
Income from State Government						
Service appropriation	138,000	135,000	92,000	90,000	230,000	225,000
Royalties for Regions	1,302,780	1,521,634	868,520	1,014,423	2,171,300	2,536,057
Grants received from other State Agencies	103,091	4,357	68,727	2,904	171,818	7,261
Resources received free of charge	11,090	10,606	7,394	7,071	18,484	17,677
TOTAL INCOME FROM STATE GOVERNMENT	**1,564,961**	**1,671,597**	**1,036,641**	**1,114,398**	**2,591,602**	**2,785,995**
SURPLUS/(DEFICIT) FOR THE PERIOD	**(873,174)**	**(172,694)**	**(582,116)**	**(115,129)**	**(1,455,290)**	**(287,823)**

KEY PERFORMANCE INDICATORS

CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Goldfields-Esperance Development Commission's performance, and fairly represent the performance of the Commission for the financial year ended 30 June 2016.

Tony Crook
Chairman
25 August 2016

Shayne Flanagan
Chief Executive Officer
25 August 2016

KEY PERFORMANCE INDICATORS

RELATIONSHIP TO GOVERNMENT GOALS

The Commission is the primary referral point in assisting people and groups working on projects, and business or industry to develop products/services that will benefit the whole of Goldfields-Esperance Community.

Our desired outcome is to encourage and promote opportunities to build, increase investment, attract, and to retain population to the Goldfields-Esperance region.

Performance measures are defined and monitored for the Commission's strategic goals through the Western Australian Government Budget Statements.

GOVERNMENT GOAL	DESIRED OUTCOME	SERVICES
Stronger focus on the Regions: Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.	An environment which is conducive to the balanced economic and social development of the Goldfields-Esperance region.	1. Facilitation of the Provision of Appropriate Infrastructure and Industry Services 2. Promotion of Region and Its Investment Opportunities.

KEY EFFECTIVENESS INDICATORS

The key effectiveness indicators measure the extent to which performance contributes to improved client satisfaction.

The GEDC's effectiveness indicators are measured by undertaking an annual survey of key clients. This survey is conducted by an independent market researcher, Perth Market Research. In 2015/2016, an independent market research consultant conducted the Goldfields Esperance Development Commission Client Survey. A total of 162 completed surveys were obtained, the response rate is sufficient to ensure that the overall results are representative of the opinions of the population of key clients within a possible sampling error of +/- 5.0% at the 95% confidence level.

Contact with clients and key stakeholders assists in providing opportunities to develop business and employment opportunities, reduce obstacles to economic growth and increase trade activity. Success in these areas will assist the GEDC to achieve its stated outcome – an environment conducive to the balanced economic and social development of the Goldfields-Esperance region.

Overall, the perception of the performance of the GEDC has increased marginally from 2015 to 2016. All scores reflected an above-average assessment of the GEDC and reflect well on the organisation.

The GEDC will continue to work towards maintaining these increased targets. A comparison with previous years is summarised in the following table.

EFFECTIVENESS INDICATOR	2013	2014	2015	2016	TARGET
Client satisfaction with the GEDC making a positive contribution to the economic and social development of the region	73%	72.8%	75.5%	81.5%	**75%**

The report is available in full from our web site.

KEY EFFICIENCY INDICATORS

The key efficiency performance indicators measure the overall efficiency in achieving the desired outcomes. These outcomes are linked to Government goals.

The following efficiency indicators are based on the total operational cost for each of the two service areas, including an allocation of general costs and overheads.

SERVICE 1 – FACILITATION OF THE PROVISION OF APPROPRIATE INFRASTRUCTURE AND INDUSTRY SERVICES

Service Description: To coordinate the identification of appropriate infrastructure, industries and enterprise services to the region so as to ensure that they are provided effectively and efficiently to meet the expanding needs of the region.

EFFICIENCY INDICATOR	2013	2014	2015	2016	TARGET
Average cost per chargeable hour	$88	$88	$90	$92	**$88**

The variance from target to actual for 2015/16 of an increase of $4 is due to increase in resources spent in the facilitation and coordination of infrastructure and industry services in relation to the Goldfields-Esperance Revitalisation Unit.

SERVICE 2 - PROMOTION OF REGION AND ITS INVESTMENT OPPORTUNITIES

Service Description: To promote the region's advantages and attractions by way of appropriate policies, strategies and plans, so as to encourage investment that will contribute to economic growth, employment and an increased population base in the region.

EFFICIENCY INDICATOR	2013	2014	2015	2016	TARGET
Average cost per chargeable hour	$89	$82	$87	$92	**$86**

The variance from target to actual for 2015/16 of an increase of $6 is due to increase in resources spent in the promotion of region and its investment opportunities services, as well as the completion of the Regional blueprints and the progression of administration of the Regional Grants.

ACTUAL RESULTS AGAINST BUDGET TARGETS

FINANCIAL TARGETS

	2015/16 Target (1) $000	2015/16 Actual $000	Variation (2) $000
Total Cost of Services (expense limit) (sourced from Statement of Comprehensive Income)	2,687	4,067	1,380 (a)
Net Cost of Services (sourced from Statement of Comprehensive Income)	2,687	4,047	1,360 (b)
Total Equity (sourced from Statement of Financial Position)	1,499	612	(887) (c)
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	(87)	(1,367)	(1,280) (d)
Approved salary expense level	1,264	1,282	18

(1) As specified in the Budget Statements

(2) Further explanations are contained in Note 43 'Explanatory statement' to the financial statements.

(a) The increase in the 2015/16 actual Total cost of services as compared to the 2015/16 target ($1.38 million) is attributed to the return of $1.125 million in surplus consolidated funding to the Department of Treasury.

(b) The increase in the 2015/16 actual Net cost of services ($1.36 million) is due to return of surplus consolidated funds back to the Department of Treasury as mentioned above.

(c) The variation of ($0.88 million) between the target and actual in Total Equity is attributed to funds back to Department of Treasury together with receiving an additional $172k in Goldfields Esperance Revitalisation unit funding.

(d) The variation of ($1.28 million) in Net increase/ (decrease) in cash held is primarily due to return of funds to the Department of Treasury.

FINANCIAL TARGETS

	2015/16 Agreed Limit $000	2015/16 Target (1) / Actual (2) $000	Variation (3) $000
Agreed Working Cash Limit (at Budget)	**134**	**205**	**(71)** [e]
Agreed Working Cash Limit (at Actuals)	**202**	**443** [f]	**241** [g]

(e) A higher cash limit than the policy target was approved during the Mid-Year Review process due to the inclusion of the return of funds to the Department of Treasury and the inclusion of the additional expenditure for the Goldfields Esperance Revitalisation unit.

(f) The actual operating working cash held totals ($0.44 million). Specific purpose monies held at the Commission is $0.16 million.

(g) The variation of ($0.24 million) is mainly due to the remaining consolidated funding of $0.39 million held at the Commission.

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