

Gascoyne Development Commission

Annual Report 2018-19



GASCOYNE
DEVELOPMENT COMMISSION
CREATING THE CLIMATE FOR GROWTH

Supported by Department of Primary Industries and Regional Development

About this Report

The 2018-19 Annual Report is provided to the Minister for Regional Development and is tabled in the Parliament of Western Australia.

It also provides a brief snapshot to inform stakeholders and the wider community on our corporate performance, growth and priorities.

The Report is developed in line with the Public Sector Commission's annual reporting framework for the 2018-19 financial year and an audited financial statement is included.

Online report

To reduce printing costs and environmental impact, this report is available to download in PDF format from our website gdc.wa.gov.au.

Feedback

To share feedback on this report please contact us; telephone +61 (0)8 9941 7000 or email info@gdc.wa.gov.au.



Statement of compliance

For the year ended 30 June 2019

Honourable Alannah MacTiernan MLC,

**Minister for Regional Development; Agriculture and Food; Ports;
Minister assisting the Minister for State Development, Jobs and
Trade**

In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Gascoyne Development Commission for the financial year ended 30 June 2019.

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



Andy Munro
Chair
30 August 2019



Tym Duncanson
Acting Chief Executive
30 August 2019

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Executive summary

The 2018-19 year has been one of challenges as well as achievements for the Commission, from developing the Commission's organisational capacity, and reviewing the Commission's strategic direction and priority projects, to operating in a changed environment with the Department of Primary Industries and Regional Development, together with our State's nine Regional Development Commissions.

The Commission continued to lead and collaborate on a suite of progressive projects focused on creating the environment for economic development and job creation.

We prioritised projects with a renewed emphasis on economic expansion and increased sustainable development. This emphasis saw a shift towards projects with more complex development objectives, and enterprise engagement to enhance project scope and effectiveness.

The Commission worked with stakeholders to capitalise on the growth of the cruise sector and address marine deficiencies across regional Western Australia. The Commission was appointed as State lead for the Exmouth Marine Infrastructure project and is developing a proposal for the delivery of fit-for-purpose marine infrastructure to provide safe, accessible and efficient transport services in Exmouth.

The Gascoyne Development Commission facilitated the fit out of the exhibition space of the Carnarvon Heritage Precinct's One Mile Jetty Interpretive Centre in conjunction with the Carnarvon Heritage Group.

The Commission supported the unveiling of the Lock Hospitals memorial bronze sculpture entitled 'Don't Look at the Islands' at Carnarvon's Heritage Precinct. The sculpture acknowledges the tragedy of Aboriginal incarceration at the Lock Hospitals on Bernier and Dorre islands.

The Commission has been actively participating in foundational activities that will generate Aboriginal economic business development opportunities in the Gascoyne with the reopening of the Gwoonwardu Mia Gascoyne Aboriginal Heritage Cultural Centre. To assist facilitate this process, the Commission was proud to appoint our first Aboriginal Economic Development Officer this year.

The Commission coordinated the roll out of Regional Economic Development (RED) Grants round one for the Gascoyne. Two Gascoyne projects received more than \$350,000 to drive new tourism and economic development opportunities in the region.

The Commission continues to promote and maximise opportunities for tendering via a dedicated Local Content Adviser based in Carnarvon. The Adviser has taken a lead role in linking State Government regional contracts with local suppliers, contractors and jobseekers to create job opportunities for the Gascoyne.

Looking forward, the Gascoyne's unique and attractive positioning, and location at the doorstep of the world's fastest growing economy – Asia, will underpin the regions capacity to capitalise on new economic trends and satisfy the appetite of its communities, investors and foreign markets.



Performance highlights

- \$2.5 million commitment towards reopening Gwoonwardu Mia Aboriginal Heritage and Cultural Centre in Carnarvon
- Appointed as State lead for the Exmouth Marine Infrastructure project, with the aim of ensuring cruise ship passengers can reliably disembark in Exmouth
- Lock Hospitals memorial 'Don't Look at the Islands' sculpture commissioned at Carnarvon's Heritage Precinct
- Carnarvon One Mile Jetty display was opened within the Heritage Centre, establishing Carnarvon's third main heritage attraction
- More than \$350,000 in grant funding announced through the Regional Economic Development (RED) Grants program for projects in Exmouth and Dirk Hartog Island
- 87% of clients were satisfied with the overall performance of the Commission
- 12 workshops and information sessions were delivered.



Chair's report

A significant milestone achieved this year was the appointment of all seven Board positions for the first time in some years.

I am delighted at the mix of skills, experience and background now representing the Gascoyne.

The Commission said farewell to Board Member Paul Shain this year, who ably helped us navigate the early challenges of a new Board and we look forward to welcoming two new Board Members on 1 July.

The Board will continue to focus its efforts around the priorities of the State Government and the Gascoyne region, particularly with respect to jobs and investment.

Recognising that we cannot do this by ourselves, we will continue to reach out to local businesses, community groups and local Governments, as well as work collaboratively with other State and Federal Government agencies.

Our senior management team changed during the year - Gavin Robins moved to the Wheatbelt Development Commission and Tym Duncanson became the acting Chief Executive.

As reported last year, Departmental restructure has presented continuing challenge for local staff placement and retention, although this is likely to be resolved late in 2019.

Despite this, staff continue to deliver innovative and supportive services to the Gascoyne community; the attained 87% client satisfaction level in our annual survey is testimony to the teamwork and persistence in innovation, project delivery and community advocacy.

I would like to thank the Commission staff for their professionalism and hard work throughout 2018-19.

I see a very bright future for the Gascoyne region and I remain committed to leading the Board to turn the considerable potential into reality.

Andy Munro
Chair
Gascoyne Development Commission



Our region in focus - the Gascoyne

One of the most diverse regions in Western Australia, the Gascoyne is rich with natural assets and vibrant multicultural communities. Boasting two world heritage sites, along with the iconic Mount Augustus, the Gascoyne's pristine environment offers an outstanding lifestyle for its residents, and holds considerable interest for tourists and potential for investors.

Part of Northern Australia, the Shires of Carnarvon, Exmouth, Shark Bay and Upper Gascoyne, extend more than 600km along fragile, yet unspoiled coastline and 500km inland through rugged desert country. With a population of approximately 10,000 people, it has the lowest population density of any region in Australia.

The Gascoyne has a diverse economy, with major industries in tourism, agribusiness (horticulture, fishing, pastoralism and aquaculture), mining, defence and retail. Its sub-tropical environment, together with relatively stable water resources, strong environmental management and a broad established economic base, bodes well for continued growth in the region.

The Gascoyne Food Bowl capitalises on climate, geography and multiple marine bioregions to provide a smorgasbord of exceptional food for local, domestic and international consumers.

Tourism continues to be a key industry for the region with a diverse, resilient and mature portfolio of offerings. Internationally recognised for its extensive natural beauty, friendly people and 320 days of sunshine each year, the Gascoyne continues to be a favourite for domestic and international tourists alike.

Eco-tourism is of primary focus in the region's bid for global tourism competitiveness and environmentally sustainable industry development.

Mining is an increasingly valuable industry sector for the Gascoyne. The dominant commodity is salt and there is potential for growth in oil, gas and rare earth elements.

Additionally, harnessing its natural resources, consistent winds and extensive hours of sunshine, the Gascoyne leads the way in utilising sustainable renewable energy.

Key attributes:

Increasingly broad economic base

International recognition for tourism excellence

Enviably lifestyle and potential for investment

Pristine natural resources

Collaborative partnerships with Indigenous custodians



Proximity to major energy and mining resource projects positions the region well to take advantage of supply-chain development opportunities.

Increasingly, economic and social development is approached in consultation with traditional Indigenous custodians to ensure that the rich and complex histories of the region are appropriately respected and preserved for future generations.

