



2020 – 21 ANNUAL REPORT

Kimberley Development Commission



GOVERNMENT OF
WESTERN AUSTRALIA





GOVERNMENT OF
WESTERN AUSTRALIA



KIMBERLEY
DEVELOPMENT COMMISSION

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Cover Photo: Kununurra. Photo by Tania Malkin

Welcome to our Annual Report

This report is an important tool used to ensure transparency and accountability for the Kimberley Development Commission to Parliament, our stakeholders and the community we serve.

Online

To reduce printing costs and environmental impact, this report has been published in an electronic form. It is available to download, in PDF format, from our website.

Accessibility

This report is available in different formats on request. If you would like a printed copy of the report, please contact our office on 9148 2100 or send us an email on info@kdc.wa.gov.au

Feedback

To share your feedback on this report please contact us on 9148 2100 or email us on info@kdc.wa.gov.au



Kununurra. Photo courtesy of Australia's North West Tourism/CJ Maddock

Acknowledgement of Country

The Board and staff of the Kimberley Development Commission acknowledges the traditional custodians throughout the Kimberley region and recognise their connection to land, waters and community. We pay our respects to the region's Traditional Owners, their elders past present and emerging.

The Kimberley is one of the most linguistically diverse regions with over 30 language groups. Language is the vehicle for storing and transferring much of the cultural knowledge such as song, story and dance, bush food and traditional medicine.



Acclaimed Gija artist Shirley Purdie, painting on country. Photo courtesy of Abby Murray

Statement of Compliance

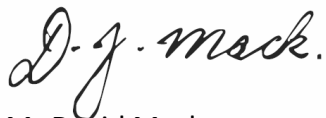
For the year ended 30 June 2021

HON ALANNAH MACTIERNAN MLC

MINISTER FOR REGIONAL DEVELOPMENT; AGRICULTURE AND FOOD; HYDROGEN
INDUSTRY

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Kimberley Development Commission for the financial year ending 30 June 2021.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006 Section 61* and the *Regional Development Commissions Act 1993 Section 32*.



Mr David Mack
Chairperson
6th September 2021



Mr Tim Bray
A/Chief Executive Officer
6th September 2021

Table of Contents

OVERVIEW	1
Executive Summary	2
Message from the Chair	3
The Kimberley	4
Operational Structure	5
Performance Management Framework	16
AGENCY PERFORMANCE	19
Report on Operations	20
Regional Economic Development Scheme (REDS)	34
Actual Results versus Budget Targets	36
SIGNIFICANT ISSUES IMPACTING THE COMMISSION	37
Current and Emerging Issues and Trends	38
Economic and Social Trends	38
Changes in Written Law	39
Likely Developments & Forecast Results of Operations	39
DISCLOSURES AND LEGAL COMPLIANCE	41
Opinion of the Auditor General	42
Financial Statements	47
Key Performance Indicators	64
Annual Estimates 2021/2022	73
Ministerial Directions	76
Other Financial Disclosures	76
Governance Disclosures	77
Other Legal Requirements	78
Government Policy Requirements	81



Broome Town Beach. Photo courtesy of Australia's North West Tourism/CJ Maddock

Overview

Executive Summary

One of the most important roles of the Commission is to provide regional leadership and support effective leadership in our partners. Leadership is never more important than during times of change, but an environment of constant change is familiar territory for us. The Commission has been well prepared to rise to the challenges of a new paradigm. As the 2020-2021 year began, we pivoted from efforts to resist the economic and social impacts of the pandemic, to progressing measures for recovery, growth and adaptation. We worked with our stakeholders including Local Governments to bring projects promoting jobs and economic development into consideration by the State, Infrastructure WA and other investors.



Across 8 projects the Commission provided funding of \$667,951 to successful applicants of the third round of Regional Economic Development grants. This included projects as diverse as Black Soldier Fly Farming to establish a pilot commercial facility producing a range of fertiliser and feedstock products from waste food to a crop trial to establish Plantago/psyllium as a major new export crop from the Ord Valley.

The Commission supported our partners at the Shire of Broome in building on the success of the first stage of the Chinatown Revitalisation with \$11.95 million from the State Government for stage 2 and \$3 million for the Town Beach Precinct. These fantastic projects are now close to capping off a stunning outcome for Broome and the Kimberley.

We provided direct assistance to re-instate major events. The Kimberley Moon, Shinju Matsuri, Saltwater Country's Rhythm & Ride, Business Excellence Awards and the Kimberley Economic Forum events were all re-scheduled with confidence as the Commission, other State Government agencies and sponsors provided additional support and gave businesses and communities important events to look forward to later in the year.

2020-21 also saw the State Government's Cabinet meet in Broome, the recommencement of production at Northern Minerals Browns Range facility, Sheffield Minerals signing a joint venture agreement resulting in a reborn entity, Kimberley Mineral Sands and the Cape Leveque Road sealed ahead of the ongoing implementation of the Commission's Dampier Peninsular Activation Strategy. The Commission provided support for the establishment of direct air links from Melbourne to Kununurra, an air service from Broome to Derby and projects to encourage tourists to extend their visitation across the region.

Across the Kimberley our long-term strategic flagship projects in education (the Kimberley Schools Project with the Department of Education, Catholic Education and AISWA) and housing (West Kimberley Transitional Housing and North-West Aboriginal Housing Project with the Department of Communities) continue to bring about fundamental improvements in the lives of Aboriginal people. It's been a full year but there is more to come.

Mr Tim Bray
A/Chief Executive Officer
6th September 2021

Message from the Chair

It should be challenging in 2021 to review the year behind us without constant reference to the global pandemic. But there has been so much more to 2020- 2021 in the Kimberley than just the events that have dominated world headlines.



As Western Australians rediscover the extraordinary natural environment and culture of the Kimberley, tourism in the West Kimberley has recovered strongly. The Commission has worked hard to ensure that air services to the east Kimberley were maintained and then improved. We have worked closely with our partners in the Tourism sector to assist local businesses to survive the disruption to their traditional markets and then adapt to new opportunities. That work will continue.

