



2016/2017 ANNUAL REPORT





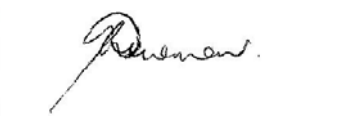
STATEMENT OF COMPLIANCE

Hon Alannah MacTiernan MLC
Minister for Regional Development

In accordance with Section 66 of the Financial Management Act, we hereby submit for your information and presentation to Parliament, the Annual Report of the Wheatbelt Development Commission for the financial year ended 30 June 2017.



Rebecca Tomkinson
Chair of the Board
28 September 2017



Wendy Newman
Chief Executive Officer
28 September 2017

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2016/17 KEY ACHIEVEMENTS



INNOVATION

The Commission models and supports innovative practices to build capacity and deliver cost effective solutions across the Region.

Key to this is the Wheatbelt Service Learning program. Bringing cross discipline UWA students to the Wheatbelt to work on initiatives in selected communities continues to produce both innovative on the ground solutions and an increased understanding of the Region and its drivers.

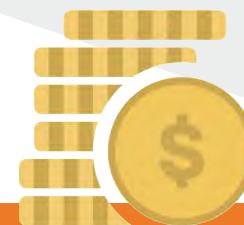
The partnership between the Commission and UWA has continued to grow, with the Centre for Regional Development providing direct input into key initiatives such as Age Friendly Communities, business case development, tourism and high value agriculture development.



CREATING EFFECTIVE PARTNERSHIPS

Co-ordination is achieved by key stakeholders committing to shared development of priority initiatives.

This past year has seen strengthening relationships and engagement with the Water Corporation, Department of Water, Western Power, Main Roads WA, LandCorp, University of Western Australia, Murdoch University, private sector, 42 Wheatbelt Local Government Authorities and the Departments of Transport, Housing, Agriculture and Food WA and Regional Development. All relationships have been focused on implementing priorities identified in the Wheatbelt Regional Investment Blueprint.



VIBRANT ECONOMY

The Commission has focused on partnerships to deliver infrastructure to key growth areas, including:

- Muchea Employment Node;
- supporting digital infrastructure;
- activating and enhancing access to the Jurien Bay Harbour; and
- linking Great Northern Highway and Great Eastern Highway via Northam-Pithara Rd are examples of this work.

Supporting emerging industry strategies and prospectuses for high value agriculture (including horticulture and aquaculture), tourism and aged care has been the focus for the Commission.



CREATING COMMUNITY CONNECTIONS

With 5 sub-regional centres surrounded by a variety of communities, the Wheatbelt offers diverse liveability options. The Commission continues to support both individual and groups of local governments to develop and deliver projects that:

- Grow the economy and population;
- Attract private investment; and
- Enhance liveability.

Integral to this is supporting the development of business cases for the Age Friendly solutions. This has resulted in:

- the delivery of the Age Friendly Communities in Small Town Project; and
- the development of 5 business cases across 37 Local Governments.

The Age Friendly Cluster Housing Model adds a layer of supported accommodation into the Wheatbelt, enabling older adults to age-in-place and remain independent in their communities.



ENSURING A SUSTAINABLE ENVIRONMENT

Increasing water efficiency through stormwater management and evaporation control is crucial for local governments to increase efficiencies and deliver community amenity and industry development. The Commission, in partnership with the Water Corporation are developing whole of region solutions through the Total Water Management initiative toward Zero Waste.

The Commission has focused on emerging industry development in the areas of alternative energy and delivered a draft tourism strategy.



MARKETING WHEATBELT OPPORTUNITIES

Integral to the development of the Region, is effective marketing that highlights the benefits of living, working, visiting and investing in the Wheatbelt.

Throughout 2016/17 the Commission partnered with not for profit marketing organisation, Heartlands WA, to produce its monthly e-newsletter and coordinate weekly social media Tweets followers. The e-newsletter is emailed to over 550 subscribers including various media outlets and has an open rate of 35%, well above industry averages.

The Commission will be developing emerging industry strategies and prospectuses aimed at maximising growth opportunities for the Region.

CHAIR REPORT



Tim Shackleton

Chair

Wheatbelt Development Commission

Effective regional development can only occur with a clear and shared agenda and strong partnerships. Previous planning involving extensive stakeholder engagement by the Commission has provided the shared agenda. Strengthening and building strong partnerships across the local government, private, public and community sectors has seen the agreed priorities from this agenda come to fruition.

The Board and Staff of the Commission have for some time now focussed their effort on those initiatives that have the greatest potential to grow jobs by:

- growing and diversifying the economy;
- attracting private investment;
- growing the population, particularly workforce aged people;
- enhancing liveability; and
- driving collaboration and innovation.

Across the Region we are reaping the benefits of these collaborative efforts, seeing private and public investment in land development (residential and industrial), industry expansion, key transport and digital infrastructure and social infrastructure, particularly that which enables our seniors to age in their communities close to family and support systems. The Commission has been directly involved in co-designing and delivering more than 25 priority initiatives during this reporting period.

I would like to sincerely thank the Board and Staff of the Commission for their ongoing commitment to the Region. It is rare in an organisation to witness the cohesive and determined way in which the Commission has gone about its business, where the collective good of the organisation and the Region transcends that of the individual. On reflection, it has been this cohesion and collaboration internally that has supported such strong and successful collaboration with our external stakeholders.

I would like to specifically acknowledge outgoing Board members Steve Pollard and Leigh Ballard. Both brought to the Board diverse areas of interest and skills.

There remains a lot to do to enable the Wheatbelt to maximise and support jobs growth for the State. Peri-urban growth presents significant jobs growth opportunity, as does the growth of the intensive agriculture and populations services sectors. The Wheatbelt's transport network, alternative energy sector, proximity to Perth and multiple liveability and investment options are existing assets which can support this growth.

The Commission very much looks forward to working with the new Department of Primary Industries and Regional Development to bring these opportunities to fruition.

A PORTFOLIO APPROACH

Enabling Legislation

The Wheatbelt Development Commission, a Western Australian Statutory Authority was established in 1993 under the Regional Development Commissions Act 1993. It is one of nine Commissions governed by the same legislation.

Objects and Functions

Under the Regional Development Commission Act 1993, the objects and functions of the Commission are to:

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

For the purpose of achieving these objectives, the Commission is to:

- promote the Region;
- facilitate co-ordination between relevant statutory bodies and state government agencies;
- co-operate with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community within the Region;
- identify opportunities for investment in the Region and encourage that investment;
- identify infrastructure needs of the Region and encourage the provision of that infrastructure in the Region; and
- co-operate with departments of the Public Service of the State and the Commonwealth, and other agencies, instrumentalities and statutory bodies of the State and Commonwealth, and local government authorities, in order to promote equitable delivery of services within the Region.



OUR MINISTER

Responsible Minister

Hon Alannah MacTiernan MLC

Minister for Regional Development

OUR BOARD

The Wheatbelt Development Commission Board consists of ten members; three local government, three community, three ministerial representatives and the CEO as an Ex-officio. Members come from diverse backgrounds and locations.

To facilitate the work of the Board, the following working parties have been established:

- Vibrant Economy: includes industry and business development, workforce attraction and retention, key economic infrastructure and natural resource management;
- Clever People: includes innovation, leadership and lifelong learning;
- Liveable Communities: includes connected settlements (key centres and growth areas, and service delivery reform (aged care, children's services, health services, housing and local facilities); and
- Organisational Effectiveness: includes finance, audit and risk management, governance, marketing and strategic partnerships.



Wheatbelt Development Commission Board Members

Backrow L to R: Graham Cooper, Ross Ainsworth, Heidi Cowcher

Front L to R: Val Ammon, Wendy Newman, Karin Day, Tim Shackleton, Carmel Ross, David Lantzke
Leslee Holmes (absent)

Tim Shackleton – Chair
Term of Office June 2017

Tim has worked in the Western Australian health sector for the past 25 years and is currently Chief Executive Officer of health workforce agency Rural Health West and former CEO of RFDS Western Operations. Tim also has extensive experience as a non-executive director and is currently a member of the Board of the Regional Australia Institute, Chair of the Pastoral Lands Board and Deputy Chair of the WA Regional Development Council. Tim is immediate past Chair of the Western Australian General Practice Education and Training Ltd.

Karin Day – Deputy Chair
Term of Office June 2017

Karin is currently the Westonia Shire President. Her background is in agriculture and regional development, and she is a Board member of the Agricultural Women – Wheatbelt East (AWWE Inc). Karin is involved in many sporting and community groups.

Graham Cooper – Board Member
Term of Office June 2018

Graham currently operates Farmways in Cunderdin and Dowerin as a joint venture partnership with Elders Rural Services. Graham has served as a Councillor with the Cunderdin Shire including six years as Shire President and held varied community positions. He is currently Chair of Regional Development Australia Wheatbelt.

Carmel Ross – Board Member
Term of Office June 2017

Carmel is a psychologist by profession and has many years of management experience mostly in education, tourism and community organisations. Carmel runs an organisational consulting business and is a former CEO of New Norcia. She is Chair of the Heartlands WA board and Secretary of the Bindoon Farmers Market Committee.

Valerie Ammon – Board Member
Term of Office June 2018

Val is currently a Councillor with the Shire of Gingin and has experience as a small business owner. With a background as a qualified psychologist, she has extensive experience in the areas of mental health and drug and alcohol abuse.

Heidi Cowcher – Board Member
Term of Office June 2018

Heidi has predominantly worked in local government for the last 20 years, with a short stint in State government. She is currently the Economic Development Officer with the Shire of Williams, a role she has held since 2002. Recent qualifications include Graduate of the Australian Institute of Company Directors and a Diploma in Project Management.

Leslee Holmes – Board Member
Term of Office June 2017

Leslee is Shire President of Dandaragan, and is a member of the Joint Chambers Alliance Cervantes/Jurien Bay as Tourism Leader. Leslee has held leadership roles at a State level, and received the Margaret Court Award for Outstanding Service to Tennis in Western Australia. Leslee has a particular interest in small business development, tourism and marketing.

Ross Ainsworth – Board Member
Term of Office June 2019

Ross Ainsworth has a background in Agriculture and lives in York. He was the Chair of the Farmer's Federation Grains Council and held the Seat of Roe for the Nationals WA. He served on the Parliamentary Standing Committee for Health and Education for 16 years and chaired the Select Committee on Road Safety. His interests include regional development, education and training, health and tourism.

David Lantzke – Board Member
Term of Office June 2019

David Lantzke is the CEO of the Ardross Group and has been intricately involved in land and property development in Jurien Bay, Bunbury, Manjimup and Albany over many years. David has been the Secretary and/or Treasurer of the Jurien Bay Chamber of Commerce since 2010 and is Chair of the Turquoise Coast Chambers Alliance. He has been Secretary of the Indian Ocean Festival organising committee for 6 years, a member of the Regional Chambers of Commerce Executive for 2 years and is a Graduate of the Australian Institute of Company Directors.

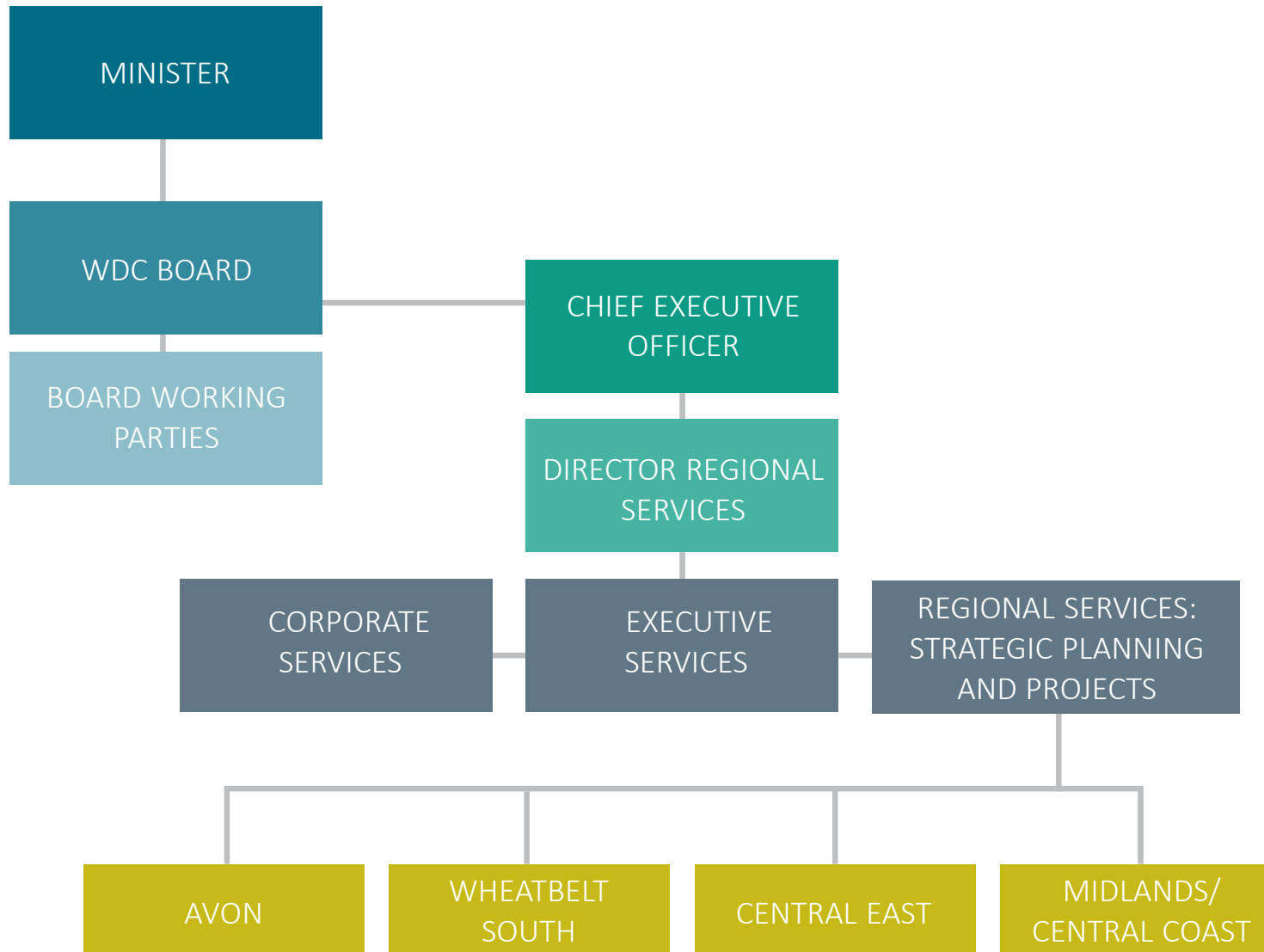
Wendy Newman – Chief Executive Officer
Ex Officio

Wendy is the Chief Executive Officer of the Commission, and brings to the position a range of professional experiences across the areas of education, organisational development, human resource management, marketing and regional development. Wendy has been a member of numerous boards and advisory bodies for government and not for profit sector at a national, state and local level.



