



GOVERNMENT OF
WESTERN AUSTRALIA



Wheatbelt
Development
Commission



WHEATBELT DEVELOPMENT COMMISSION ANNUAL REPORT 2019-2020



The Hon Alannah MacTiernan MLC (with Wheatbelt Development Commission Board and Staff) announcing Round 2 of the RED Grant Scheme at Dome Cafe, Northam.

STATEMENT OF COMPLIANCE

Hon Alannah MacTiernan MLC
Minister for Regional Development

In accordance with Section 66 of the *Financial Management Act 2006*, 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 2020.



Rebecca Tomkinson
Chair of the Board
4 September 2020



Rob Cossart
Chief Executive Officer
4 September 2020

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WHEATBELT FAST FACTS



ECONOMIC SNAPSHOT

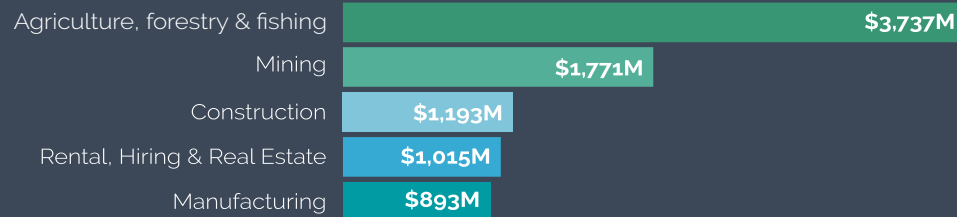


Strong & Resilient Regional Economy

- Wheatbelt Gross Regional Product of **\$7.06 billion in 2019¹**.
- Average annual growth rate 2011-19: **Wheatbelt 4.9%, significantly greater than WA's 3.7% over the same period²**.

The Mighty Five

The top five industries by economic output for 2019³



WA's Ag Powerhouse

The Wheatbelt is WA's largest agricultural region, producing a gross value of almost **\$3.7 billion, or 27% of the State's total agriculture, forestry & fishing economic output in 2019⁴**, including:

- **40% of WA's sheep, grains, beef & dairy cattle** by economic output⁴.
- **almost 15% of total horticulture** economic output⁴.

WHEATBELT FAST FACTS



ECONOMIC SNAPSHOT



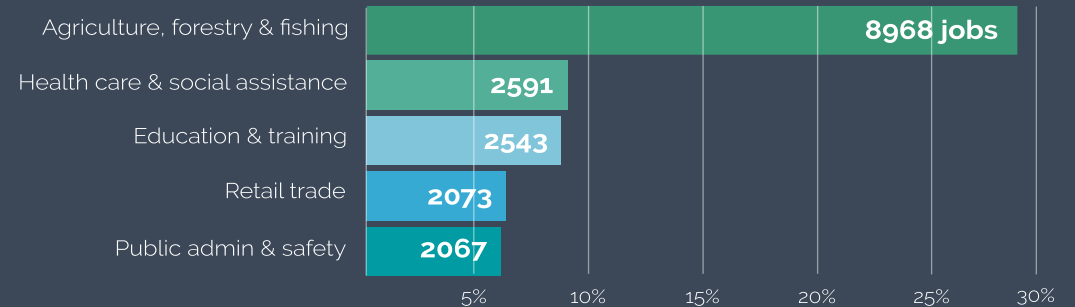
Small Business - The Heart of Our Economy

An economy **driven by small and medium-sized enterprises.**

- Wheatbelt businesses numbered over 9,500 in 2019⁵.
- 90% of these businesses had 0-4 employees⁵.
- **18% growth in the number of small businesses** over the last 5 years⁵.

Where Our People Work

Our top 5 industries by employment for 2019⁶



Growing Employment Opportunities

- **The Region out performs on job growth** with a 6 year jobs growth rate of 6.8%, compared with the overall WA rate of 0.3%⁷.
- The Region also had a **low unemployment rate of 3.7%** in 2018/19, well below the WA average of 6.3%⁸.



WHEATBELT FAST FACTS



ECONOMIC SNAPSHOT

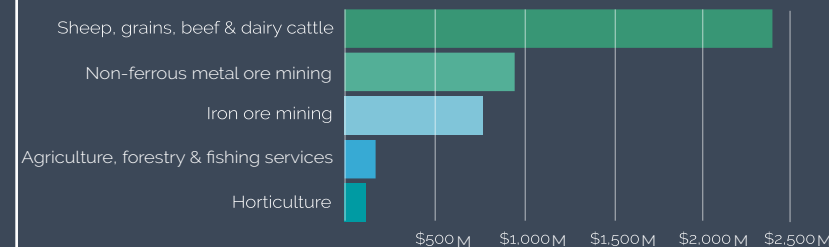


A Great Place to Visit

- Over **1 million** visitors annually, with 100,000 from interstate or overseas⁹.
- Tourism industry had an estimated **economic output of \$340 million** in 2019
- **It created 1,340 jobs** or 5% of Wheatbelt's total jobs for 2019¹⁰.
- Tourism accounted for 2.6% of the Wheatbelt's economic output¹⁰.

Diverse & Valuable Exports

Top 5 export sub-industries (out of the Wheatbelt) by value¹⁴.



More Than Crops

- Strong **mining sector with an output of \$1.8 billion** in 2019, contributing 14% of the Wheatbelt's economic output¹¹ and generating **1,370 jobs**¹².
- **\$106 million in economic output from western rock lobster** and 132 jobs¹³.





WHEATBELT FAST FACTS



ECONOMIC SNAPSHOT



Creating More Sustainable Futures

- The Wheatbelt is set to produce **65% of WA's renewable energy**⁴⁵.
- **Small-scale solar panel systems** installed in the Wheatbelt **increased by 72%** from 2014-2018⁴⁶.

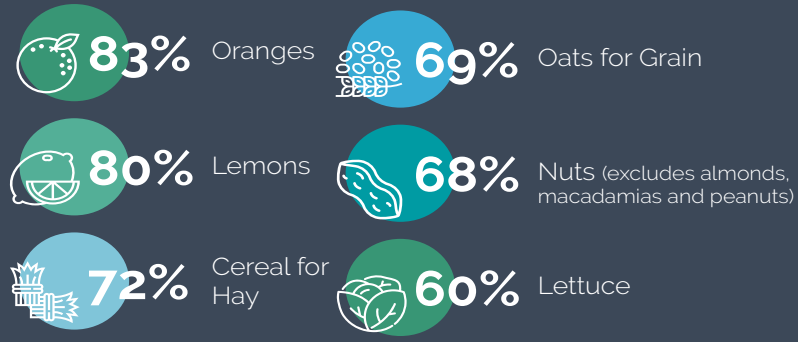


Welcome to Your New Home

- Since 2011, **2,750 new dwellings** have been approved across the Wheatbelt⁴⁷.
- The total value of these dwellings is over **\$725 million**⁴⁷.

WA's Food Bowl

The Wheatbelt contributes to WA's agricultural production of⁴⁸:



⁴⁵Department of Primary Industries and Regional Development 2019, Western Australian Gross Regional Product, Government of Western Australia, <https://catalogue.data.wa.gov.au/>
⁴⁶Department of Primary Industries and Regional Development 2019, Western Australian Gross Regional Product, Government of Western Australia, <https://catalogue.data.wa.gov.au/>
⁴⁷REMPPLAN 2020, Economic Output - Wheatbelt 2019 Release 1, www.remplan.com.au
⁴⁸REMPPLAN 2020, Economic Output - Wheatbelt & WA 2019 Release 1, www.remplan.com.au
⁴⁹Australian Bureau of Statistics 2020, Cat No. 8165 Counts of Australian Businesses, including Entries and Exits, June 2015 to June 2019, www.abs.gov.au
⁵⁰REMPPLAN 2020, Employment - Wheatbelt 2019 Release 1, www.remplan.com.au
⁵¹ABS 2019, Cat No. 6160 0 - Jobs in Australia, 2015-16 to 2016-17, Australian Government, www.abs.gov.au
⁵²Department of Employment, Skills, Small and Family Business 2019, Small Area Labour Markets publication - June Quarter 2019, Australian Government, <https://www.employment.gov.au/>
⁵³Tourism WA 2019, Wheatbelt 2019 Visitor Factsheet, Government of Western Australia, www.tourism.wa.gov.au
⁵⁴REMPPLAN 2020, Tourism - Wheatbelt 2019 Release 1, www.remplan.com.au
⁵⁵REMPPLAN 2020, Economic Output - Wheatbelt 2019 Release 1, www.remplan.com.au
⁵⁶REMPPLAN 2020, Employment - Wheatbelt 2019 Release 1, www.remplan.com.au
⁵⁷REMPPLAN 2020, Employment - Wheatbelt 2019 Release 1, www.remplan.com.au
⁵⁸REMPPLAN 2020, Regional Exports - Wheatbelt 2019 Release 1, www.remplan.com.au
⁵⁹Australian Energy Market Operator 2019, Wholesale Electricity Market Electricity Statement of Opportunities, www.aemo.com.au
⁶⁰Australian Bureau of Statistics 2020, Data By Region - Solar Installations - Accumulative Total from 2001, <https://tt.abs.gov.au/tt/rjsp?databyregion#/>
⁶¹Australian Bureau of Statistics 2019-2019, Building Approvals, Australia - WA, SA4 Excel datacube, cat no. 97310
⁶²ABS 2017, Cat No. 7503 Value of Agricultural Commodities Produced Australia, 2015-16, Australian Government, www.abs.gov.au



WHEATBELT FAST FACTS



DEMOGRAPHIC SNAPSHOT



Our Communities are Growing

- Estimated **resident population of 73,437** in 2019¹⁹.
- 10 year **growth rate of 1.6%** from 2009 to 2019¹⁹.