Operational structure

Enabling legislation

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

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

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

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

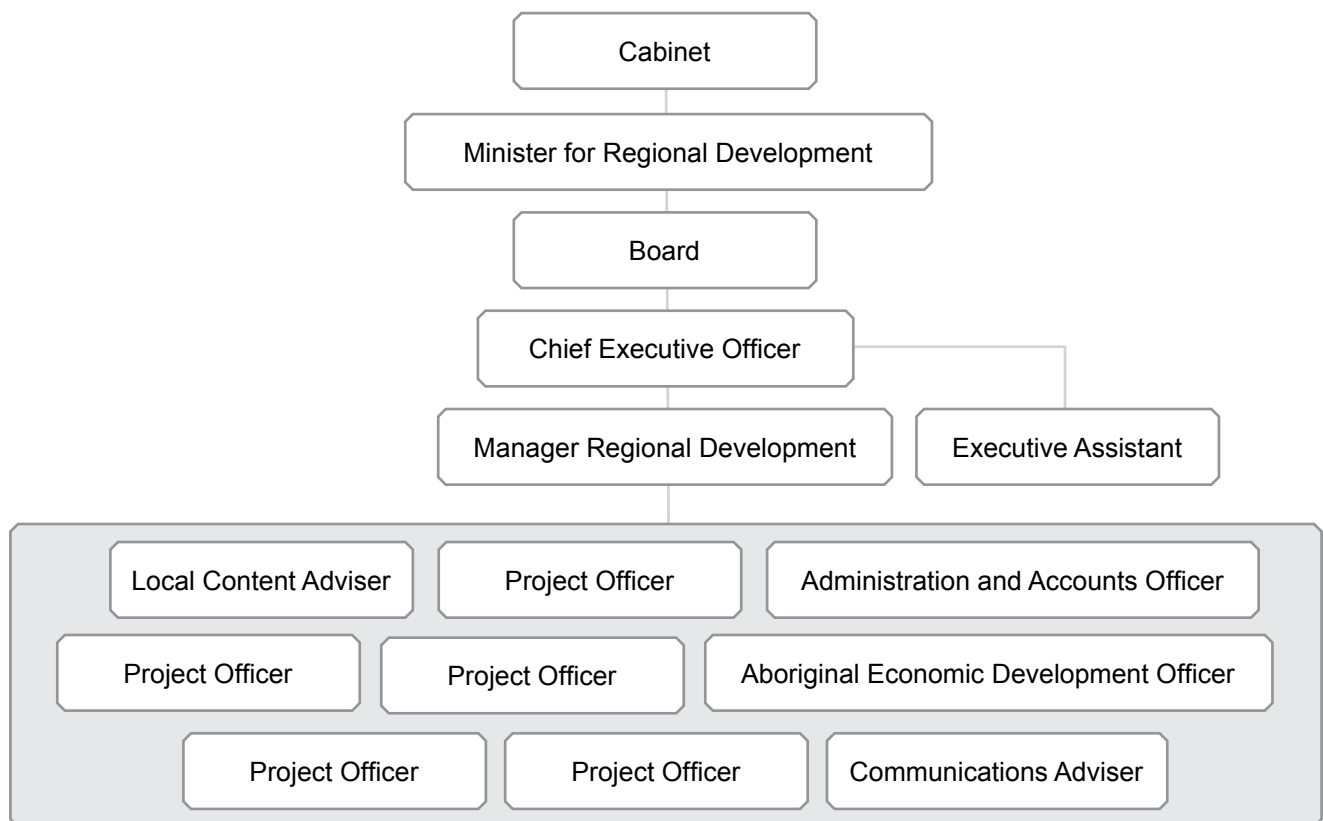
The Commission performs its functions in respect of the region comprising the Shires of Carnarvon, Exmouth, Shark Bay and Upper Gascoyne.

Minister Responsible

The Hon. Alannah MacTiernan MLC, Minister for Regional Development; Agriculture and Food; Ports; Minister assisting the Minister for State Development, Jobs and Trade.



Organisational structure



Our staff

Commission staff, with the exception of the CEO, are employed by the Department of Primary Industries and Regional Development. Resources are provided by the department to the Commission through a Memorandum of Understanding to enable the delivery of its obligations under the *Regional Development Commissions Act 1993*. Commission-based staff continue to perform duties at the day-to-day direction of the CEO, with an emphasis to progressively increase the level of coordination and integration with regional development.

Staff positions as at 30 June 2019:

Tym Duncanson	Acting Chief Executive
Jill Dwyer	Local Content Adviser – Gascoyne
Odile May	Project Officer
Melanie Foxley	Project Officer (on secondment)
Vanessa Vandeleur	Project Officer
Harriet Murphy	Research Project Officer
Carleen Ryder	Aboriginal Economic Development Officer
Julie Hanson	Acting Executive Assistant
Alice Warwick	Administration and Accounts Officer
Hayley Smythe	Communications Adviser

Staff movements (exits) during the year:

Obby McDonald	Resigned
Anne Finlay	Contract completed
Juliane Bush	Contract completed

Our Board



From left: Alys McKeough, Andy Munro (Chair), Naomi McMahon, Paul Shain, Sonia Beckwith, Tym Duncanson (Ex-officio)

The Commission has a Board of Management comprising of six members appointed by the Minister, and the Chief Executive Officer, by virtue of office. The Minister appoints the Chair and the Deputy Chair.

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

Members 2018-19

Mr Andrew Munro	Chair
Ms Naomi McMahon	
Ms Sonia Beckwith	
Ms Alys McKeough	
Mr Paul Shain	(Term concluded 30 June)
Mr Gavin Robins	Ex-officio (Until 15 March 2019)
Mr Tym Duncanson	Ex-officio (From 18 March 2019)

Name	Position	Remuneration type	Period of membership	Gross/actual remuneration 2018-19
Andrew Munro	Chair	Stipend	3 years	\$43,838.30
Naomi McMahon	Board member	Stipend	3 years	\$0.00
Sonia Beckwith	Board member	Stipend	1 year	\$3,732.00
Alys McKeogh	Board member	Stipend	1 year	\$3,732.00
Paul Shain	Board member	Stipend	1 year	\$2,891.00
Total				\$54,193.30

Performance management framework

Outcome based management framework

The Commission's activities and services contribute to the economic social development of the region through economic diversification and employment growth. The Commission's Outcome Based Management Framework did not change during 2018-19.

Operational purpose

This annual report is presented in terms of the Commission's targeted service of Regional Development. Resources and project effort are directed to the Government's purpose to create enduring prosperity for all Western Australians.

Government's goal

Ensuring that regional Western Australia is strong and vibrant.

Desired outcome

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

Gascoyne Development Commission service

Regional development.

Key legislation

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

- *Regional Development Commissions Act 1993*
- *Auditor General Act 2006*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Supply Commission Act 1991.*



Our vision

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

Our mission

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

Our values and principles

The Gascoyne Development Commission is committed to:

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

Our goals and strategic outcomes

The goals and strategic outcomes of the Commission are focused on achieving a regional environment conducive to the balanced economic and social development of the Gascoyne region. In addition, the Commission support the goals of Department of Industries and Regional Development; Grow, Protect and Innovate.

The programs and activities of the Commission are based against the objectives and functions according to the *Regional Development Commissions Act 1993*. During 2018-19, the Commission's regional priorities were focused on:

- Creation of jobs and transferable skills
- Aboriginal economic development
- Agriculture and aquaculture innovation and value adding
- Tourism
- Vibrant communities and supporting social services



Shared responsibilities with other agencies

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

For the first half of the 2018-19 financial year, the Gascoyne Development Commission’s strategic objectives centred around developing industries and markets (key projects – multi-purpose food processing plant, Carnarvon abattoir, cruise ship berthing in Exmouth, the Baiyungu Track and the Zuytdorp Cliffs Track); and improving regional accessibility and connectivity (key projects – Carnarvon small boat harbour and the Carnarvon Road upgrade).

To progress these first half objectives, the Commission worked collaboratively with the Department of Primary Industries and Regional Development; the Department of Transport; Pilbara and Mid West Port Authorities; the Department of Jobs, Tourism, Science and Innovation; Tourism Western Australia; the Department of Biodiversity, Conservation and Attractions; and the Department of Local Government, Sport and Cultural Industries.

In the second half of the financial year, the Commission’s objectives shifted. The new priorities became Exmouth Marine Infrastructure; the reopening of Gwoondwardu Mia Gascoyne Aboriginal Heritage and Cultural Centre; the Regional Economic Development Grants Program; addressing the closure of the entrance to the Carnarvon fascine; the Ningaloo Reef assessment; upgrade of the Ningaloo Centre; office relocation; the Carnarvon Jetty; the Carnarvon Growers Association strategic planning; and the Carnarvon Horticulture Processing Facility.