Board members Leslee Holmes and David Lantzke travelling to Merredin on the Avonlink train.

ORGANISATIONAL STRUCTURE



WORKING TOGETHER TO DELIVER RESULTS

To meet the needs of a highly dispersed Region, the Commission delivers its services through offices located in Northam, Moora, Merredin and Narrogin. The following units exist to deliver the Commission's priorities.

Regional Services, Planning and Strategy Unit – This unit facilitates development in and across five sub-regions – Avon, Central Coast, Central Midlands, Central East and Wheatbelt South. As well as local stakeholder engagement and geographically relevant development, this unit has responsibilities for the full range of portfolio areas, including key infrastructure (land, power, water, sewerage and telecommunications), economic development and service delivery reform (health, aged care, education).

The key focus of this unit over the last twelve months has been the implementation of the Wheatbelt

Regional Investment Blueprint. Effort is focused on those initiatives that:

- grow the Region's economy and population;
- attract private investment;
- enhance liveability; and
- foster effective partnerships and innovative governance.

The implementation of the Growing our South Initiative, Sub-regional Centre Growth Plans, the Wheatbelt Regional Grants Scheme, Wheatbelt Community Chest Fund and aged care planning across regional Western Australia have been priorities for the unit.

Corporate Services Unit – This unit provides financial, human resources, purchasing and information technology services to the Board and staff.

Executive Services Unit – This unit provides executive support to the Board, CEO and other organisational units. The unit undertakes Board and stakeholder liaison and marketing and also provides support to the Avon Industrial Park Advisory Board.



PERFORMANCE MANAGEMENT FRAMEWORK

The Wheatbelt is a key contributor to the State's prosperity. The Wheatbelt Development Commission exists to partner, plan, facilitate and promote development that results in the Wheatbelt being a place of choice to live, work, visit and invest.

The Commission delivers on its strategic intent by:

1. Planning

- Having effective information management and knowledge sharing that results in sound feasibility, planning and review.
- Ensuring our assets are identified and valued.

2. Partnering

- Maintaining effective regional networks and regional intelligence.
- Identifying and working with strategic partners.
- Promoting collaboration and partnership on identified opportunities.

3. Promoting

- Ensuring stakeholder attitudes are asset focused.
- Being seen as the peak body for Wheatbelt regional issues.

4. Project Management

- Ensuring resources are aligned to strategic priorities
- Promoting effective project identification and management
- Using best practice to achieve results
- Modelling innovative practice

Linking to Government Goals

In fulfilling its Statutory Objectives and Functions, the Commission is committed to 'whole of government' approach to regional development to enhance it's contribution toward meeting the Five Government Goals:

- Results Based Service Delivery - Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.
- Financial and Economic Responsibility - Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.

- Social and Environmental Responsibility - Ensuring economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

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

- State Building – Major Projects - Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development.

VIBRANT ECONOMY

Our goal is to develop a diversified and adaptive economic base building on the Region's assets and aligned with State, national and international opportunity.

Target 2050: Average annual compound growth rate of 7%.

Industry Development

Outcome: Diverse and innovative business and industry grow the Wheatbelt's global market share.

Agriculture - High value agriculture (horticulture, aquaculture, livestock and dairy) has been identified as having significant growth potential in the Wheatbelt. The Commission has compiled industry snapshots, outlining industry value and potential growth opportunities.

As the State's largest agricultural producing Region, the Wheatbelt continues to drive growth through diversification and value-add agricultural development opportunities. Productivity and efficiencies through the application of technology (e.g. Doplar Radar) and research (e.g. grower group grants) remain a priority. Opportunities exist to enhance value along the supply chain, building on the Region's strong transport and logistics industry.

Lime Routes - Agricultural lime sand significantly increases agricultural productivity and value across the State. The Commission has identified the strategic lime routes that ensure the ongoing and cost effective access to this valuable resource located on the Wheatbelt's coast. The Commission will continue to work with the public and private sector to deliver investment in these strategic transport routes.

Creative Industries - Music continues to be an area of considerable growth. The number of performers on the touring circuit continues to grow, all reinforcing the road safety message supported by the RAC's Elephant in the Wheatbelt initiative.

Business Development

Wheatbelt Business Database has been completed and the number of businesses continues to grow. This project has resulted from a strong partnership between the Wheatbelt Business Network, Northam Chamber of Commerce and Heartlands WA.

Skilled Workers

Outcome: Skilled workers are attracted and retained to meet the needs of the Region and the State.

Workforce attraction remains a priority for the Wheatbelt.

The Commission continues to support proponents to attract workers to the Region. Current projects under development are the Central Midlands Worker Accommodation and Northam Urban Renewal projects. Both projects aim to deliver much needed quality and diverse housing into the Region.

Key Infrastructure

Outcome: Key strategic infrastructure is identified and invested in.

Transport - Economic planning has identified gaps in transport infrastructure that inhibit the productivity of the Region's strong transport and logistics industry. The Commission has worked with the Department of Transport and Main Roads WA to address these gaps.

Northam-Pithara Road - Linking Great Northern Highway and Great Eastern Highway via Northam-Pithara Road will provide a heavy haulage route that benefit business and industry by improving market access and delivering transport efficiencies.

The Commission continues to work with Main Roads WA to determine the best design for the proposed York Bypass.

Utilities to High Growth Areas - Economic planning has identified where growth is being constrained by lack of appropriate key infrastructure. The Commission has focused on partnerships to deliver infrastructure to these growth areas.

Muchea Employment Node - The \$1.12b North Link extension to Muchea has triggered significant private investment in the area. The Commission has co-ordinated private enterprise, Water Corporation and the Shire of Chittering to design a water solution for this high growth area.

Northern Growth Alliance – In recognition of the high growth north of Perth, the Commission has supported the Shires of Chittering, Gingin and Dandaragan to maximise growth opportunities. With LandCorp, the Commission remains committed to identifying water, power, telecommunications, transport and services infrastructure capacity issues and develop innovative solutions to ensure barriers to growth are removed.

Digital Infrastructure - The Commissions work resulted:

WA Regional Mobile Communications Program (RMCP) - 16 Wheatbelt funded towers

WA Regional Telecommunications Program (RTP) - 8 Wheatbelt funded towers

Federal Mobile Blackspot Program (MBSP) - Round 1 - 32 and Round 2 - 17 Wheatbelt funded

The Commission will continue to liaise with local government, the Department of Commerce and carriers to deliver telecommunications improvements across the Region and maintain an accurate database of locations for future investment potential. There is still considerable action required before the Wheatbelt secures adequate NBN bandwidth.

Waste - Identification of suitable locations for handling metropolitan waste within the Wheatbelt is required to relieve development pressure in the Avon. The Commission, in partnership with the Shire of Tammin are working with industry to identify alternative solutions.

Towards Zero Waste Water – Developed in partnership with the Department of Water and Water Corporation, this whole of Wheatbelt strategy will focus on maximising water re-use opportunities. The town sites of Narrogin, Northam and Toodyay are the initial locations being looked at.

Looking Forward

Emerging industry strategies for high value agriculture (including horticulture and aquaculture), tourism and aged care are the short term focus. The Commission will complete the following:

The Central Coast Agri-Industry Processing Hub Site Identification Study;

Initiatives that deliver population and economic growth through the continual building of networks with private enterprise and high impact public investment that maximise private investment.



The Wheatbelt has over 10,000 small businesses

CLEVER PEOPLE

Our goal is that life-long learning - innovation and leadership drive economic growth and community vibrancy.

Target 2050: A workforce of 109,800.

Education and Life-long Learning

Outcome: Education and lifelong learning drives productivity and thus economic growth.

Workforce Alliance – in this reporting period, the Alliance acquitted the Wheatbelt Workforce Development Plan 2013-16.

Directions Workforce Solutions Inc. – Directions enhance pathways to employment through a range of programs including workforce development, traineeships and apprenticeships. Directions offer a full range of employment functions, from recruitment and selection, occupational health and safety and training. This is a critical service to the many small businesses across the Wheatbelt. The Long Game is an innovative program aimed at linking talented footballers to training and employment opportunities in the Region.

The Commission continues to liaison with Directions to maximise pathways to employment.

TAFE Reform in WA – This reform process has resulted in significant changes to governance structures. Now part of the larger Central Regional TAFE, the Wheatbelt region is managed from Geraldton. The impact of these and other changes to the sector will need continued monitoring to ensure improved participation and achievement rates, which are currently well below State averages.

Innovation

Outcome: Innovation drives economic and environmental outcomes.

The Commission models innovative practices to build capacity and deliver cost effective solutions across the Region. The following are three initiatives that continue to provide great outcomes for the Wheatbelt.

Service Learning – Bringing cross discipline UWA students to the Wheatbelt to work on initiatives in selected communities continues to produce both innovative on the ground solutions and increased understanding of the Region and its drivers. The partnership between the Commission and University of Western Australia (UWA) continues to grow, with the Centre for Regional Development providing direct input into key initiatives such as Age Friendly Communities, business case development, tourism and high value agriculture development.



Commission staff undertaking safety training

Graduate Program – from this service learning work, the Commission is able to identify the ‘best and brightest’ to offer work experience and employment opportunities. This provides an ongoing supply of young professionals to the Wheatbelt, improves capacity in the Region and develops future leaders for the public sector. Over the last twelve months, the Commission has provided employment for five graduates. Ongoing flexibility and funding is imperative for this program to continue.

Collaborative Consulting – key to the Wheatbelt's growth is the capacity for groups and individuals to collect and analyse information and arrive at innovative models to maximise opportunities in a dispersed population setting. Collaborative consulting is a methodology whereby the Commission only pays for the expertise that is required to deliver an outcome. Wherever possible, the expertise is built in the Region, external expertise is only used for those elements for which the Commission and/or the Region has no capacity. In developing business cases, instead of ‘outsourcing’ business case development in its entirety, a disciplined project management methodology has been used to design a process, identify the expertise required for different elements (e.g. research, stakeholder engagement, technical costing and design) and write the business case. It is then determined which elements will be procured and which will be conducted within the Commission. The Commission ‘buys in’ research and analysis, business case development coaching and technical design.

The Commission supported the Peel and Gascoyne Development Commissions to develop similar innovation models.

Innovation Central Midlands (ICM) – based on the principals of the successful Avon Community Development Foundation Inc., the Commission has supported the Shires of Moora, Dalwallinu and Wongan Hills to develop ICM. ICM is an investment vehicle that enables the three local governments to invest in agreed projects across their communities. Their priority is worker and aged accommodation, aimed at attracting a workforce and retaining their elderly residents.

Leadership

Outcome: Leadership harnesses diverse capacity that delivers benefit at a local, sub-regional and regional level.

Thought leaders groups – throughout the regional centres growth planning process, the Commission identified industry and community leaders in each sub-region to guide this planning process. A network of innovative leaders committed to the growth of their sub-regions and the Wheatbelt as a whole has been the result. This leadership network will continue to be an invaluable source of guidance for the Commission.

Looking Forward

Continue to support Innovation Central Midlands and other investment entities that deliver cost effective and high impact solutions across Wheatbelt communities; and

Ensure ongoing resources to drive the graduate program and service learning.

LIVEABLE COMMUNITIES

Our goal is to have diverse, safe, health and resilient communities where services and infrastructure reflect the needs and aspirations of current and future residents.

Target 2050: Population of 180,000.

Connected Settlements

Outcome: Connected settlements support economic growth and offer multiple liveability options.

Regional Centre Infrastructure - The Commission has been working with the regional centres of Jurien Bay, Northam, Merredin and Narrogin to develop key infrastructure to drive economic growth. The projects include;

The Revitalising Regional Centres - Jurien Bay will see the provision of a safe, attractive and functional design that will enhance road safety, create pedestrian friendly linkages, stimulate private investment and enhance business profitability in Jurien Bay. The Project will complement the State Government's initiative to enhance tourism along the Indian Ocean Drive between Gingin and Kalbarri, with Jurien Bay being a key destination for visitors while experiencing the Coral Coast.