A Region for All Ages



0-14 years
19% of the pop.
(WA = 20%)²⁰



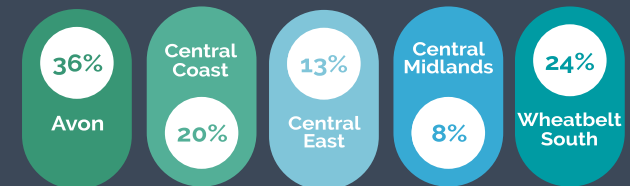
15-64 years
61% of the pop.
(WA = 66%)²⁰



+65 years
20% of the pop.
(WA = 14%)²⁰

We Live Far & Wide

Wheatbelt sub-regional population breakdown¹⁹.



Proud, Indigenous People

Indigenous people account for 4.5% of the Wheatbelt's population (WA's = 3.1%)²¹.

We Love Our 'Vollies'

The Wheatbelt has a **high volunteer rate of 29.4%** (WA = 19.0%)²².



¹⁹ABS 2020, Estimated Resident Population for Wheatbelt LGAs & WA abs.stat, Australian Government, [http://stat.data.abs.gov.au/]
²⁰ABS 2020, Estimated Resident Population for Wheatbelt LGAs, Australian Government, [http://stat.data.abs.gov.au/]
²¹ABS 2017, Aboriginal and Torres Strait Islander Peoples Profile, Australian Government, [www.abs.gov.au]
²²ABS 2017, Census of Population and Housing 2016, Australian Government, [http://stat.data.abs.gov.au]



Wind turbines at the Emu Downs Wind Farm, Badgingarra.



Rebecca Tomkinson - Chair

The 2019/20 financial year has seen continued growth and diversification of the Wheatbelt's economy.

Gross regional product was \$7.06 billion, an increase of 7.7% from 2018¹, with agriculture and mining representing \$3.7 billion and \$1.7 billion respectively to the Wheatbelt's economic output². Small to medium enterprises (SME) continued to drive the Wheatbelt's economy, with SME registrations totalling over 9,500 at the end of 2019³. In addition, 160 new dwellings were approved as of March 2020, with residential and non-residential approvals totalling \$113M⁴. The region's unemployment rate at the end of 2019 continued to be below the State average at 3.2%⁵.

The Wheatbelt Development Commission's Board and Staff have continued to commit themselves to ensuring our region remains a strong asset to Western Australia. The Commission has centred its efforts on delivering those initiatives that have the greatest potential to:

- expand and diversify the economy;
- attract private investment;
- increase jobs and employment opportunities;
- grow the population, particularly workforce aged people;
- enhance liveability; and
- drive collaboration and innovation.

In February this year, the Hon Alannah MacTiernan MLC announced the second round of Regional Economic Development (RED) grant funding, with \$690,000 delivered to support initiatives that drive regional job growth and stimulate the regional economy. A process overseen by the Commission, the RED program continues to be a key tool to drive innovation and small business diversification, with

Rounds 1 and 2 predicted to stimulate growth in economic output of \$150 million and create 250 jobs for the region.

In more recent months, the Commission has focused on supporting the State Government's COVID-19 response and emerging recovery initiatives. Our regional input has allowed for recovery initiatives to be identified and prioritised for the Wheatbelt. Continual economic growth in the Wheatbelt is critical to aid with State-wide recovery efforts.

In March this year, the Commission farewelled acting CEO Gavin Robins. I would like to thank Gavin for the commitment and passion he displayed throughout his tenure. In March the Commission also welcomed incoming CEO Rob Cossart. Rob's appointment coincided with the COVID-19 pandemic and I commend him on his leadership through this turbulent time and for developing a strategic plan to guide future priorities for the region.

In April, the Commission bid farewell to Board Member, David Lantzke who served the Commission for 4 years, first as a Board Member and then as Deputy Chair, and welcomed Oral McGuire. Oral is a Ballardong man who grew up in the Avon Valley and has strong connections with the Northam community. We look forward to his contribution to the Board.

The Board and Staff at the Commission deserve a special thanks for their diligent efforts this year. Their continued commitment and determination to deliver the best outcomes for the Wheatbelt ensures the region continues to be a key contributor and an important asset to the economic prosperity of Western Australia.

I look forward to the year ahead as we continue to promote the Wheatbelt as a significant region of opportunity and a great place to live and visit.



Hon Alannah MacTiernan MLC

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

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:

- promotes the Region;
- facilitates co-ordination between relevant statutory bodies and state government agencies;
- co-operates with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community within the Region;
- identifies opportunities for investment in the Region and encourage that investment;
- identifies infrastructure needs of the Region and encourage the provision of that infrastructure in the Region; and
- co-operates 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 BOARD

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



Rebecca Tomkinson – Chair - June 2023

Rebecca brings a highly strategic and broad sector lens to her role as Chair. Rebecca's professional experience includes government relations, strategic policy development, social advocacy and stakeholder engagement. She has extensive experience in the delivery of transformative organisational and community development initiatives across private, public and not-for-profit sectors.



David Lantzke – Deputy Chair - April 2020

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 is Board Chair of community housing provider Access Housing Australia Ltd, Secretary of the Jurien Bay Chamber of Commerce, Secretary of the Indian Ocean Festival organising committee, and Deputy Chair of the Regional Chambers of Commerce and Industry WA.



Leslee Holmes – Deputy Chair - June 2021

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 - December 2020

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.



Amanda Walker – Board Member - June 2020

Amanda is currently the Managing Director at Yerecoin Traders, a General Store, Cafe and Rural Merchandise store in the Wheatbelt; and Director at The Farm Co, an online agricultural supply specialist. Amanda has over 15 years' experience working in regional small business, using strategic business development to grow and diversify her business. Amanda is Chair of the Wheatbelt Business Network, a leading business membership, advisory, networking and economic development service in the Wheatbelt.



Rob Cossart - Chief Executive Officer (Ex-officio)

Rob commenced with the Commission in March 2020 and has a strong background in agricultural and regional development and water resource management. Prior to joining the Commission, Rob was the Director, Northern Agricultural Development at the Department of Primary Industries and Regional Development and has experience in stakeholder engagement, government service delivery, strategic policy and Aboriginal economic development.



Julie Flockart – Board Member - June 2021

Julie has an agricultural, community and small business development background and has been actively involved in a range of small businesses in the retail and hospitality industries. Julie has worked in many roles across the Eastern Wheatbelt and is currently a Shire of Merredin Councillor, Chairperson of the Merredin School Board, Board member on the Merrittville Aged Care Village and involved with the local Historical Museum and tourism working group.