In achieving these new objectives, the Gascoyne Development Commission continued to work with the Department of Primary Industries and Regional Development; the Department of Transport; the Mid West Ports Authority; the Department of Jobs, Tourism, Science and Innovation; Tourism Western Australia; the Department of Biodiversity, Conservation and Attractions; and the Department of Local Government, Sport and Cultural Industries, with new productive working relationships formed with the Western Australian Museum.



Agency performance

Local content

In July 2017, the Minister for Regional Development announced the Regional Development Commissions refocus on local jobs by ensuring more local content in State Government purchasing and building and construction projects to better support local business and communities and create more jobs in regional WA.

A dedicated Local Content Advisor (LCA) has been appointed to identify opportunities for local supply to government agencies and to assist, where necessary, local businesses to source information on capabilities required to give the best opportunities to participate in local tenders, contracts and projects.

Outcomes

- A dedicated Local Content Adviser (LCA) resides with GDC.
- The LCA is engaging with local suppliers to build local capacity to deliver goods and services to Government funded projects.
- The LCA informs regional businesses on the WA Participation Strategy and the Local Content Initiative.
- LCA works closely with the region's local governments, Chambers of Commerce and Industry, and businesses to promote the benefits of local procurement.



Case study 1

Aboriginal economic business development

The Gascoyne Development Commission has been actively participating in foundational activities that will generate Aboriginal economic business development opportunities in the Gascoyne in the near future.

In October 2018, the Minister for Regional Development and the Gascoyne Development Commission met with the Carnarvon Aboriginal community to discuss the future of the Gwoonwardu Mia Gascoyne Aboriginal Heritage Cultural Centre.

Based on community feedback, the Minister agreed to reopen Gwoonwardu Mia and assumed the management order for the building, with the Gascoyne Development Commission undertaking on-ground management of the facility in the short term.

In April 2019, the Minister announced that the State Government would allocate \$2.5 million to the reopening of Gwoonwardu Mia over a three-year period and the Western Australian Museum would assume management of the facility.

The State Government funding will drive Aboriginal employment and business development opportunities in the region. This includes the employment of Aboriginal staff at Gwoonwardu Mia and the leasing of the café to an Aboriginal business.

“The Aboriginal history of the area is an asset and one that deserves to be recognised and celebrated.”

“This facility will be a springboard for promoting innovative culture and heritage as a critical part of making Carnarvon a modern regional centre and developing its economy.”

***Aboriginal Affairs Minister,
Ben Wyatt***



Gwoonwardu Mia Gascoyne Aboriginal Heritage Cultural Centre



In April 2019, the Gascoyne Development Commission appointed an Aboriginal Economic Business Development Officer to support and grow Aboriginal business enterprises in the Gascoyne.

In April 2019, GDC contracted an Interim Manager to maintain Gwoonwardu Mia, make it available for community meetings and NAIDOC activities as well as assist with the transition of Gwoonwardu Mia to the Western Australian Museum.

The Interim Manager worked with the Department of Primary Industries and Regional Development to develop a Memorandum of Understanding with the Western Australian Museum that included funds for operational costs and Aboriginal employment positions at Gwoonwardu Mia.

The Memorandum of Understanding was signed by the Western Australian Museum with on ground management commencing in July and a public opening scheduled for the second half of 2019.



Case study 2

Carnarvon One Mile Jetty Centre opening

Visitors to Carnarvon can now explore the fascinating history of the iconic One Mile Jetty at the Carnarvon Heritage Precinct's One Mile Jetty Interpretive Centre.

Regional Development Minister Alannah MacTiernan officially opened the centre on 17 April 2019, alongside project partners and members of the community.

Constructed from 1897, the One Mile Jetty has been integral to the cultural identity of Carnarvon and played a significant role in the economic development of the Gascoyne region.

The centre focuses on its history and houses many priceless museum artefacts and photographs of Carnarvon from the beginning of the 20th century.

The centre also features exhibitions of the battle between the HMAS Sydney II and the HSK Kormoran in 1941, including a display of one of the Kormoran's lifeboats, along with stories about local industries, floods and cyclones and Carnarvon's brief whaling history in the 1950s.

The project was made possible through a \$2.78 million State Government investment, including \$360,000 for the final exhibition space fit-out.



GDC Local Content Adviser Jill Dwyer





The Gascoyne Development Commission facilitated the fit out of the exhibition space, the final stage of the Interpretive Centre development, in conjunction with the Carnarvon Heritage Group.

Funding for the project, totalling \$3.94 million, was also provided by the Shire of Carnarvon, Lotterywest and Commonwealth Government.



Perhaps the earliest account of a cyclone affecting the Carnarvon area is by Lieutenant George Grey in 1839.

His exploration party experienced the force of one during the night of 28 February 1839, while based on Dorre Island. They reported a peculiar look in the sky, followed by a sudden drop in wind from the south-east and then the swift onset of winds from the north-west, indicating that the eye passed over them. Lieutenant Grey wrote,

"We all quailed or fell before it, for it came with sudden and indescribable violence".
Lieutenant George Grey, 1839

Case study 3

Regional Economic Development Grants

The Regional Economic Development Grants (RED Grants) program is a State Government initiative that invests in community driven projects to stimulate economic growth and development in regional Western Australia.

The grants support individual projects that promote sustainable jobs, partnerships, productivity, skills and capability, as well as stimulate new investment and industry diversification.

The State Government's Royalties for Regions program will invest \$23.9 million towards the RED Grants program over four years.

An amount of \$6.3 million was allocated for the first round of RED Grants to be evenly split across the nine regions of WA. Eligible applicants could apply for RED Grant funding of up to \$250,000 for individual projects.

The Gascoyne Development Commission managed the grant round process and provided advice to applicants throughout the application process.

The first round closed on 2 November 2018, with over \$350,000 allocated to projects in the Gascoyne region.

Whalebone Brewing Co Pty Ltd received \$216,470 and are currently installing a larger brewing and canning system, enabling the company to increase canning efficiency and widen distribution of their product throughout the Gascoyne region.

"The Gascoyne is rich in resource and investment opportunities with an economy founded on quality horticulture, pastoral and fishery production, resources and tourism."

"The RED Grants provide the opportunity to focus on community-led projects which will boost our regional economy, create jobs and add vibrancy to towns."

"By investing in a variety of regional initiatives, the State Government is helping to grow Western Australia's regional areas into thriving and sustainable communities."

***Regional Development Minister,
Alannah MacTiernan***



The Exmouth-based company is set to double production and distribution of its local craft beer; and help expand the town's economy.

David O'Malley, Chief Executive Officer of tourism body Australia's Coral Coast said that craft breweries add a "very welcome tourism experience" to regional towns.

"Tourism destinations rely on a diversity of experiences and attractions to be successful, and breweries in Australia's Coral Coast are an excellent example of attractions that have added enormous value to the regional offering," he said.

Whalebone Brewing is a champion for craft brewery tourism in the Gascoyne region.

Dirk Hartog Island Distilleries Pty Ltd is utilising its grant of \$145,434 for the development of the Wirruwana Hub, which will incorporate a visitor centre, bar and café and act as a gateway for visitors and tour operators on Dirk Hartog Island.

The Hub will provide a central point for visitors and tour operators on Dirk Hartog Island to meet and then venture in/out of the National Park.

The Hub will focus on improving the visitors experience to the island by offering a purpose-built central meeting point.

Visitors will join with their guides and hosts to plan their island experiences and swap stories at the end of the day.

Both projects are well underway and the Gascoyne community are eagerly awaiting the outcome of Round 2 of the Regional Economic Development Grants.



Significant issues impacting the Agency

Growth in tourism

Although the impact within the region is sometimes difficult to measure in real time, anecdotally tourism is surging.

This is because of big increases in the 'swim-with' industry partially due to the introduction of swimming with hump back whales, greater caravan and camper traffic and record peak season numbers in the winter school holidays.

This is putting significant pressure on infrastructure and facilities including Coral Bay, Exmouth and to a lesser extent Denham and Monkey Mia, the latter seeing significant private sector investment.

More investment will be required if growth continues, and the Commission is proactive in preparing investment cases to support the region's largest industry.

Plan for our Parks

Eco-based tourism is being proactively supported with plans to transition another 5 million hectares into the conservation estate statewide.