While exciting progress is being made in established Kimberley industries there are even more promising developments in new sectors. Minister Alannah MacTiernan has now added the Hydrogen Industry to her portfolio which has brought a new area of focus for the Commission as it assesses opportunities to grow and diversify the Kimberley economy. Few places in the world have better potential for generating green and renewable energy than the Kimberley. Solar, wind, tidal and hydro power options for generating power and/or producing hydrogen all exist in the Kimberley on a scale that could provide both domestic power and the potential of a significant export industry. The Commission is working hard to be at the forefront of progressing those opportunities.

In Agriculture (including horticulture and aquaculture) the potential of the region to grow and diversify businesses while capitalising on the region's green and sustainable brand is transitioning into real activity in the Ord Valley, at Skuthorpe in Broome, in the pastoral industry through the Aboriginal Pastoral Academy, in Bush Foods like Gubinge and many other places.

Housing across the Kimberley remains a significant challenge in social, key worker and traditional private housing especially if we are to capitalise on the job generating projects and policies of the State Government. While the Commission continues to work hard with partners in the Department of Communities, Aboriginal enterprises and business to build on the success of transitional housing programs that have helped over 200 Aboriginal families move into or towards home ownership there is much more to be done. The Commission continues to provide advice and analysis to government on projects and policies to bring investment and stability to this critical area. In Education we continue to work with our partners in the Department of Education the Catholic Education Office and the independent schools system on the Kimberley Schools Project. The promising data we are seeing from the program is matched by the enthusiasm we encounter from both teachers and aides for the programs results.

Mr David Mack
Chairperson
6th September 2021

The Kimberley

The Kimberley is Western Australia's most northern region. It is a complex landscape which represents one sixth of Western Australia's land mass and is equivalent to twice the size of Victoria. The National Native Title Tribunal has advised that 93.5% of the Kimberley land area now comprises Native Title lands where Native Title rights and interests have been recognised.



Remote and sparsely populated, the Kimberley's estimated population is just over 36,000, with almost equal numbers of Aboriginal and non-Aboriginal people. The population is predominantly young and culturally rich. There are four Local Governments; Broome, Derby/West Kimberley, Halls Creek and Wyndham/East Kimberley which include six small towns and 150 Aboriginal Communities. The Traditional Owners of the Kimberley are primary partners in regional development and their knowledge and perspective is invaluable.

The natural landscape varies between broad Savannah grasslands, rugged ranges, spectacular tropical gorge country and long golden beaches. This natural environment is a prime asset of the region, recognised for its intrinsic value and sustainable economic, social and cultural opportunities.

The Kimberley has a sub-tropical climate, characterised by distinct wet and dry seasons. During the wet season from November to April, tropical rains, high humidity and intermittent cyclones can produce some of the highest rainfalls seen in Australia and provide annual mobility and access challenges for people and businesses. The dry season, a cooler and substantially less humid time of year, between May and October, is usually a time of peak activity for the region's communities and main industries of agriculture, tourism and associated retail. These industries together with the resources sector and construction were the primary industry contributors toward a Gross Regional Product of \$3.36 billion in 2021, which represents 1.1% of the estimated Gross State Product (\$316.32 billion).

More than 3,000 kilometres from the State's capital Perth, the Kimberley is highly reliant on effective transport and communication networks. It is equally reliant on the flexibility, resilience and innovation of its people; these attributes have combined with increasing regional capacity and leadership and sound relationships with Government to both realise regional development outcomes and more recently assist withstand the significant impact of the COVID-19 Pandemic and associated restrictions on regional businesses and industry.

Operational Structure

Our Purpose

Our purpose is to coordinate and promote economic development to maximise prosperity and wellbeing for the region, and for Western Australia. We work to coordinate and facilitate beneficial outcomes for business and community groups and most importantly for the people living and working in the Kimberley.

Vision

The Commission has a strong and unified vision:

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

People

A well-housed, highly educated and healthy people enjoying high amenity in sustainable communities

Place

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

Prosperity

Shared prosperity arising from the success of the region's main drivers of economic opportunity; agriculture; rangeland industries, tourism, minerals and energy

Enabling Legislation

The Kimberley Development Commission is a statutory authority of the Western Australian Government and is one of nine Commissions serving the regions of Western Australia. The Commission was established under the *Regional Development Commissions Act 1993* (as amended) and is subject to the provisions of the *Public Sector Management Act 1994*.

The objectives of the Kimberley Development Commission, as defined in Section 23 (1) of the *Regional Development Commissions Act 1993*, are to:

- maximise job creation and improve career opportunities in the region;
- develop and broaden the economic base of the region;
- identify infrastructure services to promote economic and social development within the region;
- provide information and advice to promote business development within the region;

- seek to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area; and
- generally take steps to encourage, promote, facilitate and monitor the economic development in the region.



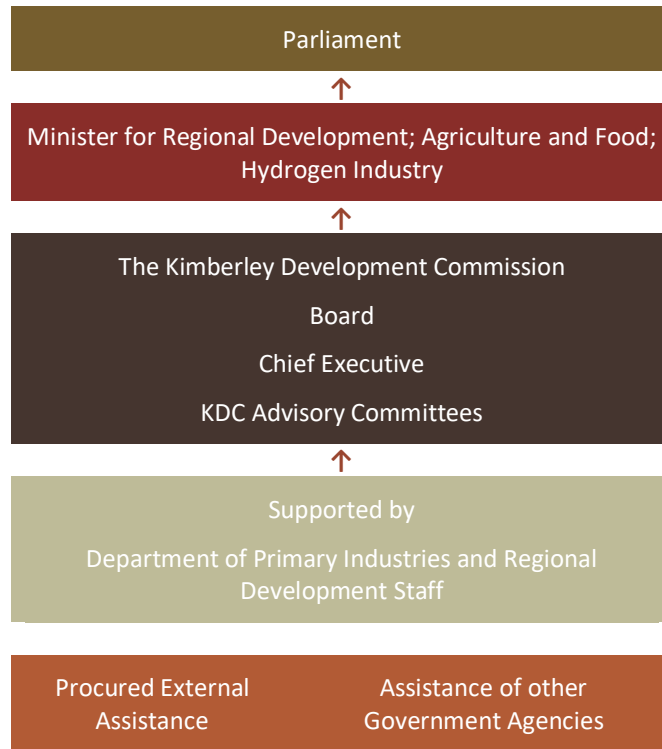
Responsible Minister



The Commission is responsible to the Hon Alannah MacTiernan MLC Minister for Regional Development; Agriculture and Food; Hydrogen Industry.