Gavin Robins - Acting Executive Officer (Ex-officio) - 2019 - 2020

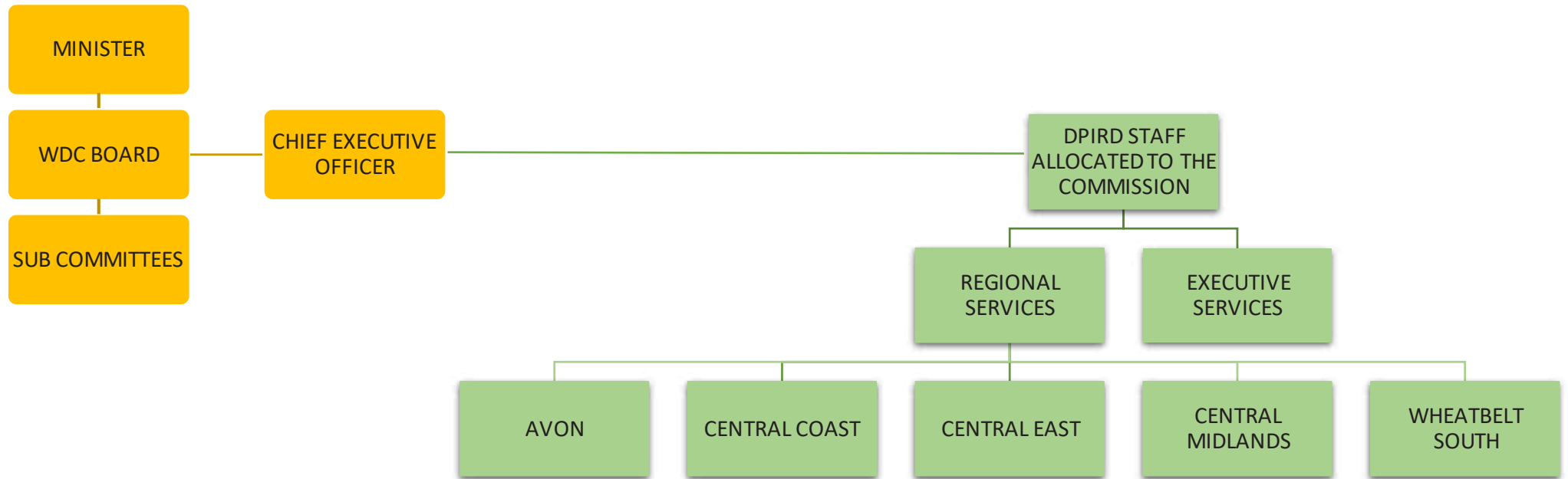
Gavin came to the Wheatbelt from his role as Chief Executive Officer of the Gascoyne Development Commission. He brought experience in government business, strategic policy development, Aboriginal affairs, remote health service delivery, aviation, accident compensation and disability services. Gavin served as acting CEO of the Commission until March 2020.



Oral McGuire – Board Member - June 2021

Oral is a prominent Noongar community leader, landholder and long-term champion of Aboriginal economic empowerment and capacity building, with experience in traditional land and fire management practices and cultural governance. He has vast knowledge and experience in government, private enterprise and the not-for-profit sector. Oral is a Director of the Noongar Chamber of Commerce and Industry; Chair of the Noongar Landholder Enterprise Inc. and Member of the RegenWA Steering Committee.

ORGANISATIONAL STRUCTURE



PARTNERING TO DELIVER RESULTS

STRUCTURE AND STAFF

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 – 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, transport, power, water, sewerage and digital capacity), economic development (jobs, innovation and economic diversity) and service delivery reform.

Executive Services – This unit provides executive and administrative support to the Board, CEO and the Regional Services unit. This unit also undertakes stakeholder liaison, marketing, financials, human resources, purchasing and information technology services.



PERFORMANCE MANAGEMENT

Who We Are

The Wheatbelt Development Commission is a statutory authority of the WA Government. Its Objects and Functions are outlined in Section 23 of the Regional Development Commissions Act 1993.

What We Do

The Wheatbelt Development Commission creates strategic partnerships to deliver jobs and maximise leverage and impact from private and government investment through;

- Partnering with agencies to design, prioritise and deliver infrastructure and integrated services that meet the needs of the Region;
- Leveraging non-government and government investment for maximum regional benefit; and
- Collaborating cross-regionally to deliver state-wide solutions.

Our Capacity

- Regional knowledge, networks and innovation
 - Using this knowledge to promote opportunities to invest, live, work and visit
- Collaboration and integration from effective partnerships
 - Using these partnerships to drive evidence led decisions, prioritisation and alignment of action
- Program, strategy and project management
 - Using this discipline to build capacity, leverage and impact
 - Aligning resources to strategic priorities and outcome delivery

Delivering on Government Priorities

In fulfilling its statutory Objects and Functions, the Commission is committed to a 'whole of government' approach to regional development to enhance its contribution towards meeting the Government's goals:

- Sustainable Finances: Responsible financial management and better service delivery;
- Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development;
- Strong Communities: Safe communities and support families; and
- Better Places: A quality environment with liveable and affordable communities and vibrant regions.

The State Government has committed to a number of initiatives that will deliver on these priorities and those programs where the Commission is involved include:

- The Regional Economic Development (RED) Grants Program is part of the State Government's commitment to stimulate job creation and economic growth of the Region. The \$28.8 million (over five years) program is to be delivered locally by each Regional Development Commission, with almost \$700,000 provided for each region each year.
- The Regional New Industries Fund, comprising of two allocations, a Regional Stream and a State Network stream. Totalling \$4.5 million over four years. The Fund aims to build regional economies that are entrepreneurial, creative and technology driven to create sustainable job opportunities for regional people.
- A Department of Primary Industries and Regional Development (DPIRD) Local Content Advisor (LCA) is located in the Commission to take a lead role in maximising local content opportunities, including goods, services and jobs, for State Government funded projects. The LCA also supports local businesses to focus on local content to create job opportunities in regional WA.

To deliver these State and Regional priorities, the Commission uses analysis of the Region's comparative advantages and global opportunity to focus on activities that will maximise economic and social impact from private and public investment.

The Commission has been focused on delivering initiatives identified through independent economic analysis and prioritised by the Board according to their ability to deliver:

- Jobs and economic growth;
- Private Investment;
- Population Attraction (workforce);
- Vibrant Communities (cross community solutions); and
- Innovative solutions.

Maximising Wheatbelt Opportunity

In this reporting period, the Commission has focused on delivering the following outcomes:

Strategic Partnerships to drive delivery of priorities through:

- Regional intelligence, facilitating information sharing and advocacy;
- Collaboration and innovation across diverse stakeholder groups including local government alliances, industry sectors and government agencies.

Industry Development:

- Developing job intensive emerging industry - intensive agriculture/processing (horticulture, aquaculture, livestock), tourism and personal services industries (aged care, education, childcare); and
- Driving local business and jobs growth through maximising Local Content and Aboriginal enterprise development.

Economic Infrastructure:

- Land Assembly that attracts new business/industry in areas of growth and includes innovative power and water solutions;
- Building digital capacity; and
- Strategic Freight Networks.

Service Reform:

- Maximising impact of DPIRD integration and Commission capability.

Regional Promotion:

- Targeted promotion of investment and development opportunities (industry sectors, geographic 'hot spots').

Monitoring and Delivery Outcomes through the Business Planning Process

The mechanism for setting and monitoring outcome targets and the initiatives that will best deliver them is through the annual development of the Wheatbelt Development Commission Business Plan.

The Business Plan is reviewed and endorsed by the Board annually.

Wheatbelt Sub-Regional Economic Opportunities

Central Coast

Aquaculture, Horticulture & Food Processing
 Renewable Energy
 Retirement & Lifestyle
 Mining, Construction & Light Industry
 Tourism

Avon

Broadacre Agriculture
 Transport & Industry
 Retail & Lifestyle
 Health & Aged Care
 Tourism

Central East

Agricultural Production
 Mining Support Services
 Population Services

Central Midlands

Agriculture, Horticulture & Food Processing
 Peri-Urban & Rural Land
 Health & Ageing
 Mining, Manufacturing & Support
 Tourism

Wheatbelt South

Agriculture, Livestock & Food Supply Chains
 Lifestyle Amenity & Retirement
 Health & Education
 Tourism



Source: RPS Consulting Sub-Regional Economic Strategies 2014-2015



CASE STUDY: Northern Valleys Locavore Store

The Northern Valleys Locavore Store is an [online platform](#) selling and promoting high quality locally grown produce. The Locavore Store showcases ethical and sustainable products while connecting customers with the Wheatbelt's Northern Valleys producers. The Store was a successful recipient of the RED Grants Round 1, securing \$25, 000 to develop a consumer friendly online platform to increase productivity.

The Wheatbelt's Northern Valleys region grows diverse foods ranging from fruit and vegetables to honey, eggs, garlic, chicken and yabbies. Through the store, farmers can post products they would like to sell on their own portal, enabling them to trial niche products and have a consistent point of sale for seasonal produce. The store has almost 30 producers on board, providing access to a diverse range of products.

The store has an online platform that customers can use to place orders and collect from the physical store in Bindoon. There is also a delivery option to some areas. Customers include restaurants seeking sustainable local produce for their menus, which is raising awareness of the region's production and enhancing visitation. Through the COVID-19 pandemic, the Locavore Store has been a secure avenue to provide local residents with fresh food, with deliveries increasing to multiple areas across the Northern Valleys region.