The Northam Central Business District (CBD) forms part of the long-term Revitalising Regional Centres - Northam Project through:

- Reactivation of and connection between the iconic Avon River, primary commercial streets within the CBD and the new Beamish Avenue retail precinct;

- Fitzgerald Street Underground Power installation;
- Installation of viewing platforms, boardwalks, terracing and revegetation along the river foreshore; and
- Provision of a cohesive pedestrian network to stimulate social and economic activities.

The Revitalising Regional Centres - Merredin Project involves the renewal of Merredin's CBD to improve infrastructure capacity, replace ageing infrastructure, provide workable and pedestrian friendly open space for a range of community purposes, stimulate private investment and enhance business profitability.

The Project seeks to build upon Merredin as the key regional centre in the eastern Wheatbelt, enhancing visitor experiences along the Great Eastern Highway and creating a vibrant economic centre along the nationally significant transport corridor.

The Revitalising Regional Centres Project - Narrogin involves the revitalisation of Narrogin's CBD through the;

- creation of a town centre with vibrant and functional open spaces;
- creating integrated connections between the commercial centre and key recreational and residential precincts;
- development of a vibrant cultural and visitor precinct; and
- modernising of infrastructure to enhance accessibility and increase traffic and pedestrian flow.





Service Reform

Outcome: Service delivery reform ensure services reflect the needs of current and future Wheatbelt residents.

Ageing in the Bush - The Commission continues to advocate to implement key recommendations of the Report. This includes providing advice to proponents, advocating with state and federal representatives and supporting other Development Commissions with their priorities.

Wheatbelt Well Aged Housing - As part of our commitment to implementing recommendations of the Wheatbelt Aged Support and Care Solutions, the Commission is currently supporting the development of business cases for the following groups of Local Governments;

Avon Aged Housing Alliance: Dowerin, Goomalling, Toodyay, and Victoria Plains local government areas.

Brookton, Beverley and Pingelly Alliance: Brookton, Beverley and Pingelly local government areas.

Innovation Central Midlands Inc: Dalwallinu, Moora and Wongan-Ballidu local government areas.

Wheatbelt South Aged Housing Alliance: Corrigin, Cuballing, Kondinin, Kulin, Narrogin, Wandering and Wickepin local government areas.

Cunderdin, Tammin and Quairading Alliance: Cunderdin, Tammin and Quairading local government areas.

The Age Friendly Cluster Housing Model adds a layer of supported accommodation into the Wheatbelt, enabling older adults to age-in-place and remain independent in their communities.

The Business Case development has involved a comprehensive process including high level of stakeholder consultation, independent housing needs, cost benefit analysis, financial and ownership modelling, significant research into housing design and build methods, and a comprehensive review process.

Wheatbelt Age Friendly Communities Audit, Grants and Transport Pilots:

Phase One: Development of Age Friendly Toolkit and Small Value Grant - Over 118 projects, valued at over \$1.7M are now finalised by 36 local governments across the Wheatbelt. The projects improve community infrastructure and enable older residents to remain more independent in their communities.

The Department of Local Governments and Communities have run a grant funding program to support the development of Age Friendly Community Plans. 84% of Wheatbelt Local Governments have been successful, either completed or in the process of completing a plan (this compares to the State average of 50%).

An independent evaluation of the project found that:

- 88% of LGAs used the Audit Toolkit to identify priorities;
- 82% involved community members; and
- 97% LGAs believe their projects led to increased awareness on aged friendly infrastructure needs.

Phase Two: Integrated Transport Plan - Three trial transport projects, providing transport from small towns to the regional centres of Northam and Narrogin and the Perth metro area have been completed. The Pilot routes included:

- Wheatbelt South (Fortnightly service): Shire of Kondinin (from Hyden) to Kulin, Wickiepin and concluding in Narrogin;
- Central Midlands (Weekly service): Shire of Wongan Hills to Calingiri, Bolgart and concluding in Northam; and
- Coastal (Weekly Service): Jurien Bay to Joondalup, and stopping at Cervantes, Lancelin, Sovereign Hill and Woodridge.

Passenger numbers for the Wheatbelt South and Coastal Pilots have been consistent and evidence shows high satisfaction of the services with some passengers using the service weekly and/or fortnightly. The formal evaluation is being finalised.

The Commission has also engaged the Planning and Transport Research Centre WA to undertake the development of an Integrated Transport Plan. This includes;

- Research into alternative and innovative community transport solutions that work elsewhere (nationally and internationally);
- Identification of key barriers and enablers to providing transport to older people in the Wheatbelt;
- Analysis of information gathered from the Commission and Public Transport Authority pilots.

Based on the findings in the UWA research and outcomes of the Pilot, the Integrated Transport Plan is being finalised.

Community Amenity

Outcome: Community amenity contributes to community well-being and liveability and creates economic opportunity.

A focus on key settlements – with five sub-regional centres surrounded by a variety of communities, the Wheatbelt offers diverse liveability options. The Commission continues to support both individual and groups of local governments to develop and deliver projects that:

- Grow the economy and population;
- Attract private investment; and
- Enhance liveability.

Wheatbelt Regional Grants Scheme and Wheatbelt Community Chest (WRGS and WCC) Round - The 2016 and 2016/17 WRGS and WCC resulted in a range of projects that contribute to community amenity across the Region. This continues to be a critical enabling fund for communities.

Looking Forward

In a Region that processes significant recreation amenity, soft infrastructure will be the key enabler to maximise the benefits for community.

Completion of the North of Perth Growth Plan remains a priority for the Commission.



VALUED NATURAL AMENITY

Our goal is that the Wheatbelt's unique natural amenity is valued as an asset for social, cultural and economic development for current and future generations.

Target 2050: 30 Wheatbelt communities have off grid power and water solutions.

Climate Change Management

Outcome: Climate change risks are minimised.

Landscape Management

Outcome: Landscape management protects biodiversity and ensures compatible and profitable land use.

Through a range of projects within the Seizing the Opportunity Initiative, risks around climate change mitigation and land use management are being addressed, specifically through the following programs:

Agricultural Science and Development Fund - \$22.1m

Strengthening Agricultural Biodiversity Defences - \$20m

Boosting Grains Research and Development Support - \$20m

Helping Grain Growers Better Manage Risk - \$10m

Infrastructure Audit and Investment Fund - \$77m

Muresk Institute Agriculture Degree and Diploma - \$10m

Sheep Industry Business Innovation - \$10m

Water for Food - \$40m

WA Open for Business - \$20m

Asia Market Success - \$6m

Water Security

Outcome: Water management results in water security to enable community amenity and industry development.

Water - Increasing water efficiency through stormwater management and evaporation control is crucial for local governments to increase efficiencies and deliver community amenity and industry development. The Commission, in partnership with the Water Corporation, is developing whole of region solutions through the Total Water Management initiative - Toward Zero Waste.

Groundwater availability is key to the growth of horticulture; livestock, dairy and value add sectors.

The Commission's engagement in the 'Water for Food - Midlands' project reference group for the Central Midlands and Central Coast sub-regions ensures the Region's development opportunities are proactively managed.

Industry Development

Outcome: Nature based industry utilises the Wheatbelt's natural assets.

Off Grid Power and Water - The Commission continues to develop its partnership with Murdoch University with a view to trial off grid alternative energy solutions that include water purification processes. The Commission, with project partners has developed the commercialization of Biomass Energy concepts.

Tourism Development – the Region's comparative advantage is in natural and built heritage tourism. The Commission has developed the draft Wheatbelt Tourism Growth Plan, with a particular focus on those initiatives that will attract public and private investment to grow visitation value.

The Commission continues to liaise with Department of Parks and Wildlife to develop a comprehensive strategy to enhance access to the Region's many natural assets, while ensuring their preservation.

Looking Forward

The next reporting period will see the Commission focus on emerging industry development in the areas of alternative energy and tourism.



EFFECTIVE PARTNERSHIPS

Our goal is that cost effective investment occurs as a result of proponent partnerships, good information, quality project management and leveraged investment.

Target 2050: Infrastructure Co-ordinating Group oversees all government investment in the Region.

Outcome: High impact cost effective investment drives growth.

Infrastructure Co-ordination

Economic and growth planning processes have resulted in government and industry alignment of key drivers and the priority initiatives that will deliver that growth. Co-ordination is achieved by key stakeholders committing to the development of the priority initiatives.

Influencing Key Decision Makers

This past year has seen strengthening relationships and engagement with the Water Corporation, Department of Water, Western Power, Main Roads WA, LandCorp, University of Western Australia, Murdoch University, local members, private sector, numerous consultants, 42 Wheatbelt Local Government Authorities and the Departments of Transport, Housing, Agriculture and Food WA and Regional Development. All relationships are firmly focused on implementing priorities identified in the Wheatbelt Regional Investment Blueprint.

Commission CEO, Wendy Newman, raises the profile of the Wheatbelt in her roles as Deputy Chair of the WA Country Health Service and Board Member of Regional Development Australia Wheatbelt.

In May 2017, the Minister for Regional Development officially unveiled the completed solar power car park at the Northam Boulevard. Nine hundred solar panels have been installed on the bitumen carpark, which is a first for the State,

Local Government Collaboration

The Commission continues to drive effective and efficient solutions across communities by supporting groups of local governments to deliver on agreed priorities. To date the Commission has supported:

- 7 groups of local government (38 LGAs in total) develop well age housing projects;
- 3 local governments form the Northern Growth Alliance; and
- 7 local governments to develop the Avon Land Assembly project.

Proponent Support

The Commission has co-ordinated extensive stakeholder engagement, procuring technical expertise, research and project management to design and develop major regional projects.

The Commission continues to provide information and advice to private proponents in a diverse range of industries such as intensive agriculture, alternative energy, aviation and industrial development.

Looking Forward

The Commission will continue to partner with agencies, local government, and the private and not for profit sectors to deliver regional priorities.



MARKETING WHEATBELT OPPORTUNITIES

Our goal is that the Wheatbelt value proposition is clear to investors in government and private enterprise and families wishing to live and visit.

Target 2050: 105,000 new residents and investment creates 64,000 jobs.

Outcome: Workers, businesses, visitors and investors are attracted to the Region.

Targeted Marketing

Independent expert advice has continued to drive economic and growth planning across the Region. The Commission continues to implement priorities identified in five Regional Centres Economic Development and Implementation Strategies. These complement the five Wheatbelt Sub-regional Economic Plans.

Heartlands WA, continues to assist the Commission to produce its monthly e-newsletter and coordinate weekly social media Tweets followers. The e-newsletter is emailed to over 550 subscribers including various media outlets and has an open rate of 35%, well above industry averages.

WDC partnered with the Avon Community Development Foundation and Heartlands WA to launch the Faces of the Wheatbelt Campaign. This initiative aims to profile individuals, businesses, organisations and communities that are achieving growth through innovation.

Influencing Key Decision Makers

The staff of the Commission continues to build their partnerships with key agencies to deliver effective regional development outcomes.

The Board of the Commission have initiated the development of a communications strategy aimed at influencing key decision makers about Wheatbelt opportunities.

Looking Forward

The Commission will be developing emerging industry strategies and prospectuses aimed at maximising growth opportunities for the Region.

STATEMENT OF PERFORMANCE

Certification of Key Performance Indicators for the year ended 30 June 2017

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Wheatbelt Development Commission's performance and fairly represent the performance of the Wheatbelt Development Commission for the financial year ended 30 June 2017.



Rebecca Tomkinson
Chair of the Board
28 September 2017



Wendy Newman
Chief Executive Officer
28 September 2017

PERFORMANCE SUMMARY

Report on Operations

Performance information (financial and non-financial) is the subject of a Resource Agreement. An annual client survey and financial analysis are used to measure performance.

Relationships to Government Goals

Government Goal: Stronger Focus on the Regions

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

Key Performance Indicators

Outcome: The benefits from sustainable development consistent with the expectations of the regional community flow to the people of the Wheatbelt.

The annual client survey is derived from all Wheatbelt Development Commission contacts through the whole month of May each year. Each year the three core questions are surveyed;

- Activities promote sustainable development
- Activities lead to benefits for the people
- Activities are appropriate to community needs

In relation to overall performance, there has been no significant change to the actual performance compared to 2015/16, with Strongly Agree and Agree both collectively sitting at 94%.

Customer satisfaction survey	Target 2016/17	Actual 2016/17	Variation	Actual 2015/16	Actual 2014/15	Actual 2013/14
Sample size	130	99		105	90	112
Strongly agree	32%	34%	2%→	31%	22%	36%
Agree	60%	56%	←4%	63%	60%	51%
Neither agree nor disagree	1%	4%	3%→	3%	1%	4%
Disagree	1%	2%	1%→	1%	4%	4%
Strongly disagree	1%	2%	1%→	0%	1%	1%
Don't know/No Response	5%	2%	←3%	2%	12%	4%

From 118 Clients asked to participate in the annual client survey, 99 responded (84% response rate). The Commission has again performed well against its three performance indicators.

There has been small fall in 'activities of the Commission';

- promotes sustainable development (down 6 percentage points)
- lead to benefits for the people of the Wheatbelt' (down 3 percentage points)
- undertaking activities which are appropriate to the communities' needs' (down one percentage point).

Key Efficiency Indicators

All of the Wheatbelt Development Commission's core activities contribute to two services:

Information and Promotion Services

The provision of timely and accurate information to meet client need in developing the Wheatbelt region through identification and promotion of the comparative advantages of the Region, the diversification of industry and businesses, and by providing a central point for information and assistance.

Facilitation Services

The provision of assistance, support and encouragement to clients, based around identified regional opportunities. Central to this service are activities that relate to the facilitation of the upgrading of infrastructure, provide encouragement and support to the development of new industries and facilitate the intensification, expansion and diversification of existing industries.