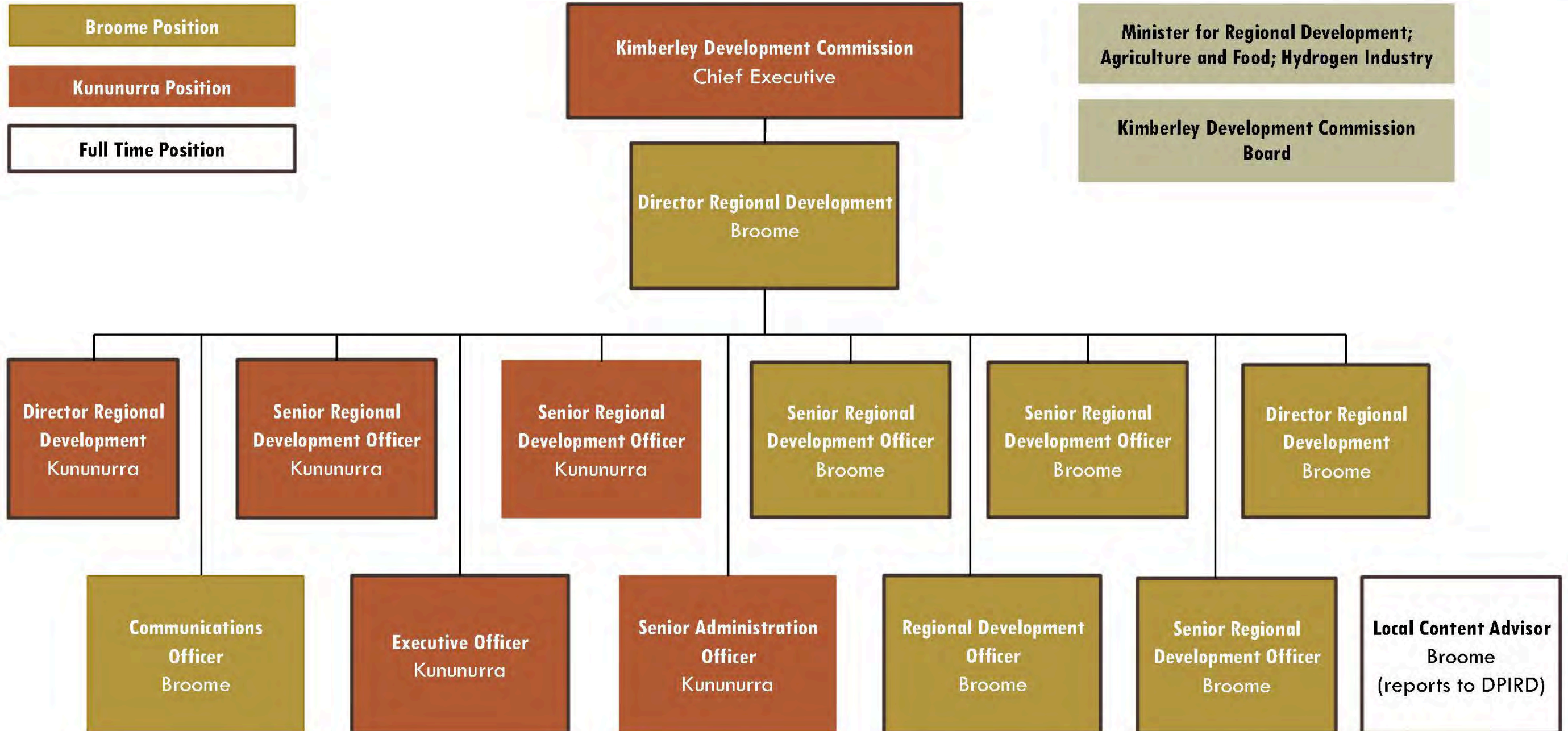
Organisational Structure

As an accountable authority, the Commission advises the Minister on matters affecting the development of the region and its Board sets the strategic directions for the Commission.



Organisational Chart

KIMBERLEY DEVELOPMENT COMMISSION





Ord Irrigation Area. Photo courtesy of Australia's North West Tourism/CJ Maddock

Board Profiles

Consistent with the *Regional Development Commissions Act 1993* and the *Regional Development Commissions Amendment Regulations 2017*, the Kimberley Development Commission's Board, which is appointed by the Minister, comprises:

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

Members of the Board at 30 June 2021 were:

Mr James Brown, Chairperson

Community representative
March 2016 - June 2021



Mr Brown is a long-term resident of the Kimberley and third generation of his family to call Cygnet Bay home. He holds a Bachelor of Science, Marine Biology from James Cook University and his business experience ranges from commercial marine, aquaculture, jewellery manufacturing, retail, commercial property development, to hospitality and tourism.

He is the Managing Director of Cygnet Bay Pearls and Pearls of Australia, and the founder/lead field scientist of the Kimberley Marine Research Station (KMRS) that facilitates broad scale independent marine research on the Kimberley Coast and has contributed to the State governments \$30M Kimberley Marine Research Project and the establishment of the Kimberley Aquaculture Zone in Cone Bay.

He has served on the Board of the Broome Shire Economic Development and Advisory Committee, Broome Visitors Centre, Broome Tourism Leadership Group and he is a current Board Member of Cruise Broome and an active member of several

Pearling and Fisheries advisory committees. He was named 2021 Australian Farmer of the Year. He is also an Ambassador for WA Save the Children.

Mr Brown offers strong leadership, experience and 'change management' gained from his involvement and transformation of his family-owned pearling business and from his active involvement in the broader pearling and tourism industries and community. He is committed to economic development in the Kimberley, driven through strategies created and embraced by the people of the Kimberley.

Mrs Kalyn Fletcher, Deputy Chairperson

Community representative
August 2018 – December 2022



Mrs Fletcher brings a strong business understanding and experience in both tourism and agriculture to the Board. With this background, she has held the position of Managing Director, RB Dessert Seed Company/Hoochery Distillery in the Ord River Irrigation Area since 2005. She has Bachelor degrees in Agribusiness and also Environmental Production Horticulture. In 2014, Kalyn received the prestigious Rural Industries Research and Development Corporation (RIRDC) Women's Award WA and in 2015 was a runner up in the RIRDC Rural Women's Award National Finals. She has completed the Australian Institute of

Company Directors Company Director Course.