ECONOMIC MODELLING

New jobs created: 3 FTE

Total Economic Impact: \$0.7M⁶



CASE STUDY: Muresk Desalination Trial

PROJECT HIGHLIGHTS

- *Collaborative approach to seeking alternative water supplies involving Murdoch University, the Water Corporation, Muresk Institute, DPIRD and the Wheatbelt Development Commission*
- *Taking innovation in desalination into the farm environment for real-time testing and monitoring*
- *Exposing Western Australian water treatment and desalination students and academics to the Wheatbelt and its opportunities and constraints when it comes to water*
- *Maximising the potential of renewable energy in small scale desalination*

The Wheatbelt contains numerous water resources that with increased capture and treatment can be economically directed to uses where potable water is not required. These include: on-farm livestock and cropping; agri-businesses (including nurseries and feedlots); community use; watering recreation facilities and public open spaces; and non-potable industry uses.

The Muresk small-scale desalination trial project explores on-farm desalination methods to provide farmers with an alternative to scheme water in the Avon. The project was launched at the Muresk FarmSmart event in June 2019 and reflects collaboration between the Wheatbelt Development Commission, Murdoch University, Water Corporation and DPIRD.

The aim of the research at Muresk Institute is to develop reliable, long-life and virtually maintenance-free micro-desalination units. There is an opportunity to expand the amount of independently verified data in respect of technologies for the potential remote end of grid market. The trial will also provide the Water Corporation with information to assist its program to future proof farm and community water supplies and reduce the pressure on the Goldfields Agricultural Water Scheme's (GAWS) end of pipeline services.

In-land desalination is an innovative practice with the potential to generate work opportunities, encourage sustainable development and bring researchers to the Wheatbelt for in-land desalination knowledge and experiences.



CASE STUDY: Bruce Rock Engineering

Bruce Rock Engineering (BRE) is a road transport equipment design and manufacture business that services agricultural, mining, construction and general freight industries nationwide. The business operates from offices in Port Hedland, Forrestfield and Welshpool, however they are proud to have their head office in Bruce Rock.

BRE is an exemplar of an entrepreneurial business bringing continued growth, jobs and innovation to the Wheatbelt's economy. Since its establishment in 1980, BRE has grown to include 6 business divisions, more than 130 full-time staff, 4 state of the art engineering facilities in WA and support offices and workshops nationwide.

Rapid growth and increased demand has been a key characteristic of BRE, with business outputs tripling over the last 3 years. To support this growth, BRE applied to the RED Grants Round 2 for infrastructure expansion and the installation of a workers accommodation facility. BRE was successful in securing \$150, 000 in funding, which will create an additional 25 full-time jobs at the Bruce Rock workshop and inject \$2.5 million in private investment into the region.

BRE anticipates further creation of indirect jobs through the servicing of the workers accommodation and the employment of 4 trade apprentices a year through a work experience program with the Bruce Rock District High School.

ECONOMIC MODELLING

New jobs created: 42 FTE

Total Economic Impact: \$45M⁷





The Hon Kim Beazley AC Governor of Western Australia's visit to the Bindoon Bakery in Bindoon.

REGIONAL ECONOMIC DEVELOPMENT GRANTS PROGRAM

OUR 2019/20 REGIONAL PRIORITIES ARE:

1. *Jobs and economic growth*
2. *Private investment*
3. *Population attraction (workforce)*
4. *Vibrant Communities (cross-community solutions)*
5. *Innovative solutions.*

Round Two of the State Government's Regional Economic Development (RED) Grants Program was announced in February 2020. It is administered by the Commission as part of the State Government's commitment to stimulate job creation and economic development in regional communities.

The RED Grants Program has committed \$28.8 million over five years to be delivered locally by each Regional Development Commission, with almost \$700,000 provided for each region in the program's second round.

The Hon Alannah MacTiernan MLC announced eight successful Wheatbelt projects sharing in RED Grants funding to increase local manufacturing capability, drive innovative new agricultural opportunities and showcase the region through tourism. The Commission is looking forward to working with the successful applicants over the coming year.



REGIONAL ECONOMIC DEVELOPMENT GRANTS PROGRAM

Applicant and project	Project description	Grant
Bruce Rock Engineering (DBK Enterprise Pty Ltd)	Bruce Rock Engineering Workshop - Construction of a new workshop to streamline manufacturing operations and expand the capacity to meet the growing demand for trailers and dollies in the region.	\$150,000
Rowles Agricultural Company	WA Craft Malt - to support the construction of processing facilities for a new Wheatbelt enterprise. Using locally produced barley, WA Craft Malt produce a variety of heritage malt for the Western Australian brewing and distilling industries.	\$100,000
Kochii Eucalyptus Oil Pty Ltd	Mature tree harvesting and production - to purchase and develop equipment for a second processing unit to harvest mature Mallee trees to produce Eucalyptus oil.	\$100,000
Jurien Bay Chamber of Commerce	Turquoise Way Path – (Hill River Crossing) - towards construction of a bridge to extend the Turquoise Way Path across Hill River, boosting sports tourism in Jurien Bay and Cervantes and providing opportunities for new business ventures such as bike hire and repair. The current path stretches 14.2km along the coast from the Jurien Bay Marina to the Hill River Mouth and is used mainly for bike riding, walking, running and skating.	\$100,000
Great Southern Seed Works (Johnson Family Trust)	Enhanced small seed and poultry feed ration production - to purchase and install equipment to enable the production of new bagged stock and poultry feed products and processing of new grains such as millet, sunflower seed, linseed and red panicum, thereby creating a niche value-added market.	\$90,000
Wheatbelt Natural Resource Management	Wheatbelt Seed Solutions - to support the Noongar Budjar Rangers to build capacity of the team to collect, treat and store native seed for revegetation projects including farmer, carbon, local government and community groups, with the long-term goal of developing an independent community run enterprise.	\$75,000
Caternet Pty Ltd	Development of a packaged dry goods processing facility - to assist in the establishment of a processing plant at Brookton to manufacture innovative, healthy, fun and convenient packed dry food mixes that utilise fruit, vegetables and grains products produced in the Wheatbelt.	\$50,000
Marvick Native Farms (Mogumber Dirt Pty Ltd)	Australian native food and botanical planting material project for the Wheatbelt and WA - to develop facilities for the production of Australian native food and botanical planting material specifically for commercial production of fruit, vegetables and botanicals in the Wheatbelt and other areas of WA.	\$25,000

SIGNIFICANT ISSUES IMPACTING THE AGENCY

The social and economic impacts of the COVID-19 pandemic on Wheatbelt towns and communities varied. While the pandemic saw large scale impacts on global and local economic activity, the Wheatbelt's dispersed population and strong primary industry-based economy provided the region with stability through the initial COVID-19 response.

A number of Wheatbelt towns experienced shortages in essential supplies due to increased purchasing in March and April 2020. Supply limitations and increased transport costs from Perth created logistical challenges for Wheatbelt grocery stores. Essential supplies returned to normal from May 2020 as freight and logistics normalised.

COVID-19 impacts on global and local supply chains significantly impacted the Wheatbelt's primary industry sectors. Meat processing (worth \$127M to the Wheatbelt's economy)⁸, experienced a period of oversupply in the domestic market, in addition to export difficulties and declining profitability due to intra-regional, inter-state and international restrictions. Loss of market access due to COVID-19 halted the Wheatbelt's western rock lobster trade (worth \$106M to the Wheatbelt economy)⁹ to China. This resulted in initial job losses estimated at around 107 FTEs¹⁰, however the sector has shown evidence of steady recovery with market access returning and freight pathways reinstated. Reduced demand for wool (worth \$349M to the Wheatbelt economy)¹¹ from Chinese manufacturers has also negatively impacted the Wheatbelt's wool prices. Demand and prices are expected to stabilise as textile production continues to recover.

Small to medium enterprises (SMEs) were significantly impacted in the Wheatbelt. Through the Regional Chambers of Commerce and Industry, the Wheatbelt Development Commission allocated \$75,000 worth of grants to assist SMEs and the Wheatbelt Business Network.



SIGNIFICANT ISSUES IMPACTING THE AGENCY

Tourism sectors, particularly in the coastal areas, were significantly impacted during travel restrictions. Although visitation has increased in recent months, a number of key regional events such as the Dowerin Machinery and the Newdegate Field Days have been cancelled for 2020, further impacting regional towns and businesses.

Accommodation and food service businesses adapted to COVID-19 social distancing measures and travel restrictions by transitioning to online platforms, takeaway orders and deliveries. Ongoing demand from the drive-in-drive-out workforce (worth approximately \$70M to the Wheatbelt's accommodation and food sector)¹² enabled consistent demand for the industry throughout this period.