More than a fifth of this ambitious target is identified in the Gascoyne, including additions in the icons of Exmouth Gulf, Kennedy Ranges and Shark Bay.

Machinery of Government

As of 1 July 2017, the departments of Agriculture and Food, Fisheries and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development.

Staff, (excluding the Chief Executive Officer and Board Members) transferred to the new Department, although the Gascoyne Development Commission remains a legal entity.

Despite the operational changes and challenges, the Commission remains committed to its charter, with an emphasis on progressively increasing coordination and integration throughout the organisation.

Recalibration of Commissions

During the year the Minister for Regional Development met with Chairs and CEOs of all nine Commissions to clarify her expectations.

Commissions were tasked with providing greater effort in delivering independent advice, working across the silos of government and communicating the achievements of the respective regions.

The Minister reiterated the need to develop new, feasible and realistic projects to drive the Government's jobs and economic development agenda.

Horticulture industry development

2018 saw a significant drop in horticulture output due to greater competition from other regions for crops such as tomatoes and cucumbers.

Grower collaboration to maximize biosecurity efforts and manage irrigation assets occurred during the year due to direct support from the Commission.

The Commission is looking to employ a dedicated project manager for this sector to work across government silos and better integrate industry development with the reinvigorated Carnarvon horticulture research facility.

Legal requirements

Advertising

In accordance with section 175ZE of the *Electoral Act 1907*, the Commission incurred the following expenditure in advertising, market research, polling, direct mail and media advertising. Total expenditure for 2018-19 was \$1,342.47. Expenditure was incurred in the following areas:

Expenditure item	Spend
Advertising agencies	Nil
Market research	Nil
Polling	Nil
Direct mail	Nil
Media advertising	\$1,342.37
Total	\$1,342.37

Disability Access and Inclusion Plan outcome

The Disability Access and Inclusion Plan 2018-23 (DAIP) outlines the ways in which the department and Regional Development Commissions, including the Gascoyne Development Commission, will ensure that people with disability, their carers and families have equal access to employment and our facilities and services.

The Commission is committed to ensuring that clients and staff with disability are able to access our information, services and facilities, and aim to provide people with disability, opportunities for access and participation, consistent with that provided to other community members.

Reconciliation Action Plan 2017-2020

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

The Reconciliation Action Plan outlines the vision that the Commission seeks to achieve and the specific actions to achieve the vision. The Plan is reviewed regularly and at least annually, progress on actions is considered by the Board.

Access to buildings and facilities

The Commission holds meeting in its own offices and has installed electronic doors and dedicated ACROD parking bays. The Commission's facilities allows for people with disabilities the opportunity to participate in public consultations, grievance mechanisms and decision-making processes.

The Commission remains adaptable in responding to barriers experienced by people with disabilities and where facilities are impeded, alternative arrangements are made to meet people with disabilities at premises that conform.

Public Sector Standard and Code of Ethics

The Commission is compliant with the Public Sector Code of Conduct and Code of Ethics. The following is an overview of the Commission's activities to demonstrate compliance:

- Compliances to policies, including process of quality assurance decisions relating to recruitment, selection and employment.
- The Commission has a Code of Conduct that has incorporated the Public Sector Code of Ethics and is applicable to both staff and board members of the Commission.
- As part of the Commissions induction package, all new staff are provided with guidelines and procedures (incorporated in the Code of Conduct) to ensure compliance.
- A review of a comprehensive range of human resource policies and the adoption of policies developed by the Department of Primary Industries and Regional Development.
- Training in ethical decision-making.

The Commission had no compliance issues during the 2018-19 financial year regarding the Public Sector Standards, the WA Code of Ethics or the internal Code of Conducts.

The applications made for breach of standards and the corresponding outcomes for the reporting period are:

Number lodged	3
Number of breaches found, including details of multiple breaches per application	Nil
Number still under review	Nil



Reporting on record keeping

In accordance with the *State Records Act 2000*, the Commission has developed a Record Keeping Plan that is consistent with the principles defined by the State Records Commission.

An induction program for new staff addresses the responsibility of the Commission and its employees with regards to compliance in a number of areas, including record keeping practices and expenditure.

The Commission's policies relating to records keeping and computer management are reviewed annually and updated in line with current operational and compliance requirements. The effectiveness of record keeping practices has been further boosted by the policies available on the Department of Primary Industries and Regional Development intranet.

All staff have completed online training in records keeping practices.

Occupational health and safety

The Commission is committed to the principals of occupational health and safety (OHS) and injury management and is compliant to injury management requirements of the *Workers Compensation and Injury Management Act 1981*, including the development of return to work program. OHS policies continue to be reviewed and monitored as required by the changing needs of the Commission and the broader integration with the Department of Primary Industries and Regional Development.

Staff are made aware of OHS policies and procedures at induction and there are continuing awareness sessions during monthly meetings as necessary.

The Commission has one employee who has completed the Occupational Safety and Health Training course.

Annual performance 2018-19

Indicator	Target	Actual
Number of fatalities	Zero	Zero
Lost time injury/disease incidence rate	Zero	Zero
Lost time injury and/or disease severity rate	Zero	Zero
Percentage of injured workers returned to work: i) within 13 weeks ii) within 26 weeks	NA	NA
Percentage of managers trained in occupational safety, health and injury management responsibilities	30%	0%*

*Due to the Machinery of Government changes, the Chief Executive Officer is the only employee of the Gascoyne Development Commission. Resources, including staff, are provided by the Department of Primary Industries and Regional Development to enable the Commission to meet its legislative objectives. To elaborate, there is currently one (1) trained OSH representative based in the Commission's Carnarvon office.

Government Building Training Policy

As outlined in the Public Sector Commissioner's Circular 2015-02: Government Building Training Policy this reporting requirement only applies to State Government building, construction and maintenance contracts that have a labour component of \$2 million and over. The Commission did not issue contracts in scope of the policy and is therefore not required to report against the policy.

Disclosures and legal compliance

Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the year ended 30 June 2019

The accompanying financial statements of the Gascoyne Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2019 and the financial position as at 30 June 2019.

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.



Cameron Patterson
Chief Finance Officer
18 September 2019



Tym Duncanson
Acting Chief Executive Officer
18 September 2019



Andy Munro
Chairman
18 September 2019



Statement of Comprehensive Income

For the year ended 30 June 2019

		2019	2018
	Notes	\$	\$
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1(a)	399,273	323,746
Supplies and services	2.3	1,195,662	1,103,048
Depreciation expense	4.1.1	3,180	3,043
Accommodation expenses	2.3	-	61,614
Grants and subsidies	2.2	23,874	1,570,101
Other expenses	2.3	91,618	-
Total cost of services		1,713,607	3,061,552
Income			
<i>Revenue</i>			
User charges and fees	3.2	-	2,205
Other revenue	3.3	17,199	7,525
Total revenue		17,199	9,730
Total income other than income from State Government		17,199	9,730
NET COST OF SERVICES		1,696,408	3,051,822
Income from State Government			
Service Appropriation	3.1	260,000	260,000
Grants received from Other State Agencies	3.1	20,000	-
Services received free of charge	3.1	1,014,612	900,064
Royalties for Regions Fund	3.1	500,000	2,807,353
Total income from State Government		1,794,612	3,967,417
SURPLUS / (DEFICIT) FOR THE PERIOD		98,204	915,595
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not reclassified subsequently to profit or loss			
Total other comprehensive income (loss)		-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		98,204	915,595

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

Statement of Financial Position

As at 30 June 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	69,086	69,086
Restricted cash and cash equivalents	6.1	1,689,605	1,511,777
Receivables	5.1	24,649	29,151
Other current assets	5.3	-	1,903
Total Current Assets		1,783,340	1,611,917
Non-Current Assets			
Amounts receivable for services	5.2	34,000	34,000
Infrastructure, property, plant and equipment	4.1	7,949	11,129
Total Non-Current Assets		41,949	45,129
TOTAL ASSETS		1,825,289	1,657,046
LIABILITIES			
Current Liabilities			
Payables	5.4	53,105	12,217
Employee related provisions	2.1(b)	66,607	45,934
Other current liabilities	5.5	785	1,691
Total Current Liabilities		120,497	59,842
Non-Current Liabilities			
Employee related provisions	2.1(b)	24,767	15,383
Total Non-Current Liabilities		24,767	15,383
TOTAL LIABILITIES		145,264	75,225
NET ASSETS		1,680,025	1,581,821
EQUITY			
Contributed Equity	8.9	90,000	90,000
Accumulated surplus	8.9	1,590,025	1,491,821
TOTAL EQUITY		1,680,025	1,581,821