Focusing on the development of a strong regional economy based on tourism, agriculture and mining, Mrs Fletcher is keen to see a balanced approach achieved through consultation and collaboration that will benefit the entire regional community. She considers that long term strategic planning and direction is paramount to successful development which leads to strong job prospects and efficient education and health services.

Cr Desiree Male, Member

Local Government representative
January 2020 – December 2022



Cr Male and her family are long-term residents of Broome where she is the Director and Proprietor of three separate businesses; Male & Co Pty Ltd; Male & Co Financial Services & Male & Co Accounting Services since 2008. Serving as a Councillor, Shire of Broome since 2009, Desiree was appointed to the position of Deputy President, Shire of Broome in 2018.

With qualifications including a Bachelor of Business (Accounting & Information Systems) and Diploma of Financial Services (RG 146), Desiree has completed CPA and CFP programs, holds an Australian Taxation License and has substantial

experience in both the public practice and commercial environments. She has a diverse range of skills from taxation specialisation to staff and client management and her business focus is on providing better advice for clients on tax, superannuation and insurance.

In her various roles, Cr Male hopes to assist Kimberley businesses reach their full potential and is committed to working with the Kimberley community to shape the future of the region.

Cr David Menzel, Member

Local Government representative
December 2020 – December 2022



Cr Menzel moved to the Kimberley from western Victoria in 1992 with his family. He is the current President, Shire of Wyndham East Kimberley and an established grower in the Ord River Irrigation Area.

With a background in farming in Victoria (mixed farming and wool) and the Kimberley (irrigated agriculture) and pastoral industry in the Pilbara, Cr Menzel has both farming and leadership qualifications and considerable leadership experience gained through a range of appointments. These include Managing Director, Barradale Farm since 1996; Board Member, Ord River District Co-operative since 2014; Board Member, Cambridge Gulf Limited since 2010; Chairman Ord

River Irrigation Co-operative since 2010; and Councillor and President, Shire of Wyndham East Kimberley since 2017.

Former appointments held include: member of the Prime Minister's Northern Australia Advisory Board (2014) and member the Ord East Kimberley Expansion Project (2008-2013) Community Reference Group.

In terms of his contribution to the Commission's Board and regional development of the Kimberley, as a progressive thinker Cr Menzel is especially interested in using his experience to assist with the socio-economic development of the region. This, with the aim of maximising positive outcomes and enabling a stronger level of self-determination for the Community.

Ms Cecilia Gore-Birch, Member
Ministerial representative
December 2018 – December 2021



Ms Cissy Gore-Birch is a Jaru/Kija woman with connection to Balanggarra, Nyikina and Bunuba country. She holds a Graduate Diploma in Natural Resource Management and has worked in the Aboriginal land management and community development sectors for the past twenty years. Currently, Ms Gore-Birch is employed as the National Aboriginal

Engagement Manager at Bush Heritage Australia.

With a strong leadership background in the Kimberley and Australia, Ms Gore Birch's current appointments include; Chairperson, Aarnja Pty Ltd, Chairperson of the North Australian Indigenous Land and Sea Management (NAISMA), recently appointed member of the Threatened Species Scientific Committee, Committee member of the Northern Environment Scientific Programme (NESP) – Northern & Threatened Species Recovery Hub – Indigenous Reference Group and former appointments held include: Chairperson, Balanggarra Aboriginal Corporation (2010-2014), Director, Kimberley Land Council and Councillor, Shire of Wyndham East Kimberley.

Ms Gore-Birch has been and continues to advocate for the social, cultural, environmental and economic advancement and wellbeing of Aboriginal people through a fair and equitable process.

Mrs Kira Fong OAM, Member
Ministerial representative
April 2019 – April 2022



Ms Fong is the Chief Operations Officer at Goolarri Media Enterprises, Broome. With an overarching interest in leadership and advancing young people, Ms Fong has

served as Secretary, Country Arts WA (2011-2014), Chairperson Cable Beach Primary School (2015-2019), Chairperson Broome Cluster of Independent Public Schools (2018-2019) and has a history of achievements in promoting Aboriginal wellbeing.

Ms Fong has a background in events management and leadership development with qualifications in management and accredited training. She owned and operated Niche Events between 1997 and 2003. Building on her early experience Ms Fong founded the high-profile Kimberley Girl program in 2004 designed to build confidence and capacity in young Aboriginal women. As the program has expanded beyond the Kimberley as the Young Indigenous Women's Pathways Project, Ms Fong continues to maintain a strong involvement through her current position with Goolarri Media

Mr Jeff Gooding – Member, Ex Officio

Chief Executive Officer
June 2021



Mr Gooding has held the position of Chief Executive of the Kimberley Development Commission since the Commission's establishment and is a Member of the Board of the Commission. He is a long-term resident of Kununurra and the Kimberley, has qualifications in town and regional

planning, is a graduate and fellow of the Australian Rural Leadership Foundation, Member of the Australian Institute of Company Directors and is a Justice of the Peace and former Shire Councillor.

Having participated in the negotiation processes which culminated in several key Native Title Agreements, Mr Gooding continues to be substantially involved in related implementation including as a Director of the Miriuwung Gajerrong Community Foundation. He has been closely involved in the development, and initial implementation, of the Ord/East Kimberley Expansion Project and associated land releases.

Other strategic regional leadership roles include membership of a range of Regional Planning processes and Chairman or member of various regional steering and coordinating groups, including the Northwest Aboriginal Housing Steering Committee, the Kimberley Schools Project Regional Leadership Group and the Chinatown Revitalisation Steering Committee. Mr Gooding is also a member of the WA Regional Development Alliance.

Most recently, Mr Gooding has worked with the State Government and other regional leaders to plan the Kimberley regional response to the COVID-19 Pandemic and regional economic recovery.

Advisory Committees

The Board is empowered to appoint advisory committees to assist in providing specialist advice to the Board. These committees which are established on an “as needs” basis, currently include the Risk Management and Audit Sub-Committee.