The Commission responded quickly to the changing regional conditions associated with COVID-19, making a swift transition to working from home. The Western Australian Regional Development Alliance (WARDA), consisting of the nine Regional Development Commissions and DPIRD, provided timely regional intelligence to the Minister for Regional Development on the impacts of national, state and regional policies, stimulus packages and support programs for businesses and communities in the region. WARDA also undertook economic modelling of regional impacts to inform and assist the State Government's COVID-19 response. This information assisted the Government to respond to regional issues and to formulate recovery strategies for Western Australia. The Commission remains vigilant to the evolving challenges of COVID-19 and ensuring the Wheatbelt continues to support the growth of the Western Australian economy.



REFERENCES

- ¹ Department of Primary Industries and Regional Development 2020, Gross Regional Product 2019, Government of Western Australia, [<https://catalogue.data.wa.gov.au/>]
- ² REMPLAN 2020, Economic Output – Wheatbelt, [www.remplan.com.au]
- ³ Australian Bureau of Statistics 2020, Counts of Australian Businesses, including Entries and Exits, 2019, SA2, Australian Government [www.abs.gov.au]
- ⁴ RPS 2020, State of the Wheatbelt Economy 2020 [DRAFT]
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- ⁸ REMPLAN 2020, Output - Wheatbelt Region (2019 Release 1), [www.remplan.com.au].
- ⁹ REMPLAN 2020, Output - Wheatbelt Region (2019 Release 1), [www.remplan.com.au].
- ¹⁰ REMPLAN Impacts Analysis 2020, percentage decline based on regional intelligence
- ¹¹ Australian Bureau of Statistics 2017, Value of Agricultural Commodities Produced, Australia, 2015-16, Cat No. 7503
- ¹² Estimates based on Tourism Western Australia 2019, Wheatbelt 2018 Visitor Factsheet: Produced Tourism WA – Strategy and Research & REMPLAN Economy 2020, Tourism – Wheatbelt Region (2019 Release 1), [www.remplan.com.au].





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 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, Summary of Consolidated Account Appropriations 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 2020 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 Responsibility 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 entity'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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

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 2020.

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 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 non-compliance 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 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and 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 agency's performance and fairly represent indicated performance for the year ended 30 June 2020.

Matter of Significance

The Commission received an exemption from the Under-Treasurer from reporting the following key effectiveness indicator in its annual report for the year ended 30 June 2020:

- Satisfaction survey that the Commission is achieving its outcome'

The exemption was approved due to the difficulty in collecting information from stakeholders because of COVID-19 restrictions. Consequently, this KPI will not be reported. My opinion is not modified in respect of this matter.

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 entity'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 2020 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 contact the entity to confirm the information contained in the 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
3 September 2020

CERTIFICATE OF FINANCIAL STATEMENTS

Wheatbelt Development Commission – 30 June 2020

Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the reporting period ended 30 June 2020

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 reporting period ended 30 June 2020 and the financial position as at 30 June 2020.

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



Shylesh Asiriah
Chief Finance Officer
3 September 2020



Rob Cossart
Chief Executive Officer
3 September 2020



Rebecca Tomkinson
Chairperson
3 September 2020



FINANCIAL STATEMENTS

Wheatbelt Development Commission – 30 June 2020

Statement of Comprehensive Income For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1(a)	358,240	218,299
Supplies and services	2.3	1,267,372	1,312,409
Depreciation and amortisation expense	4.1, 4.2	61,691	86,525
Finance costs	6.2	328	-
Accommodation expenses	2.3	670	-
Grants and subsidies	2.2	135,182	108,140
Other expenses	2.3	6,984	190,228
Total cost of services		1,830,467	1,915,601
Income			
Revenue			
Other revenue	3.2	30,079	19,670
Total revenue		30,079	19,670
Total income other than income from State Government		30,079	19,670
NET COST OF SERVICES		1,800,388	1,895,931
Income from State Government			
Service Appropriation	3.1	228,000	227,000
Resources received free of charge	3.1	1,036,813	1,079,111
Grants received from Other State Agencies	3.1	227,638	247,394
Total income from State Government		1,492,451	1,553,505
SURPLUS/(DEFICIT) FOR THE PERIOD		(307,937)	(342,426)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(307,937)	(342,426)

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



Statement of Financial Position
As at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6.3	37,729	48,911
Restricted cash and cash equivalents	6.3	-	176,881
Receivables	5.1	176,122	3,399
Total Current Assets		<u>213,851</u>	<u>229,191</u>
Non-Current Assets			
Amounts receivable for services	5.2	99,000	99,000
Property, plant and equipment	4.1	3,888	54,044
Right-of-use assets	4.2	8,873	-
Total Non-Current Assets		<u>111,761</u>	<u>153,044</u>
TOTAL ASSETS		<u>325,612</u>	<u>382,235</u>
LIABILITIES			
Current Liabilities			
Payables	5.3	111,384	23,994
Lease liabilities	6.1	9,874	-
Employee related provisions	2.1(b)	115,197	-
Total Current Liabilities		<u>236,455</u>	<u>23,994</u>
Non-Current Liabilities			
Lease liabilities	6.1	-	-
Employee related provisions	2.1(b)	38,853	-
Total Non-Current Liabilities		<u>38,853</u>	<u>-</u>
TOTAL LIABILITIES		<u>275,308</u>	<u>23,994</u>
NET ASSETS		<u>50,304</u>	<u>358,241</u>
EQUITY			
Contributed equity	8.8	75,000	75,000
Accumulated surplus	8.8	(24,696)	283,241
TOTAL EQUITY		<u>50,304</u>	<u>358,241</u>

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



Statement of Changes in Equity
For the year ended 30 June 2020

	Notes	Contributed equity \$	Accumulated surplus (deficit) \$	Total equity \$
Balance at 1 July 2018		75,000	625,667	700,667
Surplus/(deficit)		-	(342,426)	(342,426)
Other comprehensive income		-	-	-
Total comprehensive income for the period	8.8	-	(342,426)	(342,426)
Balance at 30 June 2019		75,000	283,241	358,241
Balance at 1 July 2019		75,000	283,241	358,241
Surplus/(deficit)		-	(307,937)	(307,937)
Other comprehensive income		-	-	-
Total comprehensive income for the period	8.8	-	(307,937)	(307,937)
Balance at 30 June 2020		75,000	(24,696)	50,304

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

**Summary of Consolidated Account Appropriations
For the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		228,000	227,000
State Government grants and subsidies		153,838	247,394
Net cash provided by State Government		<u>381,838</u>	<u>474,394</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(275,417)	(263,807)
Supplies and services		(153,910)	(221,648)
Finance costs		(328)	-
GST payments on purchases		(10,053)	(22,849)
Grants and subsidies		(135,182)	(108,140)
Other payments		(1,064)	(185,819)
Receipts			
GST receipts on sales		-	1,952
GST receipts from taxation authority		(1,036)	34,953
Other receipts		17,623	19,670
Net cash used in operating activities		<u>(559,367)</u>	<u>(745,688)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(10,534)	-
Net cash used in financing activities		<u>(10,534)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(188,063)	(271,294)
Cash and cash equivalents at the beginning of the period		225,792	497,086
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.3	<u>37,729</u>	<u>225,792</u>

**Summary of Consolidated Account Appropriations
For the year ended 30 June 2020**

	Budget estimate 2020 \$	Supple- mentary Funding 2020 \$	Revised Budget 2020 \$	Actual 2020 \$	Variance 2020 \$
<u>Delivery of Services</u>					
Amount Authorised by Other Statutes					
- <i>Salaries and Allowances Act 1975</i>	228,000	-	228,000	228,000	-
Total appropriations provided to deliver services	228,000	-	228,000	228,000	-
GRAND TOTAL	228,000	-	228,000	228,000	-

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Notes to the financial statements

1. Basis of Preparation

The Commission is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective).

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

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 27 August 2020.

Statement of compliance

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

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

The *Financial Management Act 2006* and the Treasurer's Instructions take precedence over AASs. Several AASs are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

The financial statements have been prepared on the accrual basis of accounting and using the historical cost convention. The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all period presented unless otherwise stated. The financial statements are presented in Australian Dollars. All values are rounded to the nearest dollar.

Judgements and estimates

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

Significant judgements and estimates have been made to meet the requirements of the new standards AASB 16 and AASB 1058.

Refer to Note 8.2 for the impact of the initial adoption and the practical expedients applied in the initial recognition.