The Wheatbelt Development Commission uses cost per hour of service as its efficiency indicator, calculated separately for each service.

Service 1: Information and Promotion	Target	Actual 2016/17	Variation to Target	Actual 2015/16	Actual 2014/15	Actual 2013/14
Average cost p/hr of regional development service	\$117.75	\$132.81	←\$15.06	\$123.51	\$125.96	\$107.50
Average cost per program of grants conveyed	\$40,639	\$18,936	→\$21,703	\$27,941	\$43,995	\$82,671

Service 2: Facilitation	Target	Actual 2016/17	Variation to Target	Actual 2015/16	Actual 2014/15	Actual 2013/14
Average cost p/hr of regional development service	\$98.75	\$119.38	←\$20.63	\$112.68	\$106.70	\$98.81
Average cost per program of grants conveyed	\$22,534	\$67,439	←\$44,905	\$63,140	\$43,588	\$59,874

Comparison to Resource Agreement

The increase in cost per hour of service delivery in Service 1 ;Information and Promotion and Service 2; Facilitation Services is due to the decreased hours by project staff and support staff in administering the Royalties for Regions Program. The increase in hourly rate is also directly attributable to an increase in annual, long service, personal and maternity leave taken. There were also payments to the Department of Regional Development, contribution towards their reform process (\$50,000) and a repayment of unspent grants to Royalties for Regions (\$20,737) which also contributed to the increased hourly rate, as there were no service delivery hours associated to these payments.

Cost per program of grants conveyed for Information and Promotion is under budget due to the applications for the round of grants being more orientated towards facilitating projects rather than providing information services, such as feasibility studies and the like.

Cost per program of grants conveyed for Facilitation is over budget due to funding received for a new scheme which was also re-cash flowed after the budget was finalised. As a consequence, this resulted in changes in the average grant conveyed compared to budget.

Comparison between 2016/17 and 2015/16

There was an increase in cost per hour for Information & Promotion Services of \$9.30 per hour and an increase of \$6.70 per hour for Facilitation Services.

The increase in cost per hour of service delivery in Service 1; Information & Promotion and services 2; Facilitation Services is due to the decreased hours by project staff and support staff in administering the Royalties for Regions Program. The increase in hourly rate is also directly attributable to an increase in annual, long service, personal and maternity leave taken. There were also payments to the Department of Regional Development, contribution towards their reform process (\$50,000) and a repayment of unspent grants to Royalties for Regions (\$20,737) which also contributed to the increased hourly rate as there were no service delivery hours associated to these payments.

The increase in cost per hour of service in Facilitation Services is attributable to more senior staff at higher hourly rates being utilised in the facilitation processes.

LEGAL REQUIREMENTS

Advertising

In compliance with section 175ZE of the Electoral Act 1907, the Commission is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

The following expenditures were incurred (inclusive of GST):

<i>Expenditure with Advertising Agencies</i>	
Class Total	<i>NIL</i>
<i>Expenditure with Market Research Agencies</i>	
Advantage Communications & Marketing Pty Ltd	\$4,290
Class Total	\$4,290
<i>Expenditure with Polling Agencies</i>	
<i>Expenditure with Direct Mail Agencies</i>	
<i>Expenditure with Media Advertising Agencies</i>	
Adcorp Australia Limited	\$506
Heartlands WA	\$12,334
Other minor publications	<i>NIL</i>
Class Total	\$12,840
TOTAL EXPENDITURE	\$17,130

Disability Access and Inclusion Plan Outcomes

The Commission has developed a Disability Access and Inclusion Plan 2012 - 2017 which has the primary focus of improving access to the Commission's services, facilities and information.

- Existing functions, facilities and services are adapted to meet the needs of people with disabilities;
- All information produced by the Commission is available in alternative formats, large print and computer CD, upon request; and
- The Commission's website and online marketing is progressing towards compliance with Public Sector Commission policy.

Access to Buildings and Facilities

The Commission holds meetings in its own offices. The Commission covers 42 local government authorities and in excess of 150 communities. Many meetings are held at shire offices and halls, which have disabled facilities.

The Commission remains adaptable in responding to barriers experienced by people with disabilities and until improvements are made to our current premises, the Commission will make arrangements to meet people with disabilities at premises that conform.

Information about functions, facilities and services is provided in a format which meets the communication needs of people with disabilities.

All functions are arranged with consideration to access for the disabled. The Commission has a policy on communicating in plain English with customers. Staff awareness of the needs of people with disabilities and skills in delivering services is improved. All staff have participated in disability awareness training.

Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision-making processes.

Human Resource Management Standards

The Commission is fully compliant with the Public Sector Standards in Human Resource Management. The standards are applied rigorously across all specified areas of human resource management where those activities are undertaken.

No instances of transfer, redeployment, discipline, termination or grievance resolution breaches were encountered during 2016/2017.

As a small agency, the Commission encounters a limited number of human resources events that require application of the Standards, and the same person manages each such event. This structure facilitates application of the Standards to each individual event.

Claims for Breaches of the Standards – Nil

Public Sector Standards and Code of Ethics

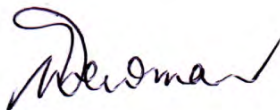
The Commission has complied fully with the 'Public Sector Standards, Code of Conduct and Code of Ethics'. The following is an overview of the Commission's activities with respect to compliance with Public Sector Standards and Ethical Codes:

- Compliance has been monitored throughout the year through a process of quality assurance decisions relating to recruitment, selection and employment.
- The Commission has developed 'Code of Conduct' policies for both staff and board members of the Commission which incorporate the Public Sector's 'Code of Ethics'.
- Guidelines and procedures to ensure compliance with the Public Sector Standards, including a code of conduct are provided to all staff on the commencement of their employment, as part of the Commission's induction package.
- The review of the Commission's 'Code of Conduct' is conducted annually.
- The Chief Executive Officer and Board have undertaken Ethical Decision Making Training.
- The Commission views the principles embodied in the 'Public Sector Standards, Code of Conduct and Code of Ethics' as paramount and as such they are reflected in the management processes practised by the agency.
- The Commission did not receive any complaints relating to its compliance with the 'Public Sector Standards, Code of Conduct and Code of Ethics' during 2016/2017.
- Development and/or review of a comprehensive range of human resource policies.
- Development of stakeholder/ customer complaint policy for the Commission.

Compliance with Public Sector Management Act Section 31(1)

1. In the administration of the Commission, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.
2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made in 1 is correct.
3. The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number Lodged:	Nil
Number of breaches found, Including details of multiple breaches per application:	Nil
Number still under review:	Nil



Wendy Newman
Chief Executive Officer

Reporting on Record Keeping Plans

The Commission is required to comply with the State Records Act 2000. In accordance with the State Records Act 2000, a Record Keeping Plan has been developed, consistent with the principles defined by the State Records Commission.

The Commission does not have a formal record keeping training program due to the small number of staff and the geographically diverse nature of the office locations. Training in record keeping practices is given to new employees at the earliest practical opportunity, with a preference for onsite training at the office that is the employee's usual base. Training for existing employees is provided as required, for example, during implementation of new technology or systems.

The effectiveness of record keeping practices is continuously monitored with site visits to offices conducted regularly. An induction program for new staff addresses the responsibilities of the Commission and its employees with regard to compliance in a number of areas, including record keeping practices and expectations. Each new employee receives an induction package containing a copy of the Commission's Document Handling Guidelines and file plan. Policies related to record keeping and computer management are reviewed biennially and updated, if required, in line with current operational and compliance requirements. Policies are lodged on the Commission's intranet and can be accessed by all staff.

Freedom of Information

The Commission maintains a range of documents relating to its business activities in both hard copy and electronic form. Documents covering the business activities of administrative processes and procedures, corporate services, grant funding management, board functions and project work are kept in accordance with the State Records Act 2000. Publications such as reports, fact sheets and promotional material are also produced by the Commission.

The Commission does not charge for brochures and publications. No charge is levied on requests for information that are simple to service, although the Commission does reserve the right to recoup costs if a request requires significant resources to satisfy.

The Commission has a policy of providing personal information to employees and former staff when requested through the proper channels.

Applications for information not normally provided publicly or posted on the web site can be made under the provisions of the Freedom of Information Act 1992, for which the standard \$30.00 charge applies. The Commission received no Freedom of Information requests during the year. The contact details of the Freedom of Information Officer are as follows:

Manager, Finance and Corporate Services
Wheatbelt Development Commission
PO Box 250, NORTHAM WA 6401

Occupational Health and Safety

The Commission is committed to the principles of Occupational Health and Safety and Injury Management.

The Commission has adopted the Code of Practice: Occupational Safety and Health in the Western Australian Public Sector (the 'Code') and has in place an Injury Management System together with a Return to Work Program.

The Code of Practice and Injury Management System forms part of the Commission's induction package for all new and existing employees. Presently, any changes to the above are communicated to all staff via the Commission's intranet.

The Commission, being a small statutory authority, communicates with its employees by way of regular meetings, phone contact, email system and intranet, if there are any changes to legislation or policy as they occur. To date there have been no reported incidents, however the mechanism is in place should one occur.

The Commission has one employee who has completed the Occupational Safety and Health training course and acts as the Commission's representative on all related matters.

Periodic reviews of the workplace are conducted to ascertain any hazards. Should any issues be identified in the interim they are quickly addressed. An incident book is located centrally for staff to identify and report any possible hazardous situations. It is planned to have an independent assessment of the Commission's occupational health and safety management system by an external accredited assessor in 2016-2017. As part of the review process, all electrical connections have been assessed by a qualified external assessor and all cords have been tagged appropriately. This process is ongoing and will be carried out annually.

Statement of Compliance

As stated above, the Commission has adopted the Code of Practice: Occupational Safety and Health in the Western Australian Public Sector (the 'Code') and has in place an Injury Management System together with a Return to Work Program. These are in accordance with the Worker's Compensation and Injury Management Act 1981.

Report of Annual Performance 2016/2017

Indicator	Target 2016/17	Actual 2016/17
Number of Fatalities	Zero (0)	Zero (0)
Lost time injury/diseases (LTI/D) incidence rate	Zero (0)	Zero (0)
Lost time injury severity rate	Zero (0)	Zero (0)
Percentage of injured workers returned to work within 28 weeks		100%
Percentage of managers trained in occupational safety, health and injury management responsibilities	Greater than or equal to 50%	33%

Flexible Working Arrangements

The Commission is committed to providing a working environment that takes into consideration the needs of employees and their families. The approach taken by the Commission is to provide flexible working arrangements that include the opportunity for employees to adjust their working hours through the use of flexi-time and to work from home.

Ministerial Directives

No Ministerial Directives were received during the financial year.

Evaluations

No formal program evaluations were undertaken during the 2016-2017 financial year.

Unauthorised Use of Credit Cards

Officers of the Commission hold corporate credit cards where their functions warrant usage of this facility.

For the year ended 30 June 2017, there were no instances of any personal use on the credit cards.

Aggregate amount of personal use expenditure for the reporting period	\$0
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	\$0
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	\$0
Aggregate amount of personal use expenditure outstanding at balance date	\$0
Number of referrals for disciplinary action instigated by the Commission during the reporting period	\$0

CERTIFICATE OF FINANCIAL STATEMENTS

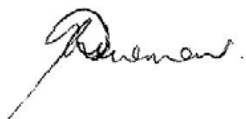
For the year ended 30 June 2017

The accompanying financial statements of the Wheatbelt Development Commission have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2017 and the financial position as at the 30 June 2017.

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



Rebecca Tomkinson
Chair of the Board
28 September 2017



Wendy Newman
Chief Executive Officer
28 September 2017



Norm Brierley
Chief Finance Officer
28 September 2017



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WHEATBELT DEVELOPMENT COMMISSION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Wheatbelt Development Commission which comprise the Statement of Financial Position as at 30 June 2017, 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 Wheatbelt Development Commission for the year ended 30 June 2017 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 Wheatbelt 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 Wheatbelt 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 2017.

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 Wheatbelt Development Commission for the year ended 30 June 2017. 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 Wheatbelt 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 2017.

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 Wheatbelt Development Commission for the year ended 30 June 2017 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
28 September 2017

FINANCIAL STATEMENTS

	Note	2017 \$	2016 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6.	1,689,461	1,807,542
Supplies and services	7.	1,283,379	1,805,675
Depreciation and amortisation expense	8.	56,984	45,972
Accommodation expenses	9.	127,861	159,360
Grants & subsidies	10.	1,519,197	1,220,342
Other expenses	11.	7,683	8,035
Total cost of services		4,684,565	5,046,926
Income			
<i>Revenue</i>			
Other revenue	12.	203,830	187,372
Total Revenue		203,830	187,372
Total income other than income from State Government		203,830	187,372
NET COST OF SERVICES		4,480,735	4,859,554
Income from State Government			
Service Appropriation	13.	229,000	224,000
Resources received free of charge		28,478	27,786
Royalties for Regions Fund			
Regional Initiatives Fund		1,888,000	1,819,000
Community Services Fund		1,666,666	1,057,555
Infrastructure & Headworks Fund		847,200	1,139,500
Total income from State Government		4,659,344	4,267,841
SURPLUS/(DEFICIT) FOR THE PERIOD		178,609	(591,713)
Gains/losses recognised directly in equity		-	-
Total other comprehensive income/(Loss)		-	-
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		178,609	(591,713)

See also the 'Schedule of Income and Expenses by Service'.