Senior Officers



**Mr Jeff Gooding, PSM,
Assoc. T&RP, JP**

Chief Executive Officer

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



Mr Tim Bray, GAICD

*Director, Regional Planning &
Projects Delivery*

Mr Bray has extensive experience in community engagement, business, finance, and project management in the private and public sectors. He has been the Deputy CEO since 2016, was instrumental in conceptualising the Commission’s flagship projects in housing and education and co-authored the seminal strategic plan for the Kimberley, 2036 and Beyond. Tim has worked in regional development in the Kimberley for twelve years.



**Mr Glen Chidlow MBus Dip
PM GAICD**

*Director, Strategic Planning
and Project Delivery*

Mr Chidlow has a background in tourism, aviation and finance, with over thirty years’ experience in the Kimberley. Glen has held senior management & CEO roles in the Tourism sector for 20 years and was instrumental in establishing direct flights from Broome to Singapore.

Legislation impacting on the Commission's Activities

In performing its regional development functions, the Commission has complied with the following legislation:

- *Regional Development Commissions Act 1993*
- *Public Sector Management Act 1994*
- *Financial Management Act 2006*
- *Auditor General Act 2003*
- *Royalties for Regions Act 2009*
- *Contaminated Sites Act 2003*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Freedom of Information Act 1992*
- *Fringe Benefits Tax Act 1986*
- *Government Employees Housing Act 1964*
- *Government Employees Superannuation Act 1987*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Supply Commission Act 1991*
- *Workers Compensation and Injury Management Act 1981*
- *Legal Deposit Act 2012*

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

At the date of signing this Annual Report, the Commission is not aware of any circumstances that would render the particulars included in this statement misleading or inaccurate.

Performance Management Framework

Our Priorities

The Commission is respectful and cognisant of the regional diversity in the Kimberley and strives to lead this triple bottom line approach to development. The approach is relevant to all sectors and interests and bridges the cultural differences across the region.

<p><u>People</u></p> <p>We strive to build an environment where well-housed, well-educated, and healthy people enjoy sustainable lifestyles of boundless and equitable opportunity</p>	<p><u>Place</u></p> <p>We work to achieve exemplary infrastructure, services and governance that support a diverse and sustainable economy in a well conserved and cared for natural environment</p>	<p><u>Prosperity</u></p> <p>We work to contribute to the Governments' goal of realising an additional 30,000 jobs in the regions by 2023/24, in a place where people are proud of their place in society, their health and abilities</p>
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Outcome Based Management Framework

The Commission's Performance Management Framework comprises its Statutory Objectives described in the *Regional Development Commissions Act 1993* and the Government of Western Australia's Priorities.

Further to the Machinery of Government changes and the consequent establishment of the Department of Primary Industries and Regional Development (DPIRD), since 1 July 2017 the Commission has received funding via DPIRD eliminating the need for a Resource Agreement as previously required. The Commission's financial and human resource services are largely provided by DPIRD and to ensure transparency and accountability. The Commission in partnership with other Regional Development Commissions has worked intensively with DPIRD to develop a Service Level Agreement (SLA) for the delivery of these services. The Minister for Regional Development signed the agreed Service Level Agreement on 12 August 2020.

Changes to Outcome Based Management Framework

No changes were made to the Commission's Outcome Based Management Framework in 2020/2021.

Government's Priorities

Taken from "Our Priorities: Sharing Prosperity" State of Western Australia 2019 – whole of government targets to deliver better outcomes for all Western Australians.

<p><u>A Strong Economy</u></p> <p>Create Jobs</p> <p>Repair the State's Finances</p>	<p><u>A Bright Future</u></p> <p>Improve the health and wellbeing of children in the early years</p> <p>Increase student reading and numeracy</p>
<p><u>A Safer Community</u></p> <p>Reduce youth reoffending</p> <p>Reduce illicit drug use</p>	<p><u>Aboriginal Wellbeing</u></p> <p>Reduce the overrepresentation of Aboriginal people in custody</p>
<p><u>Liveable Environment</u></p> <p>Increase conservation for future generations</p> <p>Make a cleaner and more sustainable environment</p>	<p><u>Regional Prosperity</u></p> <p>Deliver stronger regional economies</p>

The Commission remains committed to achieving its Desired Outcome through the delivery of two high level service areas and contributing to Government's Priorities.

Government Goal	Desired Outcome	Services
<p>Stronger focus on the regions: Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas</p>	<p>An environment conducive to the balanced economic and social development of the Kimberley Region</p>	<ol style="list-style-type: none"> 1. The Commission will provide effective regional development policies and strategies together with accurate and accessible information on the region to facilitate and support the economic and social development of the region. 2. The Commission will identify, co-ordinate and promote through its major strategies the establishment, improvement and diversification of the region's infrastructure, industries and enterprises.

Shared Responsibilities with Other Agencies

The Commission works with a broad range of Government departments and agencies, Community and Industry stakeholders to progress a wide range of regional initiatives.

Shared responsibility with other agencies in 2020-21 has included:

- The Department of Education, Independent Schools Association and Catholic Education to implement the Kimberley Schools Project now with twenty-four participating Schools.
- Dampier Peninsula – along with the Department of the Premier and Cabinet, KDC lead a coordinated approach on behalf of nineteen State, Commonwealth and local government agencies on the delivery of projects to maximise the benefits and mitigate the impacts of sealing the Cape Leveque Road. The range of diverse projects has included the development of new campgrounds, the constructions of ablutions and shade, road safety campaigns, the development of a comprehensive report on the protection of at-risk cultural heritage sites and providing support services for new and emerging businesses on the Peninsula.
- Chinatown Revitalisation – Along with the Commission’s partners in Development WA and the Shire of Broome the second stage of the Chinatown Revitalisation is being delivered. This exciting collaboration is reactivating the traditional cultural and historical heart of Broome. Innovative designs in lighting, public art and community spaces are celebrating Broome’s unique multicultural past and bringing new generations of visitors and residents alike back to Chinatown.
- The Commission continues to work closely with the Department of Communities in the implementation of the North-West Aboriginal Housing Fund initiative which has realised 23 of 100 new houses for Aboriginal people in the Kimberley with a further 17 under construction through partnerships with two Aboriginal building companies; MG Corporation Building and Kullarri Building.