Contributed equity

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

Notes to the financial statements

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

2. Use of Our Funding

Expenses incurred in the delivery of services

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

	Notes	2020 \$	2019 \$
Employee benefits expenses	2.1(a)	358,240	218,299
Employee benefits provisions	2.1(b)	154,050	-
Grants and subsidies	2.2	135,182	108,140
Other expenses	2.3	1,275,026	1,502,637

2.1. (a) Employee benefits expenses

	2020 \$	2019 \$
Wages and salaries	304,338	186,758
Superannuation	28,079	26,516
Other related expenses	25,823	5,025
Total employee benefits expenses	358,240	218,299
Add: AASB 16 Non-monetary benefits	11,863	-
Net employee benefits	370,103	218,299

Wages and salaries: Include all costs related to employment including wages and salaries, annual leave and long service leave entitlements.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the following defined contribution plans - Gold State Superannuation Scheme (GSS) (concurrent contributions), the West State Superannuation Scheme (WSS), the Government Employees Superannuation Board Schemes (GESBs), or other superannuation funds.

Other related expenses: Include fringe benefits tax and WorkCover premiums.

AASB 16 Non-monetary benefits: Non-monetary employee benefits expenses, predominantly relate to the provision of Vehicle and Housing benefits are measured at the cost incurred by the Commission.

Notes to the financial statements

2.1. (b) Employee benefits provisions

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

	2020	2019
	\$	\$
Current		
<u>Employee benefits provisions</u>		
Annual leave ^(a)	51,487	-
Long service leave ^(b)	52,383	-
Deferred salary scheme ^(c)	(9)	-
	<u>103,861</u>	<u>-</u>
<u>Other provisions</u>		
Employment on-costs ^(d)	11,336	-
Total current employee related provisions	<u>115,197</u>	<u>-</u>
Non-Current		
<u>Employee benefits provisions</u>		
Long service leave ^(b)	34,747	-
<u>Other provisions</u>		
Employment on-costs ^(d)	4,106	-
Total non-current employee related provisions	<u>38,853</u>	<u>-</u>
Total employee related provisions	<u>154,050</u>	<u>-</u>

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

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

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

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

The provision of the long service leave liabilities are calculated at present value as the Commission does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Notes to the financial statements

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

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'other expenses, Note 2.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Commission's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2020	2019
	\$	\$
<u>Employment on cost provision</u>		
Carrying amount at start of period	-	4,951
Additional/(reversals of) provisions recognised	15,442	(4,951)
Carrying amount at end of period	<u>15,442</u>	<u>-</u>

Key sources of estimation uncertainty- long service leave

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

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

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

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

2.2. Grants and Subsidies

	2020	2019
	\$	\$
<u>Recurrent</u>		
Grants and Subsidies	-	-
Royalties for Regions Fund	135,182	108,140
Total grants and subsidies	<u>135,182</u>	<u>108,140</u>

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

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

Notes to the financial statements

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

2.3. Other Expenditure

	2020	2019
Supplies and services	\$	\$
Board fees	84,543	74,556
Communications	1,597	1,433
Consultants and contractors	123,753	106,992
Consumables	7,714	15,841
Equipment repairs and maintenance	2,041	3,058
Operating leases - vehicles	7	10,695
Travel	10,205	19,136
Other	699	1,587
Resources provided free of charge by DPIRD ^(a)	1,036,813	1,079,111
Total supplies and services expense	1,267,372	1,312,409
Accommodation expenses		
Cleaning	670	-
Total accommodation expenses	670	-
Other expenditure		
Audit fees ^(b)	4,050	-
Other expenses	2,934	4,409
Refund of Revenue	-	185,819
Total other expenditure	6,984	190,228
Total other expenses	1,275,026	1,502,637

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

(b) Refers to internal audit fees

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

Accommodation expenses: Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

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

Notes to the financial statements

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

3. Our Funding Sources

How we obtain our funding

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

	Notes	2020 \$	2019 \$
Income from State Government	3.1	1,492,451	1,553,505
Other revenue	3.2	30,079	19,670

3.1. Income from State Government

	2020 \$	2019 \$
Appropriation received during the period:		
Service appropriation ^(a)	228,000	227,000
	<u>228,000</u>	<u>227,000</u>
Services received free of charge ^(b)		
Determined on the basis of the following estimates provided by agencies:		
Support Services provided by DPIRD	1,036,813	1,079,111
	<u>1,036,813</u>	<u>1,079,111</u>
Grants received from Other State Agencies	227,638	247,394
	<u>227,638</u>	<u>247,394</u>
Total income from State Government	<u>1,492,451</u>	<u>1,553,505</u>

- (a) **Service Appropriations and Regional and State-wide Initiative** received from the Department of Treasury, fund the net cost of services delivered. Appropriation revenue comprises a cash component only.
- (b) **Assets or services received free of charge** or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity. The Commission received support services from Department of Primary Industries and Regional Development to support the Commission in the fulfilment of its statutory functions and obligations under the Regional Development Commissions Act 1993.

The application of AASB15 and AASB 1058 from 1 July 2019 has no impact on the income from State Government.

Notes to the financial statements

3.2. Other Revenue

	2020	2019
	\$	\$
Other revenue	30,079	19,670
	<u>30,079</u>	<u>19,670</u>

The application of AASB15 and AASB 1058 from 1 July 2019 has no impact on the Other Revenue.

4. Key Assets

Assets the Commission utilises for economic benefit or service potential

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

	Notes	2020	2019
		\$	\$
Property, plant and equipment	4.1	3,888	54,044
Right-of-use assets	4.2	8,873	-
Total key assets		<u>12,761</u>	<u>54,044</u>

4.1. Property, plant and equipment

Year ended 30 June 2020	Office equipment \$	Communication equipment \$	Computer hardware \$	Furniture, fixtures and fittings \$	Plant and machinery \$	Total \$
1 July 2019						
Gross carrying amount	41,044	20,434	187,585	235,936	8,696	493,695
Accumulated depreciation	(39,519)	(15,222)	(150,092)	(226,122)	(8,696)	(439,651)
Carrying amount at start of period	<u>1,525</u>	<u>5,212</u>	<u>37,493</u>	<u>9,814</u>	<u>-</u>	<u>54,044</u>
Additions	-	-	-	-	-	-
Disposals (written down value)	-	-	-	-	-	-
Depreciation	(1,525)	(4,086)	(34,995)	(9,550)	-	(50,156)
Carrying amount at 30 June 2020	<u>-</u>	<u>1,126</u>	<u>2,498</u>	<u>264</u>	<u>-</u>	<u>3,888</u>
Gross carrying amount	41,044	20,434	187,585	235,936	8,696	493,695
Accumulated depreciation	(41,044)	(19,308)	(185,087)	(235,672)	(8,696)	(489,807)
Accumulated impairment loss	-	-	-	-	-	-

Notes to the financial statements

Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Subsequent measurement

All Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated Impairment losses.

Depreciation and impairment

Charge for the period

	2020	2019
Depreciation	\$	\$
Office equipment	1,525	2,651
Communications equipment	4,086	4,087
Computer hardware	34,995	60,643
Furniture, fixture and fittings	9,550	19,144
Plant and machinery	-	-
Total depreciation for the year	<u>50,156</u>	<u>86,525</u>

As at 30 June 2020 there were no indications of impairment to property, plant and equipment or infrastructure.

Finite useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include items under operating leases, assets held for sale, land and investment properties.

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

Asset	Useful life: years
Office Equipment	5 years
Communications equipment	5 years
Computer hardware	3 years
Furniture Fixture and fittings	5 to 10 years
Plant and equipment	10 to 15 years
Software ^(a)	3 to 5 years

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

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

Notes to the financial statements

Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

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

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

4.2. Right-of-use assets

Year ended 30 June 2020	Residential accommodation	Vehicles	Total
	\$	\$	\$
1 July 2019			
Gross carrying amount	-	-	-
Accumulated amortisation	-	-	-
Carrying amount at start of period	-	-	-
Recognition of right-of-use asset on initial application of AASB 16	-	20,408	20,408
Adjusted balance at 1 July 2019	-	20,408	20,408
Additions			-
Disposals			-
Transfers			-
Impairment loss			-
Depreciation	-	(11,535)	(11,535)
Carrying amount at 30 June 2020	-	8,873	8,873
Gross carrying amount	-	20,408	20,408
Accumulated depreciation	-	(11,535)	(11,535)
Accumulated impairment loss	-	-	-

Notes to the financial statements

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at the cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Commission at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested of impairment when an indication of impairment is identified. The policy in connection with testing for impairment of outlined in note 4.1.

Depreciation charge of right-of-use assets

	2020	2019
	\$	\$
Vehicles	11,535	-
Total right-of-use asset depreciation	11,535	-
Lease interest expense (included in Finance Cost)	328	-

The total cash outflow for leases in 2019-20 was \$10,861.