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 2019

	Notes	Contributed equity \$	Accumulated surplus / (deficit) \$	Total equity \$
Balance at 1 July 2017		90,000	576,226	666,226
Surplus/(deficit)		-	915,595	915,595
Total comprehensive income for the period	8.9	-	915,595	915,595
Balance at 30 June 2018		90,000	1,491,821	1,581,821
Balance at 1 July 2018		90,000	1,491,821	1,581,821
Surplus/(deficit)		-	98,204	98,204
Total comprehensive income for the period	8.9	-	98,204	98,204
Balance at 30 June 2019		90,000	1,590,025	1,680,025

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

Statement of Cash Flows
For the year ended 30 June 2019

	2019	2018
Notes	\$	\$
CASH FLOWS FROM STATE GOVERNMENT		
Service appropriation	260,000	260,000
Royalties for Regions Fund	500,000	2,807,353
Net cash provided by State Government	760,000	3,067,353
Utilised as follows:		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee benefits	(369,254)	(459,233)
Supplies and services	(137,362)	(208,982)
Accommodation	-	(61,614)
GST payments on purchases	(22,904)	(148,325)
GST payments to taxation authority	-	(2,219)
Grants and subsidies	(23,874)	(1,570,101)
Other payments	(91,618)	-
Receipts		
GST receipts on sales	1,783	1,397
GST receipts from taxation authority	43,858	146,869
Other receipts	17,199	13,993
User charges and fees	-	2,205
Net cash provided by/(used in) operating activities	(582,172)	(2,286,010)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments		
Purchase of non-current assets	-	(7,940)
Net cash provided by/(used in) investing activities	-	(7,940)
Net increase/(decrease) in cash and cash equivalents	177,828	773,403
Cash and cash equivalents at the beginning of the period	1,580,863	807,460
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.1 1,758,691	1,580,863

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

Notes to the Financial Statements

1. Basis of preparation

The Commission is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 18 September 2019.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The Treasurer's Instructions (**the Instructions or TI**)
- 3) Australian Accounting Standards (AASs) - Reduced Disclosure Requirements
- 4) Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. 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.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

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

2. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Commission's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Commission in achieving its objectives and the relevant notes are:

	Notes	2019 \$	2018 \$
Employee benefits expenses	2.1 (a)	399,273	323,746
Employee benefits provisions	2.1 (b)	91,374	61,317
Grants and subsidies	2.2	23,874	1,570,101
Other expenditure	2.3	1,287,280	1,164,662

2.1 (a) Employee benefits expenses

	2019 \$	2018 \$
Wages and Salaries	347,955	278,892
Superannuation - defined contribution plans ^(a)	22,456	24,880
Long service leave	9,258	6,990
Annual Leave	19,604	12,984
Total employee benefits expenses	399,273	323,746

^(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds

Wages and salaries: Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

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

The Commission does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. 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 and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

2.1 (b) Employee benefits provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are *delivered*.

	2019 \$	2018 \$
Current		
<u>Employee benefits provisions</u>		
Annual leave ^(a)	62,974	42,580
Long service leave ^(b)	-	-
Deferred salary scheme ^(c)	2,771	2,771
	65,745	45,351
<u>Other provisions</u>		
Employment on-costs ^(d)	862	583
Total current employee benefits provisions	66,607	45,934
Non-current		
<u>Employee benefits provisions</u>		
Long service leave ^(b)	24,435	15,177
<u>Other provisions</u>		
Employment on-costs ^(a)	332	206
Total non-current employee benefits provisions	24,767	15,383
Total employee benefits provisions	91,374	61,317

(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) **Long service leave liabilities:** Unconditional long service leave provisions are classified as **current** liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

The components of the long service leave liabilities are calculated at present value as the Commission does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, 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.

(c) **Deferred salary scheme liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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

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, Note 2.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Commission's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2019 \$	2018 \$
<u>Employment on-cost provision (e)</u>		
Carrying amount at start of period	789	-
Additional/(reversals of) provisions recognised	405	789
Carrying amount at end of period	1,194	789

(e) Comparatives of Annual leave (a), Employee on-costs (d), long service leave (b) and reconciliation of Employment on-cost provision (e) have changed to reflect correct classifications of employment on-costs. This reclassification does not impact total balance of provision.

Key sources of estimation uncertainty – long service leave

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.

Several estimates and assumptions are used in calculating the Commission's long service leave provision. These 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.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

2.2 Grants and subsidies

	2019 \$	2018 \$
Recurrent		
Royalties for Regions Fund	23,874	1,570,101
Total grants and subsidies	23,874	1,570,101

Transactions in which the Commission provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

2.3 Other expenditure

	2019 \$	2018 \$
Supplies and services		
Communications	1,183	3,394
Consultants and contractors	90,980	98,804
Consumables	5,854	2,741
Equipment repairs and maintenance	1,987	181
Operating leases - vehicles	13,633	21,062
Travel	52,580	47,969
Other	14,833	28,833
Support Services provided by DPIRD ^(a)	1,014,612	900,064
Total supplies and services expenses	1,195,662	1,103,048
Accommodation expenses		
Lease rentals	-	59,120
Cleaning	-	2,494
Total accommodation expenses	-	61,614
Other expenditures		
Employment on-costs ^(b)	1,195	-
Return of unused grants	90,423	-
Total other expenditures	91,618	-
Total other expenses	1,287,280	1,164,662

^(a) Support Services provided by DPIRD to support the Commission's in the fulfilment of its statutory functions and obligations under the Regional Development Commission Act 1993. See note 3.1 Income from State Government.

^(b) 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 2.1(b) 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs (see note 2.1(a)).

Supplies and services:

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Accommodation expenses:

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. Accommodation expenses are recognised as Support Services provided by DPIRD from current financial period.

Electricity and cleaning costs are recognised as expenses as incurred.

Other:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Employee on-cost includes workers' compensation insurance and other employment on-costs. The on costs liability associated with the recognition of annual and long service leave liabilities is included at Note 2.1(b) Employee benefit provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

3. Our funding sources

How we obtain our funding

This section provides additional information about how the Commission obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Commission and the relevant notes are:

	Notes	2019 \$	2018 \$
Income from State Government	3.1	1,794,612	3,967,417
User charges and fees	3.2	-	2,205
Other revenue	3.3	17,199	7,525

3.1 Income from State Government

	2019 \$	2018 \$
Appropriation received during the period:		
Service appropriation ^(a)	260,000	260,000
	260,000	260,000
Income received from Other State Agencies	20,000	-
	20,000	-
Services received free of charge ^(b)		
Determined on the basis of the following estimates provided by agencies:		
Department of Primary Industries and Regional Developments - Support Services provided ^(c)	1,014,612	900,064
	1,014,612	900,064
Royalties for Regions Fund:		
Regional Workers Incentives	-	-
Other Initiatives ^(d)	-	529,575
Regional Community Services ^(e)	500,000	2,277,778
	500,000	2,807,353
Total income from State Government	1,794,612	3,967,417

(a) **Service Appropriations** are recognised as revenues at fair value in the period in which the Agency gains control of the appropriated funds. The Agency gains control of appropriated funds at the time those funds are deposited in the bank account

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

(c) **Department of Primary Industries and Regional Development** - Support Services provided by DPIRD to support the Commission in the fulfilment of its statutory functions and obligations under the Regional Development Commission Act 1993.

(d) **The Other Initiatives** is a sub-fund within the over-arching 'Royalties for Regions Fund'. The fund is committed to operational costs for the Commission.

(e) **The Regional Community Services** is a sub-fund within the over-arching "Royalties for Regions Fund". The fund is committed to programs in WA regional areas.