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

FINANCIAL POSITION

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	25.	50,320	18,111
Restricted cash and cash equivalents	14.	202,356	402,091
Receivables	15.	55,275	69,071
Amounts receivable for services	16.	19,000	19,000
Other current assets	17.	18,772	11,226
Total Current Assets		345,723	519,499
Non-Current Assets			
Amounts receivable for services	16.	80,000	80,000
Plant and equipment	18.	211,563	106,273
Intangible assets	19.	-	-
Total Non-Current Assets		291,563	186,273
TOTAL ASSETS		637,286	705,772
LIABILITIES			
Current Liabilities			
Payables	21.	30,761	348,521
Provisions	22.	397,416	264,810
Other current liabilities	23.	621	2,015
Total Current Liabilities		428,798	615,346
Non-Current Liabilities			
Provisions	22.	84,345	144,892
Total Non-Current Liabilities		84,345	144,892
TOTAL LIABILITIES		513,143	760,238
NET ASSETS/(LIABILITIES)		124,143	(54,466)
EQUITY			
Contributed Equity	24.	75,000	75,000
Accumulated surplus/(deficit)		49,143	(129,466)
TOTAL EQUITY		124,143	(54,466)

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

CHANGES IN EQUITY

	Note	Contributed equity \$	Accumulated surplus/(deficit) \$	Total equity \$
Balance at 1 July 2015	24.	<u>75,000</u>	<u>462,247</u>	<u>537,247</u>
Surplus/(deficit)		-	(591,713)	(591,713)
Total comprehensive income for the period		-	(591,713)	(591,713)
Transactions with owners in their capacity as owners:				
Capital appropriations		-	-	-
Total		-	-	-
Balance at 30 June 2016		<u>75,000</u>	<u>(129,466)</u>	<u>(54,466)</u>
Balance at 1 July 2016		<u>75,000</u>	<u>(129,466)</u>	<u>(54,466)</u>
Surplus/(deficit)			178,609	178,609
Total comprehensive income for the period		-	178,609	178,609
Transactions with owners in their capacity as owners:				
Capital appropriations		-	-	-
Total		-	-	-
Balance at 30 June 2017		<u>75,000</u>	<u>49,143</u>	<u>124,143</u>

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

CASH FLOW

	Note	2017 \$	2016 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		229,000	224,000
Royalties for Regions Fund			
Regional Initiatives Fund		1,888,000	1,819,000
Community Services Fund		1,666,666	1,057,555
Infrastructure & Headworks Fund		847,200	1,139,500
Net cash provided by State Government		4,630,866	4,240,055
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,612,334)	(1,855,242)
Supplies and services		(1,580,769)	(1,602,811)
Accommodation		(127,861)	(160,864)
Grants & subsidies		(1,519,197)	(1,579,214)
GST payments on purchases		(366,641)	(334,326)
GST payments to taxation authority		(36,434)	(20,114)
Receipts			
Other receipts		202,830	188,656
GST receipts on sales		82,011	57,990
GST receipts from taxation authority		322,277	412,239
Net cash provided by/(used in) operating activities	25.	(4,636,118)	(4,893,686)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(162,274)	(37,097)
Net cash provided by/(used in) investing activities		(162,274)	(37,097)
Net increase/(decrease) in cash and cash equivalents		(167,526)	(690,728)
Cash and cash equivalents at the beginning of the period		420,202	1,110,930
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	25.	252,676	420,202

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

NOTES OF FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

Wheatbelt Development Commission - 30 June 2017

Note 1. Australian Accounting Standards

General

The Wheatbelt Development Commission's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

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

Early adoption standards

The Wheatbelt Development Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Partial exemption permitting early adoption of AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities has been granted. Aside from AASB 2015-7, there has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2017.

Note 2. Summary of significant accounting policies

(a) General Statement

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

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

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

(b) Basis of Preparation

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

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

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

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

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

(c) Reporting Entity

The reporting entity is the Wheatbelt Development Commission.

(d) Contributed Equity

AASB Interpretation 1038 "*Contributions by Owners Made to Wholly-Owned Public Sector Entities*" requires transfers in the nature of equity contributions 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 contributions (appropriations) have been designated as contributions by owners by T1 955 ' *Contributions by Owners made to Wholly Owned Public Sector Entities* ' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Income**Revenue recognition**

Revenue is recognised and measured at the fair value of consideration, received or receivable. The following specific recognition criteria must also be met before revenue is recognised for the major business activities as follows:

Provision of services

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

Service Appropriations

Service Appropriations are recognised as revenues at nominal value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury. **(See note 13 Income from State Government).**

Grants, donations, gifts and other non-reciprocal contributions

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

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

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

Gains

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

(f) Property Plant and Equipment*Capitalisation/Expensing of assets*

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

Initial recognition and measurement

All items of plant and equipment are initially recognised at cost.

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

Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their future economic benefits. Depreciation is calculated using the straight line method, using rates which are reviewed annually. Useful lives for each class of depreciable assets are:

Computing Equipment and software	2 to 7 Years
Office Equipment	3 to 6 Years
Furniture	5 to 7 years
Other Assets - Leasehold	10-15 years

(g) Intangible Assets*Capitalisation/Expensing of assets*

Acquisitions of intangible assets costing \$5,000 or more are capitalised. The cost of utilising assets is expensed (amortised) over their useful lives. Costs incurred below this threshold are immediately expensed direct to the Statement of Comprehensive Income.

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

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

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

Software	3 to 5 years
Licences	Up to 10 years

Computer Software

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

Website costs

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

Licences

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

(h) Impairment of Assets

Plant and equipment and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's value less costs to sell less costs to sell and depreciated replacement cost.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance date irrespective of whether there is any indication of impairment,

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

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

Refer to **note 20 'Impairment of assets'** for the outcome of impairment reviews and testing.

Refer also to **note 15 'Receivables'** and **2(n) 'Receivables' for impairment of receivables**.

(i) Leases

The Commission has entered into a number of operating lease arrangements for office buildings and vehicles where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Income Statement over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

(j) Financial Instruments

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

- Loans and receivables; and
- Payables.

Financial instruments have been disaggregated into the following classes:

Financial Assets

- Cash and equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial Liabilities

- Payables

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

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

(k) Cash and Cash Equivalents

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

(l) Accrued Salaries

Accrued salaries (**see Note 21 "Payables"**) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(m) Amounts Receivable for Services (holding Account)

The Commission receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also **note 13 'Income from State Government'** and **note 16 'Amounts Receivable for services'**.

(n) Receivables

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

See **note 30 'Financial Instruments'** and **note 15 'Receivables'**.

(o) Payables

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

See **note 30 'Financial Instruments'** and **note 21 'Payables'**.

(p) Provisions

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

See **note 22 'Provisions'**.

(i) Provisions - Employee Benefits

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

Annual Leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments, consideration is given to expected future wage and salary levels including non-salary components such as employer super contributions. In addition, the long service liability also considers the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as 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.

Long Service Leave

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

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer super contributions. In addition, the long service liability also considers the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Superannuation

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

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

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

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

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

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

See also **note 6 'Employee benefits'**.

(ii) Provisions - Other

Employment on-costs

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

The related liability is included in 'Employment on-costs provision'.

See **note 22 'Provisions'** and **note 11 'Other expenses'**

(q) Superannuation Expense

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

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

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

Assets or services received from other State Government agencies, are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

See **note 13 'Income from State Government'**.

(s) Comparative Figures

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

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation Commission. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation Commission is included with receivables or payables in the balance sheet. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows.

Note 3.

Judgements Made by Management in Applying Accounting Policies

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

Operating lease commitments

The Commission has entered into commercial leases and has determined that the lessor retains all the significant risks and rewards of ownership of the property. Accordingly, the lease has been classified as an operating lease.

Note 4. Key Sources of Estimation Uncertainty

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

Employee provisions estimation

In the calculations for employee provisions there are several estimations which are made. These include future salary rates and the discount rates used. The salary rates used for the valuation at 30 June reflect the then current employer offer. There is uncertainty in the outcome of the negotiations that could further increase the employee provisions (and a subsequent increase in expense in the Income Statement).

Long Service Leave

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

Note 5. Disclosure of Changes in Accounting Policy and Estimates**Initial application of an Australian Accounting Standard**

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2016 that impacted on the Commission

AASB 1057 Application of Australian Accounting Standards

This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact

AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interest in Joint Operations [AASB 1 & 11].

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

AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138].

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

AASB 2014-9 Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 & 128].

This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. As the Commission has no joint ventures and associates, the application of the Standard has no financial impact.

AASB 2015-1 Amendments to Australian Accounting Standards -Annual Improvements to Australian accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140].

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

AASB 2015-2 Amendments to Australian Accounting Standards -Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049].

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

AASB 2015-6 *Amendments to Australian Accounting Standards -Extended Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049].*

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

AASB 2015-10 *Amendments to Australian Accounting Standards -Effective Date of Amendments to AASB 10 & 128.*

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & AASB 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied to annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. there is no financial impact.

Future impact of Australian Accounting Standards not yet operative

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

Operative for reporting periods beginning on/after

AASB 9 *Financial Instruments*

1-Jan-18

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

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

AASB 15 *Revenue from Contracts with Customers*

1-Jan-19

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

AASB 16 *Leases*

1-Jan-19

This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Whilst the impact of AASB 16 has not yet been quantified, the entity currently currently has operating lease commitments for \$45,402. The worth of non-cancellable operating leases which the Commission anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short-term or low-value leases, Interest and amortisation expense will increase and rental expense will decrease.

AASB 1058	<i>Income for Not-for Profit Entities</i>	1-Jan-19
	This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19, & 127]	1-Jan-18
	This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.	
	The mandatory application date of this Standard has been amended by ASASB 2012-6 and AASB 2014-1 to January 2018. The Commission has not yet determined the application or the potential impact of this Standard	
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i>	1-Jan-18
	Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has yet been assessed by the Commission to determine the application or potential impact of the Standard.	
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	1-Jan-18
	This Standard gives effect to the consequential amendments to Australian Accounting Standards (including interpretations) arising from the issuance of AASB 15. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1-Jan-18
	This Standard gives effect to the consequential amendments to Australian Accounting Standards (including interpretations) arising from AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 2014-10	<i>Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an investor and its Associate or Joint Venture [ASSB 10 & 128]</i>	1-Jan-18
	This Standard amends ASSB 10 and AASB 128 to address an inconsistency between the requirements in AASSB 10 and those in ASSB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The mandatory effective date (application date) for the Standard has been deferred to 1 January 2018 by AASB 2015-10. The Commission has determined that the Standard has no financial impact.	
AASB 2015-8	<i>Amendments to Australian Accounting Standards - Effective Date of AASB 15</i>	1-Jan-19
	This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Commission has not yet determined the application or the potential impact of AASB 15.	

AASB 2016-2	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1-Jan-17
AASB 2016-3	<p><i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Commission has not yet determined the application or the potential impact.</p>	1-Jan-18
AASB 2016-4	<p><i>Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i></p> <p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 <i>Fair Value Measurement</i>. The Commission has not yet determined the application or the potential impact.</p>	1-Jan-17
AASB 2016-7	<p><i>Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>	1-Jan-17
AASB 2016-8	<p><i>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1-Jan-19
AASB 2017-2	<p><i>Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle</i></p> <p>This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.</p>	1-Jan-17

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Wheatbelt Development Commission Notes to the Financial Statements For the year ended 30 June 2017

Note 6. Employee benefits expense

	2017	2016
	\$	\$
Wages and salaries ^(a)	1,327,872	1,428,075
Superannuation - defined contribution plans ^(b)	136,940	149,435
Long service leave	62,502	65,930
Annual leave	119,579	124,825
Other related expenses	42,568	39,277
	1,689,461	1,807,542

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

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

Payments to GESB (Related party transactions for superannuation as per Note 32)	124,788	135,035
Payments to external funds	12,152	14,400
	136,940	149,435

Employment on-costs expenses, such as workers' compensation insurance, are included at note 11 'Other Expenses'.