The Commission's leasing activities for and how these are accounted for:

The Commission has leases for vehicles.

The Commission has also entered in a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense incurred.

Up to the 30 June 2019, the Commission classified lease as either finance leases or operating leases. From the 1 July 2019, the Department recognised leases as right-of-assets and associated leases liabilities in the Statement of Financial Position.

The corresponding leases liabilities in relation to these right-of-use assets have been disclosed in note 6.1

Notes to the financial statements

5. Other Assets and Liabilities

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

	Note	2020	2019
		\$	\$
Receivables	5.1	176,122	3,399
Amounts receivable for services	5.2	99,000	99,000
Payables	5.3	111,384	23,994

5.1. Receivables

	2020	2019
Current	\$	\$
Receivables	161,634	-
GST receivable	14,488	3,399
Balance at end of period	<u>176,122</u>	<u>3,399</u>

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

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

5.2. Amounts receivable for services (Holding Account)

	2020	2019
	\$	\$
Non-current	99,000	99,000
	<u>99,000</u>	<u>99,000</u>

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

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the Holding Account).

5.3. Payables

	2020	2019
Current	\$	\$
Accrued salaries	-	808
Accrued expenses	10,149	9,051
Trade payables	101,235	14,135
Balance at end of period	<u>111,384</u>	<u>23,994</u>

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

Notes to the financial statements

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

6. Financing

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

	Notes
Lease liabilities	6.1
Finance costs	6.2
Cash and cash equivalents	6.3
Commitments	6.4

6.1. Lease liabilities

	2020	2019
	\$	\$
Current	9,874	-
Non-current	-	-
	<u>9,874</u>	<u>-</u>

Lessees were required to classify leases as either finance leases or operating leases until 30 June 2019. From 1 July 2019, at the commencement date, lessees are required to recognise leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Commission uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Commission as part of the present values calculation of lease liability include;

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the Commission exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in

Variable lease payments that are dependent on sales are recognised in profit or loss in the period in which the condition that triggers those payment occurs.

Periods covered by extension or termination options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets that are individually valued less than \$5,000 at cost. This excludes leases with another wholly-owned public sector entity lessor agency. These expenses are included within note 2.3 Other Expenditure.

Notes to the financial statements

Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modification.

6.2. Finance costs

	2020	2019
	\$	\$
Lease interest expense	328	-
	<u>328</u>	<u>-</u>

'Finance cost' includes the interest component of lease liability repayment.

6.3. 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.

	2020	2019
	\$	\$
Cash and cash equivalents	37,729	48,911
Total cash and cash equivalents	<u>37,729</u>	<u>48,911</u>
Restricted cash and cash equivalents		
- Royalties for Regions Fund	-	176,487
- Wheatbelt Regional Development Scheme - Non contestable	-	394
Total restricted cash and cash equivalents	<u>-</u>	<u>176,881</u>
Balance at end of period	<u>37,729</u>	<u>225,792</u>

6.4. Commitments

Non-cancellable operating lease commitments

	2020	2019
	\$	\$
Commitments for minimum lease payments are payable as follows		
Within 1 year	-	10,862
Later than 1 year and not later than 5 years	<u>-</u>	<u>9,956</u>
	<u>-</u>	<u>20,818</u>

These commitments are all GST inclusive.

From 1 July 2019, the Commission has recognised the right-of-use assets and corresponding lease liability for all non-cancellable operating lease commitments, apart from short term and low value leases. Refer to Note 6.2.

Notes to the financial statements

7. Financial Instruments and Contingencies

Financial Instruments	Notes
Contingent assets and liabilities	7.1 7.2

7.1. Financial Instruments

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

	2020	2019
	\$	\$
Financial assets		
Cash and cash equivalents	37,729	48,911
Restricted cash and cash equivalents	-	176,881
Receivables ^(a)	260,634	99,000
Total financial assets	298,363	324,792
Financial liabilities		
Financial liabilities measured at amortised cost	111,384	23,994
Total financial liabilities	111,384	23,994

(a) Receivables excludes GST recoverable from the ATO (statutory receivable).

7.2. Contingent assets and liabilities

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

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

Contingent assets

There are no contingent assets to disclose.

Loss on disposal of non-current assets

There are no contingent liabilities to disclose.

Notes to the financial statements

8. Other Disclosures

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

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

8.1. Events occurring after the end of the reporting period

No events, matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Commission, the results of those operations, or the state of affairs of the Commission in future financial years.

8.2. Initial application of Australian Accounting Standards

AASB 15 – Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* for annual reporting periods on or after 1 July 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations

Recognising revenue as each performance obligation is satisfied. Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 income of Not-for-Profit Entities. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by the Commission.

The Commission adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information will be restated under this approach and the Commission recognises the cumulative effect of initially applying the Standards as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

Notes to the financial statements

Refer to Note 3.1, and 3.2 for the revenue and income accounting policies adopted from 1 July 2019.

There was no impact on retained earnings on 1 July 2019 as a result of adopting AASB 15 and AASB 1058.

AASB 16 – Leases

From 1 July 2019, AASB 16 *Leases* supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The main changes introduced by the new Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as a right-of-use asset and lease liability, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (valued less than \$5,000) where the lessor is not a WA State Government agency. The operating lease and finance lease distinction for lessees no longer exists.

The Commission has applied the modified retrospective approach on initial adoption. As permitted under the specific transition provisions in the standard, comparatives have not been restated. Lease liabilities recognised are measured at present value of the remaining lease payments, discounted using the incremental borrowing rate. Upon initial application, the value of leased right-of-use assets are equal to the recognised leased liabilities.

The Commission is permitted on a lease-by-lease basis to apply the following practical expedients.

- (a) A single discount rate may be applied to a portfolio of leases with reasonably similar characteristics.
- (b) The Commission relies on its assessment of whether leases are onerous applying AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* immediately before 1 July 2019 as an alternative to performing an impairment review, the Commission shall adjust the right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application.
- (c) Exclusion of initial direct costs from the measurement of right-of-use asset at the date of initial application.
- (d) Use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

AASB 16 takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- (a) Right of use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate (2.5%) on 1 July 2019.
- (b) Depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income.
- (c) The total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the statement of cash flows.

Notes to the financial statements

Measurement of lease liabilities:

	\$
Operating lease commitments disclosed as at 30 June 2019	20,818
Discounted using incremental borrowing rate at date of initial application	20,408
Lease liability recognised at 1 July 2019	20,408
Current lease liabilities	10,534
Non-current lease liabilities	9,874

8.3. Key management personnel

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

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

Compensation of members of the accountable authority Compensation of board members (\$)	2020	2019
0 - 10,000	4	9
10,001 - 20,000	1	1
50,001 - 60,000	1	1
Compensation of senior officers (\$)		
60,001 - 70,000	1	1
160,001 - 170,000	1	1
190,001 - 200,000	1	-
	2020	2019
	\$	\$
Short-term employee benefits	451,002	257,313
Post-employment benefits	42,079	24,307
Other long-term benefits	25,701	19,685
Termination benefits	-	10,964
Total compensation of key management personnel	518,782	312,269

Total compensation includes the superannuation expense incurred by the Commission in respect of senior officers and Board members.

As of the 1st of July 2017, all Commission's staff were transferred to the Department of Primary Industries and Regional Development (DPIRD), except for the Chief Executive Officer. The disclosure for senior officers' compensation represents both the CEO's employee benefits met by the Commission and the other senior officer's employee benefits now met by DPIRD.

Notes to the financial statements**8.4. Related party transactions**

The Commission is a wholly owned and controlled entity of the State of Western Australia. Related parties of the commission include:

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

Material transactions with other related entities

Outside of normal citizen type transactions with the Commission, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities. The Commission has made no material related party transactions with Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

8.5. Related bodies

The Commission had no related bodies.

8.6. Affiliated bodies

No Affiliated bodies

8.7. Remuneration of auditors

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

	2020	2019
	\$	\$
Auditing the accounts, financial statements, controls, and key performance indicators	20,000	20,000

8.8. Equity

	2020	2019
Contributed equity	\$	\$
Balance at start and end of period	<u>75,000</u>	<u>75,000</u>
Accumulated surplus/(deficit)		
Balance at start of period	283,241	625,667
Result for the period	<u>(307,937)</u>	<u>(342,426)</u>
Balance at end of period	<u>(24,696)</u>	<u>283,241</u>
Total equity at end of period	<u>50,304</u>	<u>358,241</u>

Notes to the financial statements

8.9. Supplementary financial information

(a) Write-offs

There were no write-offs during the financial year.