3.2 User charges and fees

	2019 \$	2018 \$
Office Space Rental	-	2,205
	-	2,205

3.3 Other revenue

	2019 \$	2018 \$
Other revenue	17,199	7,525
	17,199	7,525

4. Key assets

Assets the Commission utilises for economic benefit or service potential

This section includes information regarding the key assets the Commission utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2019 \$	2018 \$
Infrastructure, property, plant and equipment	4.1	7,949	11,129
Total key assets		7,949	11,129

4.1 Infrastructure, property, plant and equipment

Year ended 30 June 2019	Office equipment \$	Total \$
1 July 2018		
Gross carrying amount	70,851	70,851
Accumulated depreciation	(59,722)	(59,722)
Accumulated impairment loss	-	-
Carrying amount at start of period	11,129	11,129
Additions	-	-
Disposals (written down value)	-	-
Revaluation increments/(decrements)	-	-
Depreciation	(3,180)	(3,180)
Carrying amount at 30 June 2019	7,949	7,949
Gross carrying amount	70,851	70,851
Accumulated depreciation	(62,902)	(62,902)
Accumulated impairment loss	-	-

Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure 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).

Subsequent measurement

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

4.1.1 Depreciation and impairment

Change for the period

	2019 \$	2018 \$
Depreciation		
Office equipment	3,180	3,043
Total depreciation for the period	3,180	3,043

As at 30 June 2019 there were no indications of impairment to property, plant and equipment or infrastructure.

Finite useful lives

All infrastructure, property, plant and equipment 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. The exceptions to this rule include items under operating leases, assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Office equipment and Integrated Software	3 to 5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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 its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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 declining replacement costs.

5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Commission's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2019 \$	2018 \$
Receivables	5.1	24,649	29,151
Amounts receivable for services	5.2	34,000	34,000
Other assets	5.3	-	1,903
Payables	5.4	53,105	13,121
Other current liabilities	5.5	785	787

5.1 Receivables

	2019 \$	2018 \$
<u>Current</u>		
GST receivable	3,093	28,894
Other debtors	21,556	257
Total current	24,649	29,151

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

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

5.2 Amounts receivable for services

	2019 \$	2018 \$
Current	-	-
Non-Current	34,000	34,000
	34,000	34,000

Amounts receivable for services represent 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.

5.3 Other assets

	2019 \$	2018 \$
<u>Current</u>		
Prepayments	-	1,903
Total current	-	1,903

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.4 Payables

	2019 \$	2018 \$
<u>Current</u>		
Other payables	52,237	11,330
Accrued expenses	-	887
Accrued Salaries, for Employees and Board Members	868	904
Total current	53,105	13,121
Balance at end of period	53,105	13,121

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

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

5.5 Other current liabilities

	2019 \$	2018 \$
<u>Current</u>		
Employee related liabilities	785	787
Balance at end of period	785	787

6. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Commission.

	Notes
Cash and cash equivalents	6.1
Commitments	6.2
Non-cancellable operating lease commitments	6.2.1

6.1 Cash and cash equivalents

	Note	2019 \$	2018 \$
Cash and cash equivalents	6.1	69,086	69,086
Restricted cash and cash equivalents			
- Royalties for Regions		1,411,195	1,233,367
- Externally Funded Projects		99,986	99,986
- Regional Development Scheme		36,472	36,472
- Asset Replacement		141,952	141,952
Total - Other		1,689,605	1,511,777
Total Current		1,689,605	1,511,777
Balance at end of period		1,758,691	1,580,863

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

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand.

6.2 Commitments

6.2.1 Non-cancellable operating lease commitments

	2019 \$	2018 \$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	37,889	43,422
Later than 1 year and not later than 5 years	5,570	3,314
	43,459	46,736

These commitments are all GST inclusive.

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

Judgements made by management in applying accounting policies - operating lease commitments

The Commission has entered into a building lease for office accommodation. This lease relates to a building of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as an operating lease.

7. Financial instruments and Contingencies

	Note
Financial instruments	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2

7.1 Financial instruments

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

	2019 \$	2018 \$
Financial Assets		
Cash and cash equivalents	69,086	69,086
Restricted cash and cash equivalents	1,689,605	1,511,777
Loans and receivables ^(a)	55,556	34,257
Total financial assets	1,814,247	1,615,120
Financial Liabilities		
Financial liabilities measured at amortised cost	48,912	8,930
Total financial liability	48,912	8,930

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

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

No Contingent assets exist as at 30 June 2019.

7.2.2 Contingent liabilities

No Contingent liabilities exist as at 30 June 2019.

8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Remuneration of auditors	8.8
Equity	8.9
Supplementary financial information	8.10
Explanatory statement	8.11

8.1 Events occurring after the end of the reporting period

There were no events occurring after the reporting period date that impact on the financial statements.

8.2 Initial application of Australian Accounting Standards

AASB 9 Financial Instruments

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurement for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Commission applied AASB 9 prospectively, with an initial application date of 1 July 2018. Although the adoption of AASB 9 has resulted in changes in accounting policies, there are no adjustments to the amounts recognised in the financial statements. The transition to AASB 9 has therefore no impact on the opening balance of retained earnings. In accordance with AASB 9.7.2.15, the Commission has not restated the comparative information which continues to be reported under AASB 139

Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Commission's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Commission's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have any impact to the Commission.

Impairment

The adoption of AASB 9 has fundamentally changed the Commission's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Commission to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

The Commission has determined that the application of AASB 9's impairment requirements at 1 July 2018 results in no allowance for impairment.

8.3 Key management personnel

The Commission has determined key management personnel to include Chief Executive Officer, members of the accountable authority, senior officers of the Commission and the Minister that the Commission assists. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the commission for the reporting period are presented within the following bands:

Compensation of members of the accountable authority

Compensation band (\$)

	2019	2018
0 - 10,000	3	4
10,001 - 20,000	-	1
30,001 - 40,000	-	1
50,001 - 60,000	1	-

Compensation of senior officers (\$)

70,001 - 80,000	1	-
90,001 - 100,000	-	1
100,001 - 110,000	-	-
220,001 - 230,000	1	-
300,001 - 310,000	-	1

	2019	2018
	\$	\$
Short term employee benefits	312,825	389,870
Post employment benefits	27,107	35,548
Other long term benefits	23,325	32,958
Total compensation of key management personnel	363,257	458,375

8.4 Related party transactions

The Commission is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Commission is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the commission include:

- all senior officers and their close family members, and their controlled or jointly controlled entities;
- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

All related party transactions have been entered into on an arm's length basis.

Significant transactions with other related entities

Outside of normal citizen type transactions with the commission there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or Jointly controlled) entities.

8.5 Related bodies

The Gascoyne Development Commission had no related bodies.

8.6 Affiliated bodies

The Gascoyne Development Commission had no affiliated bodies.

8.7 Special purpose accounts

The Gascoyne Development Commission has no special purpose accounts.

8.8 Remuneration of auditors

Gascoyne Development Commission - 30 June 2019

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

	2019 \$	2018 \$
Auditing the accounts, financial statements controls, and key performance indicators	25,000	37,875

8.9 Equity

Contributed equity

Balance at start of period

Balance at end of period

2019 \$	2018 \$
90,000	90,000
90,000	90,000

Accumulated (surplus/deficit)

Balance at start of year

Result for the period

Balance at end of period

2019 \$	2018 \$
1,491,821	576,226
98,204	915,595
1,590,025	1,491,821

Total equity at end of period

1,680,025	1,581,821
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8.10 Supplementary financial information

(a) Write-offs

There were no write-offs during the financial year.

(b) Losses through theft, defaults and other causes

There were no losses of public money and public and other property during the financial year.

(c) Gift of public property

There was no gift of public property during the financial year.