Cygnet Bay. Photo courtesy of Australia's North West Tourism/CJ Maddock

Agency Performance

Report on Operations

This section draws on examples across the region to illustrate the Commission's diverse activities and achievements in 2020/2021 in accordance with its Statutory responsibilities, Government's priorities and the Commission's Strategic Plan.

Five Strategic Themes for Regional Development

The Kimberley Development Commission's Strategic Plan (2019-2021) has five themes that are an important mechanism for aligning effort across the region.



Industry Diversification

The Kimberley has unique opportunities by its comparative and competitive advantages that hold the key to diversification of its economic base. Many of the region's existing industries already utilise some aspects of these advantages in their business models but significant further opportunities exist. The nature of these opportunities generally favours investment in small-to-medium enterprises that both create and sustain strong local employment profiles and support the operations of corporate dominated industry such as the resources and energy sector.

In the last year the Commission has continued to work with the Agriculture industry to support irrigated agricultural developments in the West Kimberley and the Ord River Irrigation Area including exciting new crops such as Plantago, the re-introduction of cotton as a fibre and feedstock crop and the progression towards a Cotton Gin.

To inform its support for industry diversification initiatives and regional investment and advocacy to Government, the Commission has throughout the year referred to the Australian Stock Exchange information to generate a Kimberley Economic Watchlist. Along with economic and housing snapshots the Commission has been growing its capacity to keep regional stakeholders informed about regional economic fundamentals.

The Commission continues to work with the Kimberley Tourism Industry to support its recovery from the substantial impact of the COVID-19 Pandemic. While most businesses in the West Kimberley have recovered strongly, the industry elsewhere remains financially vulnerable and the Commission is working with industry representatives to provide stability and certainty.



Resources and Energy sector support and development

The resources sector has been, is and can be a significant employer in the Kimberley. Larger projects would usually swamp the regional labour and supply markets, minimising local jobs, content and benefit. Indications are that many Kimberley projects are modest in size but of relatively long life.

Production workforces are often hundreds rather than thousands and resource lifespans are commonly calculated to be multiple decades. This opens up opportunities for high, and over time, increasing levels of local employment, content and benefit.

The resources sector in the Kimberley provides a significant contribution to the regional domestic product (17% or \$474 million) and is one of the region's main employers. To maximise regional benefits the Commission assists resource companies and potential investors by providing regional perspective advice on local content and employment strategies with a strong focus on the advantages of localisation and Aboriginal employment.

With the imminent closure of the Argyle Diamond Mine Underground Project (mining originally commenced in the open cut mine in 1986), the Commission has and continues to work with the Gelganyem Trust and Rio Tinto to provide regional input into maximising the legacy benefit for Mirriwung and Kija Traditional Owners and indeed the broader economy and community will benefit the latter.

Although the COVID-19 Pandemic saw some mines temporarily reduce or halt their operations, most including the Northern Minerals Browns Range Project (rare earth) and Panoramic Resources Savannah Nickel Mine have recommenced production. The Commission has maintained a watching brief on the resources sector and provides input to support the companies as required and advocacy to Government.

Recognising the value of the region's solar power resources and the potential regional employment opportunities, the Commission has provided a regional perspective to Horizon Power's solar program (\$11.6 million) to install solar farms and energy storage into six Aboriginal Communities in the central Kimberley. The project will reduce power supply costs, carbon dioxide emissions (by 2,000 tonnes a year) and provide employment in the construction and operational phases.

The Commission has also worked closely with proponents to understand and then promote the exciting potential for Hydrogen generation from renewable energy sources including solar, wind and tidal options. As the Kimberley's natural advantages in this exciting new industry become apparent the Commission is also working diligently to ensure that Aboriginal people are positioned to be at the forefront of its development and investment opportunities.



Lift and normalise Aboriginal economic development

Aboriginal people must be provided with time and opportunities to develop life and professional skills, many of which are underdeveloped on an intergenerational basis. The specific opportunities that exist in discrete industries such as tourism, agriculture, and maintenance and research on the Conservation estate must be leveraged into a pipeline of employment opportunities that allow Aboriginal people to enter the workforce at a range of points and then progress to other industries and larger opportunities including better paid work in higher demand, and even business ownership or entrepreneurial opportunities.

The Commission works hard and is committed to working with Aboriginal individuals and groups to support them in protecting their culture, to participate and operate effectively in the mainstream economy and to be at the forefront of any conversation about their future. Foundation work has been underway to advance those objectives by improving outcomes in Aboriginal education through the Kimberley Schools Project and a wide range of housing programs and projects including the North West Aboriginal Housing Project to provide a strong foundation for families and their communities. The Commission conceptualised both projects and whilst they are now led respectively by the Department of Education and Department of Communities, the Commission continues to provide guiding input.

In the agricultural sector work has focussed on the thirty-four Aboriginal pastoral leases across the Kimberley which together comprise approximately a third of all pastoral leases in the region. To build business capacity and leadership across these enterprises, the Commission has worked with the Department of Primary Industries and Regional Development to implement the Aboriginal Pastoral Academy project and boost the industry skills of participants working or seeking to work in the industry.

As described in the Strategic Project Development section of this Report, the Commission has also continued to have a key role in the Dampier Peninsula Activation Project and the Chinatown Revitalisation Project. Both projects offer social and economic development opportunities for the respective Bardi and Yawuru Traditional Owners.



4

Normalise regional living standards

The unique cross-cultural context of the Kimberley and its social dynamics are a key component of the “liveability” of the region. Critical to the sustainability of our communities is the availability and delivery of key services through a range of providers. Access to high quality education, training and health services, delivered through modern infrastructure and innovative technologies and achieving user experiences on par with metro areas is critical to the well-being attraction and retention of Kimberley residents.

The Kimberley is a highly attractive region in which to live, however the six relatively small towns of the Kimberley (Broome is the largest with a population of around 14,000 and Wyndham the smallest with less than 1,000 residents) often lack the economies of scale required and rate payer base to underpin common user infrastructure and community amenities and their subsequent maintenance. But financial challenges in service delivery models should not proscribe adequate service delivery to regional residents. Innovation, prioritisation and advocacy are often required to be bought to the fore. The Commission works with industry representatives, the four Kimberley Shires and other government agencies to ensure that our communities remain well serviced or initiatives to close any gaps are brought forward.