(b) Losses through theft, defaults and other causes

There have been no losses through theft, defaults or from other causes during the reporting period.

(c) Gift of public property

There were no gifts of public property provided by the Commission during the reporting period.

8.10. Explanatory statement

The Commission is exempt from TI 945 Explanatory Statement as their Total Cost of Services is below \$10 million for the two most recent consecutive comparative periods.

STATEMENT OF PERFORMANCE

WHEATBELT DEVELOPMENT COMMISSION KEY PERFORMANCE INDICATORS For the year ended 30 June 2020

CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Wheatbelt Development Commission's performance, and fairly represent the performance of the Wheatbelt Development Commission for the financial year ended 30 June 2020.



Rebecca Tomkinson
Chair of the Board
3 September 2020



Rob Cossart
Chief Executive Officer
3 September 2020



PERFORMANCE SUMMARY

WHEATBELT DEVELOPMENT COMMISSION KEY PERFORMANCE INDICATORS For the year ended 30 June 2020

Key Efficiency Indicators

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

Service 1: Information and Promotion

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.

Efficiency Indicator	2016-17	2017-18	2018-19	2019-20 Target	2019-20 Actual
Average cost per chargeable hour	\$133	\$101	\$91	\$105	\$95
Average cost per program of grants conveyed	\$18,936	\$113,757	\$29,558	\$119,718	\$278,425

*Adjusted Methodology

Service 2: Facilitation

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.

Efficiency Indicator	2016-17	2017-18	2018-19	2019-20 Target	2019-20 Actual
Average cost per chargeable hour	\$119	\$88	\$76.12	\$111	\$96
Average cost per program of grants conveyed	\$67,439	\$43,964	\$2,451	\$45,843	\$ 29,656

*Adjusted Methodology

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

Note 1: Operating cost information is sourced from the Statement of Comprehensive Income net cost of service excluding grants and subsidies.

Note 2: Hours calculated in both the 2019-20 target and actual results use a modified calculation method consistent with DPRID and other RDC's that use an hour's calculation. Hours include all paid hours of staff and contractors but exclude annual and long service leave or unpaid overtime.

Note 3: The target cost per hour is an estimated figure based on budgeted expenditure and staffing levels.

WHEATBELT DEVELOPMENT COMMISSION KEY PERFORMANCE INDICATORS For the year ended 30 June 2020

Comparison between Actual and Target for 2019-20

The commissions total cost of services less grants and subsidies was 7% below target. The total hours were 4% below target.

Service 1: Information and Promotion

The commission expected 31% of hours allocated to Service 1 however, 49% of actual hours were spent on service 1. The average cost per chargeable hour was 10% below target with more actual hours and higher actual expense compared with target.
The average cost per program of grants conveyed was 132% higher than target due to the higher time spent on Service 1 and a lower number of grants conveyed.

Service 2: Facilitation

The commission expected 69% of hours allocated to Service 2 however, 51% of actual hours were spent on service 2. The average cost per chargeable hour was 14% below target due to less actual hours and lower actual expense compared with target.
The average cost per program of grants conveyed was 35% below target due to the higher number of grants conveyed compared with the target.

Key Effectiveness Indicators

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

The Commission measures its effectiveness indicators through an annual client perceptions survey, conducted by an independent market research company.

Due to CoVid-19 restrictions, and pursuant to Treasurer's instruction (TI) 904 para (3)(i) the commission sought and obtained an exemption from reporting the key effectiveness indicator for the 2019-20 financial year.

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 in the Wheatbelt region
- Activities lead to benefits for the people of the Wheatbelt region
- Activities are appropriate to community needs

The commission has reported an overall performance of 94% in the 2018/19 and 88% in the 2017/18 based on the total responses for 'Agree' and 'Strongly Agree'. The prior year results are included in the table below.

Key Effectiveness Indicator	Actual			Actual 2015/16
	2018/19	2017/18	2016/17	
Satisfaction survey that the commission is achieving its outcome	65	95	99	105
Strongly agree	33%	28%	34%	31%
Agree	61%	60%	56%	63%
Neither agree nor disagree	4%	5%	4%	3%
Disagree	2%	2%	2%	1%
Strongly disagree	0%	2%	2%	0%
Don't know/No Response	0%	2%	2%	2%

BOARD AND COMMITTEE REMUNERATION

Wheatbelt Development Commission Board

Position	Name	Type of Remuneration	Period of Membership	Gross / Actual Remuneration 2019-20 Financial Year
Chair	Ms Rebecca Tomkinson	Stipend	12 months	\$51,188
Deputy Chair	Mr David Lantzke	Stipend and Sitting fee	10 months	\$10,212
Member/Deputy Chair	Ms Leslee Holmes	Stipend and Sitting fee	12 months	\$ 6,376
Member	Mr Ross Ainsworth	Sitting fee	12 months	\$ 5,931
Member	Ms Julie Flockart	Sitting fee	12 months	\$ 5,931
Member	Ms Amanda Walker	Sitting fee	12 months	\$ 4,503
Member	Mr Oral McGuire	Sitting fee	3 months	Nil

Avon Industrial Park Advisory Committee

Position	Name	Type of Remuneration	Period of Membership	Gross / Actual Remuneration 2019-20 Financial Year
Chair	Mr Paul Tomlinson	Sitting fee	12 months	\$ 237
Member	Mr Simon Northey	Sitting fee	12 months	\$ 165
Member	Mr Rob Tinetti	Sitting fee	12 months	Nil

OTHER 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>	
<i>Expenditure with Market with Market Research Agencies</i>	<i>NIL</i>
Class Total	<i>NIL</i>
<i>Expenditure with Polling Agencies</i>	
<i>Expenditure with Direct Mail Agencies</i>	<i>NIL</i>
<i>Expenditure with Media Advertising Agencies</i>	<i>NIL</i>
<i>Whitney Consulting RED Grants video</i>	\$828
<i>Newspaper Advertising for REDS</i>	\$1,265
<i>Other minor publications</i>	<i>NIL</i>
Class Total	\$2,093
EXPENDITURE	\$2,093

Disability Access and Inclusion Plan Outcomes

The Commission's Disability Access and Inclusion Plan 2017 - 2022 aims at improving access to the Commission's services, facilities and information through ensuring:

- 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 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 co-locates with the Department of Primary Industries and Regional Development with all office locations having disabled access facilities. The Commission seeks to ensure that all meetings and off site events have disabled access facilities.

The Commission is committed to responding in a timely manner to barriers experienced by people with disabilities.

Information about functions, facilities and services can be provided in formats which meet the communication needs of people with disabilities. All functions are arranged with consideration of access for people with disabilities.

The Commission seeks to communicate in plain English with stakeholders and customers. Staff participate in disability awareness training and staff awareness of the needs of people with disabilities and skills in delivering services continues to improve.

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

Human Resource Management Standards

The Commission complies with the Public Sector Standards (Standards) in Human Resource Management.

No instances of transfer, redeployment, discipline, termination or grievance resolution breaches were encountered during 2019/2020.

Human Resource Management is overseen by the Department of Primary Industries and Regional Development ensuring consistency in application of Standards.

Claims for Breaches of the Standards – Nil

Public Sector Standards, Code of Conduct and Code of Ethics

The Commission complies with the 'Public Sector Standards, Code of Conduct and Code of Ethics'.

The Department of Primary Industries and Regional Development has policies, including the Code of Conduct to support compliance with the Public Sector Standards, Code of Conduct and Code of Ethics, that apply to the Commission Staff employed by DPIRD. The Commission has guidelines and procedures to ensure compliance with the Public Sector Standards, including a Code of Conduct which are provided to new Board members as part of the Board induction package. The Board and CEO undertake regular updates of their Accountable and Ethical Decision Making training and Public Sector Standards requirements.

The Commission did not receive any complaints relating to its compliance with the 'Public Sector Standards, Code of Conduct and Code of Ethics' during 2019/2020.

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



Rob Cossart

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.

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 significant resources are required to satisfy the request.

Applications for information not normally provided publicly or posted on the website 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:

Director Regional 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. Any changes to the above are communicated to all staff via the Department of Primary Industries and Regional Development intranet.

The Commission, being a small statutory authority, communicates with its employees by way of regular meetings, phone contact and email system, 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 an Occupational Health and Safety representative.

The Commission co-locates with the Department of Primary Industries and Regional Development offices and complies with the Department's Occupational Health and Safety Policy.

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 2019/2020

Indicator	Target 2019/2020	Actual 2019/2020
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	Greater than or equal to 80%	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 2019-2020 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 2020, 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



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