8.11 Explanatory statement

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and \$20,360 for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$6,920 for the Statement of Financial Position

8.11.1 Statement of Comprehensive Income
Income Variances

	Variance Note	Estimate 2019	Actual 2019	Actual 2018	Variance between estimated and actual	Variance between actual results for 2019 and 2018
Expenses						
Employee benefits expense	1, A	343,000	399,273	323,746	56,273	75,527
Supplies and services	2, B	147,000	1,195,662	1,103,048	1,048,662	92,614
Depreciation and amortisation expense		3,000	3,180	3,043	180	137
Accommodation expenses	C	-	-	61,614	-	(61,614)
Grants and subsidies	3, D	500,000	23,874	1,570,101	(476,126)	(1,546,227)
Other expenses	4, E	28,000	91,618	-	63,618	91,618
Total cost of services		1,021,000	1,713,607	3,061,552	692,607	(1,347,945)
Income						
<i>Revenue</i>						
User charges and fees		-	-	2,205	-	(2,205)
Other revenue		-	17,199	7,525	17,199	9,674
Total Revenue		-	17,199	9,730	17,199	7,469
Total income other than income from State Government		-	17,199	9,730	17,199	7,469
NET COST OF SERVICES		1,021,000	1,696,408	3,051,822	675,408	(1,355,414)
Income from State Government						
Service appropriation		260,000	260,000	260,000	-	-
Grants and contributions from government agencies		-	20,000	-	20,000	20,000
Resources received free of charge	5, F	-	1,014,612	900,064	1,014,612	114,548
Royalties for Regions Fund	6, G	758,000	500,000	2,807,353	(258,000)	(2,307,353)
Total income from State Government		1,018,000	1,794,612	3,967,417	776,612	(2,172,805)
SURPLUS/(DEFICIT) FOR THE PERIOD		(3,000)	98,204	915,595	101,204	(817,391)
Other Comprehensive Income						
Changes in asset revaluation reserve		-	-	-	-	-
Total Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Income for the period		(3,000)	98,204	915,595	101,204	(817,391)

8.11.2 Statement of Financial Position
Variances

Assets	Variance Note	Estimate 2019 \$	Actual 2019 \$	Actual 2018 \$	Variance between estimated and actual \$	Variance between actual results for 2019 and 2018 \$
Current Assets						
Cash and cash equivalents		65,000	69,086	69,086	4,086	-
Restricted cash and cash equivalents	7, H	270,000	1,689,605	1,511,777	1,419,605	177,828
Receivables	8	-	24,649	29,151	24,649	(4,502)
Amounts receivable for services		-	-	-	-	-
Other current assets		-	-	1,903	-	(1,903)
Total Current Assets		335,000	1,783,340	1,611,917	1,448,340	171,423
Non-Current Assets						
Restricted cash and cash equivalents		-	-	-	-	-
Amount receivable for services	9	-	34,000	34,000	34,000	-
Infrastructure, property, plant and equipment		11,000	7,949	11,129	(3,051)	(3,180)
Total Non-Current Assets		11,000	41,949	45,129	30,949	(3,180)
TOTAL ASSETS		346,000	1,825,289	1,657,046	1,479,289	168,243
LIABILITIES						
Current Liabilities						
Payables	10	-	53,105	12,217	53,105	40,888
Employee related provisions	11, I	-	66,607	45,934	66,607	20,673
Other		-	785	1,691	785	(906)
Total Current Liabilities		-	120,497	59,842	120,497	60,655
Non-Current Liabilities						
Employee related provisions	12, J	46,000	24,767	15,383	(21,233)	9,384
Total Non-Current Liabilities		46,000	24,767	15,383	(21,233)	9,384
TOTAL LIABILITIES		46,000	145,264	75,225	99,264	70,039
NET ASSETS		300,000	1,680,025	1,581,821	1,380,025	98,204
EQUITY						
Contributed Equity	13	-	90,000	90,000	90,000	-
Reserves		-	-	-	-	-
Accumulated surplus/(deficit)		300,000	1,590,025	1,491,821	1,290,025	98,204
TOTAL EQUITY		300,000	1,680,025	1,581,821	1,380,025	98,204

8.11.3 Statement of Cash Flows Variances

CASH FLOWS FROM STATE GOVERNMENT

Service appropriation		Estimate	Actual	Actual	Variance	
		2019	2019	2018	Note	
		\$	\$	\$		
Income received from Other State Agencies		260,000	260,000	260,000		
Royalties for Regions Fund	14, K	-	-	-		
		758,000	500,000	2,807,353		
Net cash provided by State Government		1,018,000	760,000	3,067,353		
						(2,307,353)

Utilised as follows:

CASH FLOWS FROM OPERATING ACTIVITIES**Payments**

Employee benefits	L	(343,000)	(369,254)	(459,233)		89,979
Supplies and services	15, M	(147,000)	(137,362)	(208,982)		71,620
Accommodation	N	-	-	(61,614)		61,614
Grants and subsidies	16, O	(500,000)	(23,874)	(1,570,101)		1,546,227
GST payments on purchases	17, P	-	(22,904)	(148,325)		125,421
GST payments to taxation authority		-	-	(2,219)		2,219
Other payments	18, Q	(28,000)	(91,618)	-		(91,618)

Receipts

User charges and fees		-	-	2,205		(2,205)
GST receipts on sales		-	1,783	1,397		386
GST receipts from taxation authority	19, R	-	43,858	146,869		(103,011)
Other receipts		-	17,199	13,993		3,206
Net cash provided by/(used in) operating activities		(1,018,000)	(582,172)	(2,286,010)		1,703,838

CASH FLOWS FROM INVESTING ACTIVITIES**Payments**

Purchase of non-current physical assets		-	-	(7,940)		7,940
Net cash provided by/(used in) investing activities		-	-	(7,940)		7,940

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

		-	177,828	773,403		(595,575)
		335,000	1,580,863	807,460		773,403
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		335,000	1,758,691	1,580,863		177,828

From the 1st of July 2017 as part of the recent Machinery of Government (MoG) changes, all Regional Development Commissions (RDCs) employees were transferred to Department of Primary Industries and Regional Development (DPIRD) except for the Chief Executive Officers (CEOs). Under this new arrangement DPIRD provides the Commission with the necessary supplies and services to support the Accountable Authority of the Commission in the fulfilment of its statutory functions and obligations under the *Regional Development Commissions Act 1993*.

For the 2018/19 the Commission's Section 40 budget was set to only reflect board related costs, CEO salaries and travel costs, legacy projects and grants. This has resulted in a budget variance by not accounting for the value of services provided free of charge by DPIRD in the Commission's original budget. This support service is recognised as expenditure incurred by the Commission representing full cost of service by the Statutory Authority.

Major Estimates and Actuals (2019) Variance Narratives

- 1 Employee benefits expenses variance of \$56,273 is due to training costs related to new Board members
- 2 Supplies and services expense variance of \$1,048,664 is a result of the Commission's 2018-19 Section 40 budget not accounting for services provided free of charge by DPIRD.
- 3 Grants and subsidies expense variance of \$476,126 is due to the timing of payments for Regional Grants Scheme funding in 2018-19 financial year.
- 4 Other expenses variance of \$63,618 is predominantly due to a return of RFR funds (\$91k) for ACER project to Treasury in 2018-19 financial year.
- 5 Resources received free of charge variance of \$1,014,612 is a result of the Commission's 2018-19 Section 40 budget not accounting for services provided free of charge by DPIRD.
- 6 Royalties for Regions - operational funding variance of \$258,000 is due to the Commission's utilising retained cash to fund operational activities for 2018-19 financial year.
- 7 Restricted cash and cash equivalents variance of \$1,419,605 is due to higher project carry over funds at the end of 2018-19 financial year.
- 8 Receivable exceeded estimate by \$24,649 due to higher valued trade debtors at the end of 2018-19.
- 9 Amounts receivable for services variance of \$34,000 is a result of the 2018-19 budget not accounting for this item.
- 10 Payables variance of \$52,237 is due to higher than anticipated outstanding suppliers invoices at the end of 2018-19 financial year and salary recoup paybles.
- 11 Employee related provisions - current variance of \$66,607 is due to Section 40 budget for 2018-19 being understated.
- 12 Employee related provisions - non current variance of \$21,233 is due to Section 40 budget for 2018-19 being overstated.
- 13 Contributed equity variance of \$90,000 is a result of not accounting for this item in the 2018-19 Section 40 budget.
- 14 Royalties for Regions Fund variance of \$258,000 is due to the Commission's utilising retained cash to fund operational activities for 2018-19 financial year.
- 15 Supplies and services exceeded estimate by \$9,638 due to travel budgeted for as employee benefits and actual payments being costed to supplies and services.
- 16 Grants and subsidies variance of \$476,126 is due to the timing of payments for Regional Grants Scheme project in 2018-19 financial year.
- 17 GST payments on purchases variance of \$22,904 is a result of not accounting for this item in the 2018-19 Section 40 budget.
- 18 Other payments exceeded estimates by \$63,618 predominantly due to a return of RFR funds (\$91k) for ACER project to Treasury in 2018-19 financial year.
- 19 GST receipts from the taxation authority exceeded estimates by \$43,858 is a result of not accounting for this item in the 2018-19 Section 40 budget.