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

Note 7. Supplies and services

	2017	2016
	\$	\$
Consultants and contractors	853,974	1,396,031
Advertising costs	6,615	13,883
Travel interstate and overseas	2,346	4,287
Communications	29,999	33,221
Consumables	34,878	58,731
Maintenance	38,960	41,204
Other staff costs	21,192	35,616
Operating lease - motor vehicles	46,761	56,342
Service level agreement fees (a)	59,591	58,710
Other administration expenses	189,063	107,650
	1,283,379	1,805,675

(a) Related party transactions for transaction posting service provided by Department of Regional Development as per Note 32

Note 8. Depreciation and amortisation expense

	2017	2016
	\$	\$
<u>Depreciation</u>		
Office equipment	4,053	4,142
Communications	4,087	2,961
Computer hardware	25,648	15,938
Furniture fixtures and fittings	23,196	22,931
Total depreciation	56,984	45,972

Amortisation

Licenses	-	-
Computer software	-	-
Total amortisation	-	-
Total depreciation and amortisation	56,984	45,972

Note 9. Accommodation expenses

	2017	2016
	\$	\$
Lease rentals (a)	68,436	66,278
Repairs and maintenance	16,679	20,772
Utility charges	18,076	18,335
Rates and charges	9,486	9,135
Other venue hire	3,111	4,537
Other accommodation expense	12,073	40,303
	127,861	159,360

(a) Related party lease rental payments to the Department of Finance for accommodation as per Note 32

Wheatbelt Development Commission - 30 June 2017

Note	10. Grants & subsidies	2017	2016
	<u>Recurrent</u>		
		\$	\$
	Activ	13,850	-
	Anglican Diocese	-	115,000
	Avon Tourism	16,180	-
	Beacon Progress Association	37,101	-
	Bejoording Volunteer Bush Fire Brigade	13,092	-
	Cervantes P & C	-	1,791
	Gingin District High School	-	20,000
	Jurien Bay Volunteer Marine Rescue Group	-	96,000
	Jurien Bay Chamber of Commerce	200,000	-
	Koorda Community Resource Centre	32,300	-
	Meckering Sporting Club	15,000	-
	Mens Shed Narrogin	-	10,422
	Moore Mens Shed	16,150	-
	New Norcia Services	49,950	-
	NEWROC	19,240	-
	Roe Tourism	12,000	-
	Shire of Brookton	-	140,000
	Shire of Chittering	10,860	-
	Shire of Cuballing	50,000	-
	Shire of Cunderdin	2,113	-
	Shire of Dandaragan	-	51,000
	Shire of Gingin	4,500	161,377
	Shire of Goomalling	4,500	-
	Shire of Kellerberin	41,000	-
	Shire of Koorda	32,934	-
	Shire of Kulin	-	74,077
	Shire of Merredin	168,182	-
	Shire of Moora	30,000	-
	Shire of Narembreen	70,000	-
	Shire of Northam	555,875	211,381
	Shire of Pingelly	-	51,000
	Shire of Tammin	-	50,000
	Shire of Toodyay	-	11,378
	Shire of West Arthur	14,470	-
	Shire of Wongan-Ballidu	-	31,377
	Shire of York	-	51,378
	St John Ambulance	-	110,340
	The Liebe Group	54,000	-
	Toodyay Herald	-	6,050
	Town of Narrogin	-	27,771
	Wheatbelt Business Network	15,900	-
	Wheatbelt Natural Resource Management	20,000	-
	Wheatbelt Science Hub	20,000	-
		1,519,197	1,220,342

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Wheatbelt Development Commission Notes to the Financial Statements For the year ended 30 June 2017

Note 11. Other expenses

	2017	2016
	\$	\$
Workers compensation insurance and other employment on-costs (a)	7,683	8,035
	7,683	8,035

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 22 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Note 12. Other Revenue

	2017	2016
	\$	\$
Contributions received	190,500	175,000
Other revenue	13,330	12,372
	203,830	187,372

Note 13. Income from State Government

	2017	2016
	\$	\$
Appropriation received during the period:		
Service appropriation ^(a)	229,000	224,000
	229,000	224,000

Grants received from other State Government agencies

Resources received free of charge
Determined on the basis of the following estimates provided by agencies:

Department of Finance	28,478	27,786
	28,478	27,786

Royalties for Regions Fund:

Royalties for Regions - Regional Infrastructure & Headworks Fund (b)	847,200	1,139,500
Royalties for Regions - Regional Initiative Fund (b)	1,888,000	1,819,000
Royalties for Regions - Community Services Fund (b)	1,666,666	1,057,555
	4,401,866	4,016,055

Total Income from State Government

	4,659,344	4,267,841
--	------------------	------------------

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

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

Note 14. Restricted cash and cash equivalents

	2017	2016
	\$	\$
Royalties for Regions - Strategic Reserve	-	32,737
Royalties for Regions - Round 4	(26,155)	-
Royalties for Regions - Community Chest Fund	101,546	-
Royalties for Regions - Administration support	583	-
Growing Our South (SII)	-	253,975
Wheatbelt Regional Development Scheme - Non-contestable	394	682
Unspent Capital Expenditure carried over	189,000	165,041
GST payment awaiting recoup from ATO	(62,012)	(58,939)
Creating Aged Friendly Communities	(1,000)	8,595
	202,356	402,091

(a) These funds represent the unexpended portion of grants received which are required to be used for specific projects, and to which conditions are attached.

Note 15. Receivables

	2017	2016
	\$	\$
Current		
Receivables	1,100	-
GST Receivable	54,175	69,071
Total current	55,275	69,071

Note 16. Amounts receivable for services (Holding Account)

	2017	2016
	\$	\$
Current	19,000	19,000
Non-Current	80,000	80,000
	99,000	99,000

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

Note 17. Other assets

	2017	2016
	\$	\$
Current		
Prepayments	18,772	11,226
Total current	18,772	11,226
Non-current		
Prepayments	-	-
Total non-current	-	-
	18,772	11,226

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Wheatbelt Development Commission Notes to the Financial Statements For the year ended 30 June 2017

Note 18. Plant and equipment

	2017 \$	2016 \$
<u>Office equipment</u>		
At cost	46,275	48,055
Accumulated depreciation	(38,658)	(34,605)
	7,617	13,450
<u>Plant & Machinery</u>		
At cost	8,696	8,696
Accumulated depreciation	(8,696)	(8,696)
	-	-
<u>Communications</u>		
At cost	20,434	20,434
Accumulated depreciation	(7,048)	(2,961)
	13,386	17,473
<u>Furniture fixtures and fittings</u>		
At cost	235,936	235,936
Accumulated depreciation	(183,782)	(160,586)
	52,154	75,350
<u>Computer Hardware</u>		
At cost	138,131	87,625
Work in Progress	31,579	-
Accumulated depreciation	(31,304)	(87,625)
	138,406	-
	211,563	106,273

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

	2017 \$	2016 \$
<u>Office equipment</u>		
Carrying amount at start of year	13,450	17,239
Transfer	(1,780)	-
Additions	-	353
Work in Progress	-	-
Disposals	-	-
Depreciation expense	(4,053)	(4,142)
Carrying amount at end of period	7,617	13,450
<u>Communications</u>		
Carrying amount at start of year	17,473	-
Transfer	-	-
Additions	-	20,434
Disposals	-	-
Work in Progress	-	-
Depreciation expense	(4,087)	(2,961)
Carrying amount at end of period	13,386	17,473
<u>Furniture, fixtures & fittings</u>		
Carrying amount at start of year	75,350	81,971
Transfer	-	-
Additions	-	16,310
Work in Progress	-	-
Loss on disposal of other assets	-	-
Depreciation expense	(23,196)	(22,931)
Carrying amount at end of period	52,154	75,350
<u>Computer hardware</u>		
Carrying amount at start of year	-	15,938
Transfer	-	-
Additions	132,474	-
Disposals	-	-
Work in Progress	31,580	-
Depreciation expense	(25,648)	(15,938)
Carrying amount at end of period	138,406	-
	211,563	106,273

Note 19. Intangible asset

Computer software

At cost	13,636	13,636
Accumulated amortisation	(13,636)	(13,636)
	-	0

Licenses

At cost	20,391	20,391
Accumulated amortisation	(20,391)	(20,391)
	-	-

Total intangible asset

Reconciliations:

Computer Software

Carrying amount at start of year	-	-
Transfer	-	-
Additions	-	-
Loss on disposal of other assets	-	-
Work in Progress	-	-
Amortisation expense	-	-
Carrying amount at end of period	-	-

Licenses

Carrying amount at start of year	-	-
Transfer	-	-
Additions	-	-
Disposals	-	-
Amortisation expense	-	-
Carrying amount at end of period	-	-

Note 20 Impairment of assets

There were no indications of impairment to property, plant and equipment, and intangible assets at 30 June 2017.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2017 have either been classified as assets held for sale or written-off.

Note 21. Payables

Current

Accrued salaries	6,157	1,089
Accrued expenses	17,165	311,127
Trade payables	7,439	36,305
Total current	30,761	348,521

Note 22. Provisions

Current

<i>Employee benefits provision</i>		
Annual leave ^(a)	158,245	130,208
Long service leave ^(b)	205,421	112,397
Purchased leave ^(c)	(9)	(9)
	363,657	242,596

Other provisions

Employment on-costs ^(d)	33,759	22,214
	33,759	22,214

Non-current

<i>Employee benefits provision</i>		
Long service leave ^(b)	77,027	127,585
	77,027	127,585

	2017 \$	2016 \$
<u>Computer software</u>		
At cost	13,636	13,636
Accumulated amortisation	(13,636)	(13,636)
	-	0
<u>Licenses</u>		
At cost	20,391	20,391
Accumulated amortisation	(20,391)	(20,391)
	-	-
Total intangible asset	-	0
Reconciliations:		
<u>Computer Software</u>		
Carrying amount at start of year	-	-
Transfer	-	-
Additions	-	-
Loss on disposal of other assets	-	-
Work in Progress	-	-
Amortisation expense	-	-
Carrying amount at end of period	-	-
<u>Licenses</u>		
Carrying amount at start of year	-	-
Transfer	-	-
Additions	-	-
Disposals	-	-
Amortisation expense	-	-
Carrying amount at end of period	-	-
Note 20 Impairment of assets		
There were no indications of impairment to property, plant and equipment, and intangible assets at 30 June 2017.		
The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.		
All surplus assets at 30 June 2017 have either been classified as assets held for sale or written-off.		
Note 21. Payables		
<u>Current</u>		
Accrued salaries	6,157	1,089
Accrued expenses	17,165	311,127
Trade payables	7,439	36,305
Total current	30,761	348,521
Note 22. Provisions		
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave ^(a)	158,245	130,208
Long service leave ^(b)	205,421	112,397
Purchased leave ^(c)	(9)	(9)
	363,657	242,596
<u>Other provisions</u>		
Employment on-costs ^(d)	33,759	22,214
	33,759	22,214
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave ^(b)	77,027	127,585
	77,027	127,585

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Wheatbelt Development Commission Notes to the Financial Statements For the year ended 30 June 2017

Other provisions

Employment on-costs ^(d)	7,318	17,307
	7,318	17,307
	84,345	144,892
Total employee entitlements	481,761	409,702

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

	2017	2016
	\$	\$
Within 12 months of the end of the reporting period	158,245	130,208
More than 12 months after the end of the reporting period	-	-
	158,245	130,208

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

	2017	2016
	\$	\$
Within 12 months of the end of the reporting period	205,421	112,397
More than 12 months after the end of the reporting period	77,027	127,585
	282,448	239,982

(c) Purchased leave scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of liabilities is expected to occur as follows:

	2017	2016
	\$	\$
Within 12 months of the end of the reporting period	(9)	(9)
	(9)	(9)

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

Movements in other provisions

	2017	2016
	\$	\$
Movements in each class of provisions during the financial year, other than employee benefits, are set out below.		
Employment on-cost provision		
Carrying amount at start of period	39,521	37,975
Additional provisions recognised	20,509	18,513
Payments/other sacrifices of economic benefits	(18,953)	(16,967)
Carrying amount at end of period	41,077	39,521

Note 23. Other liabilities

Accrued superannuation	54	175
Board Members' annual sitting fees and allowances	567	1,840
	621	2,015

Note 24. Equity

The Government holds the equity interest in the Commission on behalf of the community. Equity represents the residual interest in the net assets of the Commission.

Contributed equity

	2017	2016
	\$	\$
Balance at start of period	75,000	75,000
Contributions by owners		
Capital appropriation	-	-
Total contributions by owners	-	-
Balance At End Of Period	75,000	75,000

Accumulated surplus/(deficit)

	2017	2016
	\$	\$
Balance at start of period	(129,466)	462,247
Result for the period	178,609	(591,713)
Balance at end of period	49,143	(129,466)
Total Equity at end of period	124,143	(54,466)

Note 25. Notes to the Statement of Cash Flows

Reconciliation of cash

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

	2017	2016
	\$	\$
Cash and cash equivalents	50,320	18,111
Restricted cash and cash equivalents (refer to note 14 'Restricted cash and cash equivalents')	202,356	402,091
	252,676	420,202

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

	2017	2016
	\$	\$
Net cost of services	(4,480,735)	(4,859,554)
Non-cash items:		
Depreciation and amortisation expense	56,984	45,972
Net (gain)/loss on sale of plant and equipment	-	-
Resources received free of charge	28,478	27,786
(Increase)/decrease in assets:		
Current receivables ^(a)	(1,100)	1,284
Other current assets	(7,546)	477
Increase/(decrease) in liabilities:		
Current payables ^(a)	(317,760)	(295,833)
Current provisions	132,606	38,922
Other current liabilities	(1,394)	(16,678)
Non-current provisions	(60,547)	(20,827)
Net GST receipts/(payments) ^(b)	(1,313)	(95,675)
Change in GST in receivables/payables ^(c)	16,209	280,440
Net cash provided by/(used in) operating activities	(4,636,118)	(4,893,686)

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

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

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

Note 26. Commitments

The commitments below are inclusive of GST were relevant.

Non-cancellable operating lease commitments

	2017 \$	2016 \$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	31,281	35,131
Later than 1 year and not later than 5 years	14,121	13,786
	45,402	48,917

The Commission has entered into a property lease which is a non-cancellable lease with a five year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall increase by the lower of CPI or 4% per annum. An option exists to renew the lease at the end of the five year term for an additional term of five years.

Capital expenditure commitment

Capital expenditure commitment, being contracted capital expenditure additional to the amounts reported in the financial statements, is payable as follows:

	2017 \$	2016 \$
Within 1 year	-	132,474
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	-	132,474

Note 27. Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets as at 30 June 2017.

Note 28. Event occurring after the end of the reporting period

On 28 April 2017, the Premier of Western Australia announced significant changes to the public sector aimed at creating collaborative departments focussed on whole-of-government objectives. As of the 1 July 2017, the departments of Agriculture and Food, Fisheries and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development (DPIRD). Staff (excluding the CEOs and Board Members) from the nine Regional Development Commissions transferred to the new Department, although the Regional Development commissions remain as legal entities.