In the last financial year this work has included partnering the Department of Transport, Shire of Broome and the Kimberley Ports Authority in the planning and development of Broome Marine Infrastructure; including the Kimberley Marine Supply-base and improved Entrance Point ramps and the Town Beach Jetty and Precinct Project. Progression of infrastructure projects including roads, ports and airports in the Shires of Derby/West Kimberley, Halls Creek and Wyndham/East Kimberley have been bought into State and Commonwealth planning processes.

Similarly, the Commission has worked with the Department of Transport, the four Kimberley Shires and Aviation Companies to maintain its regional air services which the region is significantly dependent upon for business, freight, access to specialist medical care, maintaining family connections and education.

Through its grants rounds, the Commission has also funded regional initiatives, for example the Kimberley Girl program and the recently completed new purpose-built Neighbourhood House in Kununurra, which both enhance services such as mentoring and childcare opportunities for residents.



Organisational Excellence

Sustainable regional economic development requires innovative solutions that maximise the outcomes from scarce resources. The Commission is committed to bringing together talented, capable and innovative people and organisations from across the region. We partner with many stakeholders that include governments, industry and communities in disciplined and collaborative partnerships. We facilitate access to expertise that transfers skills into the region, driving continuous improvements in regional capability.

Differences in cultural expectation, the impact of remoteness, distance factors, sub-tropical climate and high turnover of staff in government, industry and community sectors combine to impact on capacity and leadership in the Kimberley.

The Commission embraces a leadership role both in its own operations and in supporting other organisations to maintain the highest standards of workforce, is committed to not only maintaining a high level of integrity itself but also collaborating with a wide range of people and organisations across the region to support them in building capability, flexibility and innovation.

To do this the Commission places emphasis on its own governance, corporate, risk and evidence-based project management and draws upon the diverse and high-level skills and experience of its Board and Staff to enhance the Commission's and the Kimberley's performance and outcomes. For example, this approach has informed the Commission's conceptualisation and role in the implementation of the Kimberley Schools Project.

Collecting and analysing regional data provides a reliable evidence base which the Commission uses itself in the development of its own projects and shares with Kimberley organisations to support their business and project planning and funding submissions.

Strategic Project Development

The Commission has worked closely with the Minister for Regional Development and strategic partners toward achieving outcomes in the following initiatives:

- The Kimberley Schools Project
- Innovation in Housing
- Dampier Peninsula Activation
- Warmun Garrenbawoorroom Daam Aged Care Facility Remediation
- Broome Marine Facilities
- Chinatown Revitalisation and Town Beach Development
- State Government Commitments to the Fitzroy River
- Local Content
- COVID Recovery, Coordination and Review

The Kimberley Schools Project

Twenty-four schools have joined the KSP focusing on targeted teaching, better early years learning and care, regular attendance and increased engagement



The Kimberley Schools Project (KSP) is a collaboration between the Department of Education, Catholic Education Western Australia, the Association of Independent Schools Western Australia, the Department of Primary Industries and Regional Development and the Commission. It provides \$25 million Royalties for Regions funding over five years to accelerate and intensify new and existing strategies to address low education outcomes in the Kimberley, underpinning broader economic and social development in the region.

The KSP comprises four integrated pillars of activity:

- Targeted Teaching – evidence-based literacy teaching strategies and quality materials with frequent measurement of progress to inform planning and delivery;
- Better early years learning and care – community co-design initiatives that build on and improve existing services and engage families as first teachers;
- Regular attendance – community partnerships to deliver strategies that aim to resolve issues of non-attendance in particular communities;
- Increased student and community engagement – co-designed community initiatives that build positive relationships between the schools and the community.

- The program is delivering promising results across key literacy metrics through a commitment to using evidence-based methodologies. Through this commitment and with a structured program of professional support the approach is building strong endorsement across the Kimberley network of Aides, Teachers and educational Leaders.

Implementation of these initiatives is enabled through interagency collaboration, leadership and in accordance with the Aboriginal Cultural Standards Framework; positive, deep-rooted behaviours, attitudes and practices that lead to:

- Culturally responsive leadership;
- Leadership focused on improving outcomes for all students;
- Teaching with high expectations and in ways that enable children to realise their full potential; and
- A learning environment that is welcoming for students and reflects community expectations for their children.

To date, twenty-four schools including a school based in the Pilbara have joined the KSP, covering approximately 4,464 students of which 2,912 are Aboriginal.

Innovation in Housing

The Commission has been a long-term strategic participant in a range of innovative housing programs aiming to advance Aboriginal Home Ownership and the establishment of stable housing markets in the Kimberley



Since 2010 the Commission has championed the development of transformational models of housing that focus on building pathways out of, and providing alternatives to, traditional social housing, for Kimberley Aboriginal people.

These programs include:

1. West Kimberley Transitional Housing Program;
2. Yawuru Home Ownership Program;
3. Kimberley Aboriginal Community Housing Program;
4. North-West Aboriginal Housing Program; and
5. East Kimberley Transitional Housing program, conceived and implemented with Wunan

The constants in each program have always been co-design with an Aboriginal organisation as a primary partner and the Department of Communities as the primary capability partner (“the Department”).

The latest program in this extensive list is the North-West Aboriginal Housing Fund (NWAHF). This is a project the Commission conceptualized and helped design in partnership with the former Regional

Services Unit, Department of Communities.

The Commission maintains an advisory role with the NWAHP. An important attribute of this program is the scale and longevity which allows industry to build permanent “in-region” capacity and employers to provide “end-to-end” training and apprenticeship programs.

Transitional Housing Programs continue to play a crucial role in providing an entry point into the housing market for Aboriginal families, who can start renting and transition over a 2–4-year period into home ownership. Across these programs cohorts of at least 200 aboriginal families and growing have been progressed towards home ownership or have already achieved that landmark goal.

In December 2020 the State Government invested \$9.7 million in the Jalbi Jiya housing program through NWAHP, co-designed by Nyamba Buru Yawuru (NB Y). Jalbi Jiya means ‘your home’ in the Yawuru language. Under the program 25 Aboriginal people and their families will purchase a home by taking advantage of mortgage lender Keystart Aboriginal shared equity home loans.