Major Actuals (2019) and Comparative (2018) Variance Narratives

A	Employee benefits expense increased by \$75,527 due to training costs in relation to the Commission's new Board members.
B	Supplies and services increased by \$92,616 due to higher services provided free of charge from DPIRD in 2018-19 financial year.
C	Accommodation expenses decreased by \$61,614 due to funding arrangement from the MoG changes and the transfer of lease from the Commission to DPIRD in 2017-18 financial year..
D	Grants and subsidies expense decreased by \$1,546,227 due to the completion stage of RfR legacy projects in 2017-18 financial year.
E	Other expenses increased by \$91,618 is predominantly due to return of RfR funds (\$91k) relating ACERF project to Treasury in 2018-19 financial year.
F	Resources received free of charge increased by \$114,548 due to higher services provided free of charge from DPIRD in 2018-19 financial year.
G	Royalties for Regions fund decrease by \$2,307,353 is due the completion stage of RfR legacy projects in 2017-18 financial year.
H	Restricted cash and cash equivalents increased by \$177,828 is due to unspent RfR project carry over funds at the end of 2018-19 financial year.
I	Employee related provisions - current increase by \$20,673 is due to leave provision for 2018-19 financial year.
J	Employee related provisions - non current increase by \$9,384 is due to leave provision for 2018-19 financial year.
K	Royalties for Regions fund decreased by \$2,307,353 due to the completion stage of RfR legacy projects in 2017-18 financial year.
L	Employee benefits decreased by \$89,979 due to the cash transfer of leave liability in 2017-18 to DPIRD.
M	Supplies and services decreased by \$71,620 due to the MoG changes and the transfer of supplier invoices to DPIRD since 2017-18.
N	Accommodation decreased by \$61,614 due to funding arrangement from the MoG changes and the transfer of lease in 2017-18 from the Commission to DPIRD.
O	Grants and subsidies decreased by \$1,546,227 due to the completion stage of legacy projects in 2017-18 financial year.
P	GST payments on purchases decreased by \$125,421 due to the MoG changes and taxable invoices payments transferred from the Commission to DPIRD in 2017-18 financial year.
Q	Other payments increased by \$91,618 is predominantly due to return of RfR funds (\$91k) relating ACERF project to Treasury in 2018-19
R	GST receipts from taxation authority decreased by \$103,011 due to lower taxable purchases in 2018-19 financial year.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

GASCOYNE DEVELOPMENT COMMISSION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Gascoyne Development Commission which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Gascoyne Development Commission for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Board for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

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. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Gascoyne Development Commission. The controls exercised by the Commission are those policies and procedures established by the Board 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Gascoyne Development Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

The Board's Responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Gascoyne Development Commission for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Gascoyne Development Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2019.

The Board's Responsibility for the Key Performance Indicators

The Board 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 internal control as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

This auditor's report relates to the financial statements and key performance indicators of the Gascoyne Development Commission for the year ended 30 June 2019 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
19 September 2019

Key performance indicators

KEY PERFORMANCE INDICATORS

CERTIFICATION OF KEY PERFORMANCE INDICATORS

For the year ended 30 June 2019

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Gascoyne Development Commission's performance, and fairly represent the performance of the Gascoyne Development Commission for the financial year ended 30 June 2019.



Andy Munro
Chairman
18 September 2019



Tym Duncanson
Chief Executive Officer
18 September 2019



ACTUAL PERFORMANCE COMPARED TO RESOURCE AGREEMENT TARGETS

Government Goal

Ensuring that regional Western Australia is strong and vibrant.

Effectiveness Indicators

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

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

Key Effectiveness Indicators

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

Customer Survey

A Customer Survey of the Commission's database of contacts was undertaken in June/July 2019 to solicit responses relating to the achievement of the Commission's service.

The survey was sent to 101 clients, and a random selection of 100 contacts from a reachable contact list of 1800. 83 completed surveys were obtained of which 73 responses were from clients and 10 from other contacts.

Respondents were asked if the Commission is effective and makes a balanced positive contribution to the social and economic development of the Gascoyne region. 87 percent of respondents thought the Commission was average or better in this regard.

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

Key Performance Indicators	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019	Variance
Key Effectiveness Indicator: An environment conducive to the balanced economic and social development of the Gascoyne region	94%	79%	89%	81%	87%	81%	6%

Service: Regional Development.

Key Efficiency Indicators

Cost per project hour

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

Key Performance Indicators	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019	Variance
Key Efficiency Indicator: Cost per project hour	\$114	\$114	\$140	\$112	\$139	\$103	(\$23)

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

The method of calculating KPI's for all RDCs was amended after the target was set where the total hours for all staff is included in the hours calculation based on data provided from the payroll system by position number. This resulted in a reduction in hours used in the calculation of the KPI as a number of key staff work additional hours in supporting the commission's objectives. Had the original methodology been used for this year then the KPI result would be been an actual of \$117 per hour

Gascoyne Development Commission

Annual Estimates 2018/2019

In accordance with Treasurers Instruction 953, the annual estimates for the 2019/2020 year are hereby included in the 2018/2019 Annual Report. These estimates do not form part of the 2018/2019 financial statements and are not subject to audit.

S40 SUBMISSION

Statement of Comprehensive Income	FOT 2018-19	Budget 2018-19	Budget 2019-20
	\$'000s	\$'000s	\$'000s
EXPENSES			
Employee benefits	439	343	345
Supplies and services	112	147	119
Services received free of charge	1,052	-	1,384
Depreciation and amortisation	3	3	3
Accommodation	-	-	-
Grants and subsidies	508	500	-
Other expenses	23	28	23
TOTAL COST OF SERVICES	2,137	1,021	1,874
INCOME			
Other revenue	-	-	-
TOTAL INCOME	-	-	-
NET COST OF SERVICES	2,137	1,021	1,874
INCOME FROM STATE GOVERNMENT			
Service appropriation	267	260	233
Income received from other state agencies	667	758	254
Services received free of charge	1,052	-	1,384
TOTAL INCOME FROM STATE GOVERNMENT	1,985	1,018	1,871
SURPLUS/(DEFICIT)	(152)	(3)	(3)

Statement of Financial Position	FOT 2018-19	Budget 2018-19	Budget 2019-20
	\$'000s	\$'000s	\$'000s
ASSETS			
Current Assets			
Cash and cash equivalents	69	65	69
Restricted cash and cash equivalents	1,363	270	1,363
Receivables	31	-	31
Non-Current Assets			
Amounts receivable for services	34	-	34
Property, plant and equipment	8	11	5
Infrastructure	-	-	-
TOTAL ASSETS	1,505	346	1,502
LIABILITIES			
Current Liabilities			
Payables	14	-	14
Provisions	46	46	46
Non-Current Liabilities			
Provisions	15	-	15
TOTAL LIABILITIES	75	46	75
NET ASSETS	1,430	300	1,427
EQUITY			
Contributed equity	90	-	90
Reserves	-	-	-
Accumulated surplus/(deficiency)	1,340	300	1,337

Statement of Cash Flow	FOT 2018-19	Budget 2018-19	Budget 2019-20
	\$'000s	\$'000s	\$'000s
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation	267	260	233
Capital appropriation	-	-	-
Income received from other state agencies	667	758	254
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits	(439)	(343)	(345)
Supplies and services	(112)	(147)	(119)
Grants and subsidies	(508)	(500)	-
Other payments	(23)	(28)	(23)
Receipts	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets	-	-	-
Net increase/(decrease) in cash held and cash equivalents	(149)	(0)	-
Cash and cash equivalents at the beginning of the period	1,581	335	1,432
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,432	335	1,432

Gascoyne Development Commission would like to acknowledge the following individuals and organisations for the use of their photography within the Commission's Annual Report.

Teo Photography

Front cover Gascoyne coastline

Back cover Carnarvon townsite aerial

Department of Primary Industries and Regional Development

Page 2 Gascoyne Bluebush

Page 6 Gascoyne River at sunset

Shark Bay Salt Group

Page 8 Salt mining

Page 12 Plant close up

Tourism Western Australia

Page 15 Kennedy Ranges

Whalebone Brewing Company

Page 20 Whalebone kegs

Page 21 Whalebone team

Dirk Hartog Island Distilleries

Page 21 Wirruwana Hub installation (4)

Juliane Bush

Page 24 Dirk Hartog Island homestead