Note 29. Explanatory Statement**Wheatbelt Development Commission - 30 June 2017**

Significant variations between estimates and actual results for 2017 and between the actual results for 2017 and 2016 are shown below. Significant variances in the Statement of Comprehensive Income and Statement of Cash Flows are considered to be those greater than 5% and \$75,520. Significant variances in the Statement of Financial Position is considered to be those greater than 5% and \$6,860.

	Variance Note	Original Budget	Actual 2017	Actual 2016	Variance between estimate and actual	Variance between actual results for 2017 and 2016
		\$	\$	\$	\$	\$
Statement of Comprehensive Income (Controlled Operations)						
Employee benefits expense	1, A	1,602,000	1,689,461	1,807,542	87,461	(118,081)
Supplies and services	2, B	216,000	1,283,379	1,805,675	1,067,379	(522,296)
Depreciation and amortisation expense		40,000	56,984	45,972	16,984	11,012
Accommodation expenses		124,000	127,861	159,360	3,861	(31,499)
Grants & subsidies	C	1,579,000	1,519,197	1,220,342	(59,803)	298,855
Other expenses	3	215,000	7,683	8,035	(207,317)	(352)
Loss on disposal of non-current assets		-	-	-	-	-
Total cost of services		3,776,000	4,684,565	5,046,926	908,565	(362,361)
Income						
Other Revenue	4	25,000	203,830	187,372	178,830	16,458
Profit on disposal of non-current assets		-	-	-	-	-
Total Income		25,000	203,830	187,372	178,830	16,458
Income from State Government						
Service appropriations		228,000	229,000	224,000	1,000	5,000
Resources received free of charge		26,000	28,478	27,786	2,478	692
Grants received from other State Government agencies		-	-	-	-	-
Royalties for Regions Fund						
Regional Initiatives Fund		1,889,000	1,888,000	1,819,000	(1,000)	69,000
Community Services Fund	D	1,666,000	1,666,666	1,057,555	666	609,111
Infrastructure & Headworks Fund	5, E	-	847,200	1,139,500	847,200	(292,300)
Total Income from State Government		3,809,000	4,659,344	4,267,841	850,344	391,503
Total Comprehensive Income for the Period		58,000	178,609	(591,713)	120,609	770,322

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Wheatbelt Development Commission
Notes to the Financial Statements
For the year ended 30 June 2017

	Variance Note	Original Budget	Actual 2017	Actual 2016	Variance between estimate and actual	Variance between actual results for 2017 and 2016
		\$	\$	\$	\$	\$
Statement of Financial Position (Controlled Operations)						
ASSETS						
Current Assets						
Cash and cash equivalents	6, F	29,000	50,320	18,111	21,320	32,209
Restricted cash and equivalents	7, G	90,000	202,356	402,091	112,356	(199,735)
Receivables	8, H	-	55,275	69,071	55,275	(13,796)
Amounts receivable for services		19,000	19,000	19,000	-	-
Other current assets	9, I	-	18,772	11,226	18,772	7,546
Total Current Assets		138,000	345,723	519,499	207,723	(173,776)
Non-Current Assets						
Amounts receivable for services		80,000	80,000	80,000	-	-
Plant & equipment	10, J	20,000	211,563	106,273	191,563	105,290
Intangible assets	11	8,000	-	-	(8,000)	-
Other non-current assets	12	97,000	-	-	(97,000)	-
Total Non-Current Assets		205,000	291,563	186,273	86,563	105,290
TOTAL ASSETS		343,000	637,286	705,772	294,286	(68,486)
LIABILITIES						
Current Liabilities						
Payables	13, K	1,000	30,761	348,521	29,761	(317,760)
Provisions	14, L	108,000	397,416	264,810	289,416	132,606
Other current liabilities	15	47,000	621	2,015	(46,379)	(1,394)
Total Current Liabilities		156,000	428,798	615,346	272,798	(186,548)
Non-Current Liabilities						
Provisions	16, M	152,000	84,345	144,892	(67,655)	(60,547)
Total Non-Current Liabilities		152,000	84,345	144,892	(67,655)	(60,547)
TOTAL LIABILITIES		308,000	513,143	760,238	205,143	(247,095)
EQUITY						
Contributed equity		75,000	75,000	75,000	-	-
Accumulated surplus/(deficit)	17, N	(40,000)	49,143	(129,466)	89,143	178,609
TOTAL EQUITY		35,000	124,143	(54,466)	89,143	178,609
TOTAL LIABILITIES AND EQUITY		343,000	637,286	705,772	294,286	(68,486)

	Variance Note	Original Budget	Actual 2017	Actual 2016	Variance between estimate and actual	Variance between actual results for 2017 and 2016
		\$	\$	\$	\$	\$
Statement of Cash Flows (Controlled Operations)						
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		228,000	229,000	224,000	1,000	5,000
Royalties for Regions						-
Regional Initiatives Fund		1,889,000	1,888,000	1,819,000	(1,000)	69,000
Community Services Fund	O	1,666,000	1,666,666	1,057,555	666	609,111
Infrastructure & Headworks Fund	18, P	-	847,200	1,139,500	847,200	(292,300)
		3,783,000	4,630,866	4,240,055	847,866	390,811
Net Cash Provided from State Government						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	Q	(1,616,000)	(1,612,334)	(1,855,242)	3,666	242,908
Supplies and services	19	(190,000)	(1,580,769)	(1,602,811)	(1,390,769)	22,042
Accommodation		(116,000)	(127,861)	(160,864)	(11,861)	33,003
Grants and subsidies		(1,579,000)	(1,519,197)	(1,579,214)	59,803	60,017
Other payments	20	(336,000)			336,000	-
GST payments on purchases	21	-	(366,641)	(334,326)	(366,641)	(32,315)
GST payments to taxation authority	22	-	(36,434)	(20,114)	(36,434)	(16,320)
Receipts						
GST receipts		65,000	82,011	57,990	17,011	24,021
GST receipts from taxation authority	23, R	-	322,277	412,239	322,277	(89,962)
Other receipts	24	25,000	202,830	188,656	177,830	14,174
Net cash provided by/(used in) operating activities		(3,747,000)	(4,636,118)	(4,893,686)	(889,118)	257,568
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of non-current assets	25, S	(41,000)	(162,274)	(37,097)	(121,274)	(125,177)
Net cash provided by/(used in) investing activities		(41,000)	(162,274)	(37,097)	(121,274)	(125,177)
Net increase/(decrease) in cash and cash equivalents		(5,000)	(167,526)	(690,728)	(162,526)	523,202
Cash and cash equivalents at the beginning of the period		124,000	420,202	1,110,930	296,202	(690,728)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		119,000	252,676	420,202	133,676	(167,526)

Major Variance Narratives (Controlled Operations)***Variances between estimate and actual***

- 1) Decrease in external funds received and a decrease in contracted employees resulted in a decrease in employees expenses and overheads.
Increase in unbudgeted external funds received and utilised on consultancies for various Royalties for Regions projects such as; Growing our South, Growth Planning - North of Perth; Peri-urban Food Industry Development and Town Water Inventory Project.
- 2) Development and Town Water Inventory Project.
- 3) Over budgeting of other expenses in 2016/2017
- 4) Unbudgeted monies received to administer the Central Coast Agri-business Precinct and the Wheatbelt Lime Strategy
- 5) Increase in unbudgeted external funds received Royalties for Regions projects such as; Growing our South, Growth Planning - North of Perth; Peri-urban Food Industry Development and Town Water Inventory Project.
- 6) Under budgeted expenditure in Board expenses resulted in a higher surplus than was anticipated
Increase in Restricted Cash due to monies set aside for backfill of CEO position and higher duties of other staff due to the CEO commencing long service leave in July'17. Monies also put aside for probable staff leaving after
- 7) Government amalgamations and probable payouts of leave
- 8) Unbudgeted receivables for 2016/2017 as the Commission has a low incidence of raising debtors where the majority of these monies relate to GST receivables from the ATO
- 9) Unbudgeted other current assets (prepayments) for 2016'17
- 10) Unbudgeted expenditure to upgrade the Commission's servers
- 11) No capital expenditure in Intangible Assets
- 12) No capital expenditure in Other Assets
- 13) Higher actual GST payables and accrued expenses than budgeted. This was due to unknown and therefore unbudgeted projects such as Growing Our South requiring payment to contractors including GST.
- 14) Increase in current provisions is due to a transfer of staff from non-current due to them attaining 55 years of age or 7 years of service and their respective accruals eligible for full payout
- 15) Over budgeted for other current liabilities
- 16) Non-current Long Service Leave balances for employees over the age of 55, have been transferred to current long service leave, but this was not budgeted for.
- 17) Improved surplus position is due to a decrease in payables due to a significant decrease in accrued expenditure when comparing to 2015'16
- 18) Increase in unbudgeted external funds received Royalties for Regions projects such as; Growing our South, Growth Planning - North of Perth; Peri-urban Food Industry Development and Town Water Inventory Project.
Increase in unbudgeted external funds received and utilised on consultancies for various Royalties for Regions projects such as; Growing our South, Growth Planning - North of Perth; Peri-urban Food Industry Development and Town Water Inventory Project.
- 19) Development and Town Water Inventory Project.
Budgeted payments for "other" being for payments related to projects Growing our South, Peri-urban Food industry and Town Water Inventory Project did not eventuate under this category but classified as consultancies and paid
- 20) from supplies and services
- 21) Unbudgeted expenditure for GST on payments.
- 22) Unbudgeted payments to Australian Taxation Office
- 23) Unbudgeted revenue for GST receipts from the Australian Taxation Office
- 24) Unbudgeted monies received to administer the Central Coast Agri-business Precinct and the Wheatbelt Lime Strategy
- 25) Unbudgeted expenditure to upgrade the Commission's servers

Variances between actual results for 2017 and 2016

- A) Decrease in employee benefits expense due to decrease in external funding when compared to prior year
- B) Decrease in external funds received and utilised on consultancies when compared to prior year
- C) Increase in expenditure of grants and subsidies over 2015'16 is due to timing differences of milestone payments and payment of delayed grant payments from previous year.
- D) Increase in Royalties for Regions - Community Services Fund - due to difference in cash flowing of grant payments from original Board approvals.
- E) Decrease in funding for Royalties for Regions, for projects such as Growing our South
- F) Under budgeted expenditure in Board expenses resulted in a higher surplus than was anticipated
- G) Decrease in restricted cash due to depletion of funds as projects are completed.
- H) Decrease in receivables is due to a decrease in GST receivables
- I) Increase in other current assets is due to payments made to Heartlands WA Inc for fees associated with the production of the Commission's e-News and social media content.
- J) Purchase of computer servers for \$162,274 less the disposal of previous servers
- K) Decrease of payables when compared to 2015'16 is due to there being a reduction in project funds, as 2015'16 included accrued expenses of \$284,000. Payables in 2016'17 is negligible at \$30,761
- L) Increase in current provisions due to re-classification of some staff members to current from non-current due to them attaining 55 year of age or 7 years of service and entitle to pro-rata leave at 100% of value.
- M) Non-current Long Service Leave balances for employees over the age of 55, have been transferred to current long service leave, but this was not budgeted for.
- N) Improved surplus position is due to a decrease in payables due to a significant decrease in accrued expenditure when comparing to 2015'16
- O) Increase in Royalties for Regions - Community Services Fund - due to difference in cash flowing of grant payments from original Board approvals.
- P) Unbudgeted monies from Royalties for Regions - Infrastructure and Headworks Fund - Growing our South project. Decrease in business cases put before the Department of Regional Development compared to previous year.
- Q) Decrease in employee benefits expense due to decrease in external funding when compared to prior year
- R) Decrease in receipts is due to a decrease in operating payments resulting in a decrease in GST payments and subsequent recoups
- S) Purchase of new computer servers in 2016'17 at \$162,274 compared to capital expenditure of \$37,097 in 2015'16 for Communication equipment and Furniture, Fixtures and Fittings

Note 30¹ Financial instruments**(a) Financial risk management objectives and policies**

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

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 30 (c) 'Financial instrument disclosures' and Note 15 'Receivables'.

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

Liquidity risk

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

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

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

Market risk

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

(b) Categories of financial instruments

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

	2017	2016
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	50,320	18,111
Restricted cash and cash equivalents	202,356	402,091
Receivables ^(a)	1,100	-
Amounts receivable for services	99,000	99,000
<u>Financial Liabilities</u>		
Payables	30,761	348,521
Other current liabilities	621	2,015

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

(c) Financial instrument disclosuresCredit risk

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

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

Aged analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
	\$	\$	Up to 3 months	3 - 12 months	1-2 Years	2-5 Years	More than 5 Years	\$
2017								
Cash and cash equivalents	50,320	50,320	-	-	-	-	-	-
Restricted cash and cash equivalents	202,356	202,356	-	-	-	-	-	-
Receivables ^(a)	1,100	1,100	-	-	-	-	-	-
Amounts receivable for services	99,000	99,000	-	-	-	-	-	-
	352,776	352,776	-	-	-	-	-	-
2016								
Cash and cash equivalents	18,111	18,111	-	-	-	-	-	-
Restricted cash and cash equivalents	402,091	402,091	-	-	-	-	-	-
Receivables ^(a)	-	-	-	-	-	-	-	-
Amounts receivable for services	99,000	99,000	-	-	-	-	-	-
	519,202	519,202	-	-	-	-	-	-

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

Wheatbelt Development Commission - 30 June 2017

Liquidity risk and interest rate exposure

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

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

	Interest rate exposure				Maturity analysis					
	Weighted average effective interest rate	Carrying Amount	Fixed interest rate	Variable interest rate	Non-Interest Bearing	Nominal Amount	Up to 1 Month	1-3 Months	3 months to one year	More than 1-5 years
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
2017										
Financial Assets										
Cash and cash equivalents	-	50,320	-	-	50,320	50,320	50,320	-	-	-
Restricted cash and cash equivalents	-	202,356	-	-	202,356	202,356	202,356	-	-	-
Receivables ^(a)	-	1,100	-	-	1,100	1,100	1,100	-	-	-
Amounts receivable for services	-	99,000	-	-	99,000	99,000	-	-	19,000	80,000
	-	352,776	-	-	352,776	352,776	253,776	-	19,000	80,000
Financial Liabilities										
Payables	-	30,761	-	-	30,761	30,761	30,761	-	-	-
Other current liabilities	-	621	-	-	621	621	621	-	-	-
	-	31,382	-	-	31,382	31,382	31,382	-	-	-

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

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

	Interest rate exposure				Maturity analysis					
	Weighted average effective interest rate	Carrying Amount	Fixed interest rate	Variable interest rate	Non-Interest Bearing	Nominal Amount	Up to 1 Month	1-3 Months	3 months to one year	More than 1-5 years
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
2016										
Financial Assets										
Cash and cash equivalents	-	18,111	-	-	18,111	18,111	18,111	-	-	-
Restricted cash and cash equivalents	-	402,091	-	-	402,091	402,091	402,091	-	-	-
Receivables ^(a)	-	-	-	-	-	-	-	-	-	-
Amounts receivable for services	-	99,000	-	-	99,000	99,000	-	-	19,000	80,000
	-	519,202	-	-	519,202	519,202	420,202	-	19,000	80,000
Financial Liabilities										
Payables	-	348,521	-	-	348,521	348,521	348,521	-	-	-
Other current liabilities	-	2,015	-	-	2,015	2,015	2,015	-	-	-
	-	350,536	-	-	350,536	350,536	350,536	-	-	-

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

Interest rate sensitivity analysis

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

Fair Values

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

Note 31. Compensation of Key Management Personnel**Compensation of members of the accountable authority**

The Commission has determined that key personnel include Ministers, members, and, senior officers of the commission. However, the commission is not obligated to compensate Ministers and therefore disclosures in relation to Minister's compensation may be found in the *Annual Report of State Finances*.

Total compensation for key management personnel, comprising members and senior officers, of the Commission for the reporting period are presented within the following bands:

Compensation Band (\$)		2017	2016
	1	\$	\$
	9		
	X		
0 - 10,000	3	7	7
10,001 - 20,000	/	1	1
20,001 - 30,000	X	-	-
30,001 - 40,000	4	-	-
40,001 - 50,000	X	-	-
50,001 - 60,000	X	1	1

2017 2016
Gross/actual remuneration

Wheatbelt Development Commission - Board

Position	Name	Type of remuneration	Period of Membership		
Chair	Mr Tim Shackleton	Stipend	1 July'16 - 30 June'17	52,855	53,201
Deputy chair	Ms Karin Day	Stipend & Sitting Fees	1 July'16 - 30 June'17	14,542	13,174
Member	Ms Valerie Ammon	Sitting Fees	1 July'16 - 30 June'17	6,914	7,417
Member	Ms Carmel Ross	Sitting Fees	1 July'16 - 30 June'17	7,080	6,276
Member	Mr Stephen Pollard	Sitting Fees	1 July'15 - 30 June'16	-	6,310
Member	Mr Leigh Ballard	Sitting Fees	1 July'15 - 30 June'16	-	2,110
Member	Mr Ross Ainsworth	Sitting Fees	1 July'16 - 30 June'17	4,635	-
Member	Mr David Lantzke	Sitting Fees	1 July'16 - 30 June'17	7,357	-
Member	Mr Graham Cooper	Sitting Fees	1 July'16 - 30 June'17	6,755	6,503
Member	Ms Heidi Cowcher	Sitting Fees	1 July'16 - 30 June'17	7,004	7,553
Member	Ms Leslee Holmes	Sitting Fees	1 July'16 - 30 June'17	6,718	7,089
				113,860	109,633

Wheatbelt Development Commission - Working Parties

Finance Working Party

Chair	Mr Stephen Pollard	Sitting Fees	1 July'15 - 30 June'16	-	2,050
Member	M Leigh Ballard	Sitting Fees	1 July'15 - 30 June'16	-	683
Member	Ms Valerie Ammon	Sitting Fees	1 July'16 - 30 June'17	912	228

Governance Sub-committee

Chair	Ms Carmel Ross	Sitting Fees	1 July'16 - 30 June'17	-	911
Member	Ms Karin Day	Sitting Fees	1 July'16 - 30 June'17	-	683

Service Delivery Reform- Health Working Party

Chair	Ms Valerie Ammon	Sitting Fees	1 July'16 - 30 June'17	-	342
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Service Delivery Reform - Age Friendly Communities Oversight Working Party

Member	Ms Karin Day	Sitting Fees	1 July'16 - 30 June'17	208	228
Member	Ms Valerie Ammon	Sitting Fees	1 July'16 - 30 June'17	208	228
Member	Mr Graham Cooper	Sitting Fees	1 July'16 - 30 June'17	208	-
Member	Mr Leigh Ballard	Sitting Fees	1 July'15 - 30 June'16	-	228

1,536 5,581

115,396 115,214

Compensation of Senior Officers

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

Compensation Band (\$)	2017	2016
280,001 - 290,000	-	-
290,001 - 300,000	-	1
300,001 - 310,000	1	-
Short term employee benefits	339,462	344,752
Post employment benefits	78,124	22,337
Total compensation of key management personnel	417,586	367,089

The superannuation included here represents the superannuation expense incurred by the Commission in respect of members of the Accountable Authority. No members of the Accountable Authority are members of the Pension Scheme.

Note 32 Related Party Transactions

The Commission is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Commission or to be controlled or influenced by the Commission. Disclosure of these transactions allows readers to assess the extent to which the Commission might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Commission.

The State Government has significant influence over the general operations of the Commission – it is responsible for providing the legislative framework within which the Commission operates, prescribes the terms of many of the transactions that the Commission has with other parties and provides substantial funding in the form of grants. These grants are disclosed in **Note 10**.

The Commission has material transactions with the State Government in the form of lease rental payments made to the Department of Finance for its office accommodation, fees paid to the Department of Regional Development for transaction processing and superannuation payments to the Government Employees Superannuation Board (GESB) and remuneration for services provided by the Auditor General's office.. These payments are disclosed in **Notes 6, 7, 9 and 33**. Other transactions with State Government entities are not material.

Members of the Commission Board are also considered to have the potential to have direct control or influence the Commission. These employees complete individual declarations of interest. There were no related party transactions between the Commission and entities in which the Commission Board have interests for 2016/17.

Members of the senior management team are also considered to have the potential to control or influence the Commission. These employees complete individual declarations of interest. There were no related party transactions between the Commission and entities in which the senior management team have interests for 2016/17.

Note 33. Remuneration of auditor

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

	2017 \$	2016 \$
Auditing the accounts, financial statements and key performance indicators	21,500	21,200
	21,500	21,200

Note 34. Affiliated bodies

Avon Industrial Park Advisory Board
Balance at the end period

	2017	2016
	\$	\$
	14,218	24,395
	14,218	24,395

The Avon Industrial Park Advisory Board is a Ministerially appointed government affiliated body and it received administrative support and all administrative funding from the Wheatbelt Development Commission. The Avon Industrial Park Advisory Board is not subject to operational control by the Wheatbelt Development Commission. The expenses of the Board have been included in the financial statements as part of the Commission's operations.

Note 35. Supplementary financial information**(a) Write-offs**

During the financial year, \$0 was written off the Commission's debt's under the authority of:

The accountable authority

(b) Losses through theft, defaults and other causes**(c) Gifts of Public property**

	2017	2016
	\$	\$
	-	-
	-	-
	-	-
	-	-
	-	-

Wheatbelt Development Commission - 30 June 2017

Note: 36

Schedule of Income and Expenses by Service
For the year ended 30 June 2017

	Information and Promotion Services		Facilitation Services		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
COST OF SERVICES						
<u>Expenses</u>						
Employee benefits expense	788,471	831,469	900,990	976,073	1,689,461	1,807,542
Supplies and services	598,953	830,610	684,426	975,065	1,283,379	1,805,675
Depreciation and amortisation expense	26,594	21,147	30,390	24,825	56,984	45,972
Accommodation expenses	59,673	73,306	68,188	86,054	127,861	159,360
Grants & subsidies	709,009	561,357	810,188	658,985	1,519,197	1,220,342
Other expenses	3,586	3,696	4,097	4,339	7,683	8,035
Loss on disposal of non-current assets	-	-	-	-	-	-
Total cost of services	2,186,286	2,321,585	2,498,279	2,725,341	4,684,565	5,046,926
<u>Income</u>						
Other revenue	95,127	86,191	108,703	101,181	203,830	187,372
Total income other than income from State Government	95,127	86,191	108,703	101,181	203,830	187,372
NET COST OF SERVICES	2,091,159	2,235,394	2,389,576	2,624,160	4,480,735	4,859,554
<u>Income from State Government</u>						
Service appropriation	106,874	103,040	122,126	120,960	229,000	224,000
Resources received free of charge	13,291	12,782	15,187	15,004	28,478	27,786
Grants received from other State Government Agencies	-	-	-	-	-	-
Royalties for Regions Fund						
Regional Initiatives Fund	881,130	836,740	1,006,870	982,260	1,888,000	1,819,000
Community Services Fund	777,833	486,475	888,833	571,080	1,666,666	1,057,555
Infrastructure & Headworks Fund	395,388	524,170	451,812	615,330	847,200	1,139,500
Total income from State Government	2,174,516	1,963,207	2,484,828	2,304,634	4,659,344	4,267,841
SURPLUS/(DEFICIT) FOR THE PERIOD	83,357	(272,187)	95,252	(319,526)	178,609	(591,713)

16/17 FINANCIALS

Wheatbelt Regional Development Commission 2017/18 S40 SUBMISSION Statement of Comprehensive Income

	2017/18
	Estimate \$
COST OF SERVICES	
Expenses	
Employee benefits expense	260,872
Supplies and services	110,601
Depreciation and amortisation expense	
Finance costs	
Accommodation expenses	
Grants and subsidies	2,529,359
Cost of Sales	
Loss on disposal of non-current assets	
Other expenses	
Total Cost of Services	2,900,832
Income	
Revenue	
User charges and fees	
Sales	
Commonwealth grants and contributions	
Interest revenue	
Other revenue	
Total Revenue	-
Gains	
Gain on disposal of non-current assets	
Other gains	
Total Gains	-
Total income other than income from State Government	-
NET COST OF SERVICES	2,900,832
INCOME FROM STATE GOVERNMENT	
Service Appropriation	227,000
Liabilities assumed	
Assets transferred	
Services received free of charge	
Royalties for regions fund	2,673,832
Total income from State Government	2,900,832

Wheatbelt Development Commission Notes to the Financial Statements For the year ended 30 June 2017

SURPLUS (DEFICIT) FOR THE PERIOD	-
OTHER COMPREHENSIVE INCOME	
Changes in asset revaluation reserve	
Gains/(losses) recognised directly in equity	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-
	Estimate \$
ASSETS	
Current Assets	
Cash and cash equivalents	25,782
Restricted cash and cash equivalents	
Inventories	
Receivables	
Amounts receivable for services	
Other current assets	
Non-current assets classified as held for sale	
Total Current Assets	25,782
Non-Current Assets	
Inventories	
Receivables	
Amounts receivable for services	
Property, plant and equipment	
Infrastructure	
Intangible assets	
Other non-current assets	
Total Non-Current Assets	-
TOTAL ASSETS	25,782
LIABILITIES	
Current Liabilities	
Payables	
Borrowings	
Amounts due to the Treasurer	
Provisions	25,782
Other current liabilities	
Liabilities directly associated with non-current assets classified as held for sale	
Total Current Liabilities	25,782
Non-Current Liabilities	
Payables	
Borrowings	
Provisions	
Other non-current liabilities	
Total Non-Current Liabilities	-
TOTAL LIABILITIES	25,782

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Wheatbelt Development Commission
Notes to the Financial Statements
For the year ended 30 June 2017

NET ASSETS	-
EQUITY	
Contributed Equity	
Reserves	
Accumulated surplus/(deficiency)	-
TOTAL EQUITY	-
CASH FLOWS FROM STATE GOVERNMENT	
Service appropriation	227,000
Capital appropriation	
Holding account drawdown	
Royalties for Regions Fund	2,673,832
Net cash provided by State Government	2,900,832
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee benefits	(235,959)
Supplies and services	(110,601)
Finance costs	
Accommodation	
Grants and subsidies	(2,546,372)
GST payments on purchases	
GST payments to taxation authority	
Other payments	
Receipts	
Sale of goods and services	
User charges and fees	
Commonwealth grants and contributions	
Interest received	
GST receipts on sales	
GST receipts from taxation authority	
Other receipts	
Net cash provided by/(used in) operating activities	(2,892,932)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payment	
Purchase of non-current physical assets	
Receipts	
Proceeds from sale of non-current physical assets	
Net cash provided by/(used in) investing activities	-

CASH FLOWS FROM FINANCING ACTIVITIES	
Payments	
Repayment of borrowings	
Other repayments	
Receipts	
Proceeds from borrowings	
Other proceeds	
Net cash provided by/(used in) financing activities	-
Net increase/(decrease) in cash held and cash equivalents	7,900
Cash and cash equivalents at the beginning of the period	17,882
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	25,782



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