Dampier Peninsula Activation

The sealing of the Dampier Peninsula Road has been completed and provides a catalyst for opportunities for residents and communities on the Peninsula



The State/Commonwealth funded sealing of the final 90 kilometres of the Dampier Peninsula Road (\$12.5 million State and \$52.5 million Commonwealth) was completed in November 2020.

The sealing of the Dampier Peninsula/ Cape Leveque Road has been a catalyst for a range of opportunities and challenges for residents and communities on the Peninsula. The State Government has established a project team reporting to the Minister for Regional Development, to enable a coordinated approach to the economic development and impact mitigation strategies associated with the upgrade of the road. The Commission is playing a key leadership role in partnership with the Department of Premier and Cabinet (DPC). This project aims to:

- Identify economic opportunities and implement strategies to optimise outcomes for communities, residents and Native Title holders,
- manage impacts of increased visitation to the environment, areas of cultural significance and private property.

The Commission is assisting with the engagement of stakeholders via the Dampier Peninsula Working Group (DPWG), a group which is comprised of representatives from Peninsula-based Prescribed Bodies Corporate, community corporations, ranger groups, outstations and tourism enterprises.

The Commission has secured funding of \$3.9 million toward:

- construction and upgrading of day-use facilities, for example ablutions and shade, at key community locations;
- in partnership with Main Roads WA, assisted in the upgrading of access to provide safe visitor access to two key Aboriginal tourism enterprises; Kooljaman Resort at Cape Leveque and the hatchery at Ardyaloon.
- facilitating business enterprise support for new and emerging Aboriginal business ventures; and
- installation of signage and fencing to protect areas of cultural significance and private property at risk from increased visitation.

Two local consultants have been engaged to deliver the business support program, with up to 18 individual businesses identified and supported at varying levels.

The Department of Planning Lands and Heritage (DPLH) have completed a comprehensive report identifying areas on the Peninsula that are most at risk from increased visitation, and what requirements are needed to help mitigate impacts. An implementation plan is being developed by DPLH, to which these funds will be directed.

Warmun Garrenbawoorroom Daam Aged Care Facility Remediation

*Supporting the remediation of the facility
constructed in 2014 to become fully
operational*



The Kimberley Development Commission is working to assist Warmun Community Incorporated (WCI) address the infrastructure issues (primarily design shortcomings and degradation) that have prevented the purpose built Garrenbawoorroom-booroo Daam Aged Care facility (the Facility), constructed by the State in 2014, becoming fully operational by supporting up to nineteen (19) funded aged care beds and associated onsite services.

The Facility was constructed with funding of approximately \$12 million and remains underutilized due to four sets of issues:

1. A lack of aged care certification;
2. The lack of an appropriately qualified service provider;
3. A lack of clarity about on-going operational funding; and
4. A range of infrastructure issues around suitable design and construction.

The Minister for Regional Development, Hon Alannah MacTiernan facilitated State

funding of \$500,000 through the Treasurer for remediation works including the requirement for “a funding and procurement model that retained a high level of State oversight (via the Kimberley Development Commission) prior to transfer of funds”.

In addition to the \$500,000 aged care facility remediation funding WCI secured from the State Government, WCI has secured a funding commitment from the Commonwealth Department of Health (CDoH) for a staged upgrade to the Facility to meet the current National Construction Code (Class 9c) for a residential aged care which will enable overnight care. Commonwealth funding will also be used to assess ongoing operational models and service providers.

While COVID-19 has interrupted access to Warmun and staffing changes have further delayed progress, the project is expected to move forward in 2021.

Broome Marine Facilities

A new boating facility has been proposed for Broome (where) to address safety and access issues during boat launching and retrieval



The development of a new boating facility in Broome has long been considered as essential to address safety and access with boat launching and retrieval. Many proposals have come forward over previous decades and failed to progress. But a commitment in 2016 by the State Government for \$1 million to fully investigate the feasibility, design and business case fundamentals has allowed this project to seek full funding for the proposal.

A working committee (The Broome Boating Facility Advisory Group) was established by the Shire of Broome, together with Nyamba Buru Yawuru, the Commission, Kimberley Ports Authority and the Department of Transport.

The proposed boating facility project has been carefully developed around all known environmental sensitivities and engagement has taken place with key stakeholders, interest groups and the

environmental agencies at both a State and Commonwealth level.

This was followed in 2021 by a State Government commitment of \$35 million towards the proposal.

This proposal is integral to the recovery of the tourism industry and regional amenity/liveability. As an infrastructure project it has strong Aboriginal and local content stimulus potential.

The project is now supported by an extensive body of work including multiple years of work in researching tidal and climatic conditions, studies of the prevalence and distribution of dinosaur footprints on the nearby coast and engineering and cost estimate studies. The project is costed to a 95% level of certainty but with significant contingencies and expansion allowances. Partners are now actively seeking additional funding.

Chinatown Revitalisation and Town Beach Development

The Chinatown Revitalisation and Town Beach Development are progressive strategies to improve the town's liveability, support local content and drive economic stimulus



The second Stage of the Chinatown Revitalisation Project supported by \$11.9 million in State Government funding and the Town Beach Redevelopment supported by \$3 million from the State are nearing completion.

These projects were made possible with the support of the State Government and the Shire of Broome as part of progressive strategies to improve the town's liveability and to support local content and economic stimulus.

A successful partnership from Stage 1 between the Shire, the Commission and Development WA has been retained to oversee management and implementation of the project. Extensive effort has been put into maximising local content and procurement under a lead contract to West Australian firm Georgiou Group Pty Ltd.

The main works are expected to be completed by mid-late September 2021.

Construction of the 110-metre community fishing jetty, rock groyne and promenade, started in January 2021, with contractor SMC Marine engaged to complete the work. The jetty is expected to be completed by August 2021.

These works have contributed to the COVID recovery stimulus measures and their completion will be an important support to the recovery of the tourism industry.

These projects have ensured the preservation of Broome's history and local culture and provided new economic and development opportunities. These vibrant and community friendly precincts are a credit to all involved.

State Government Commitments to the Fitzroy River

Delivering on commitments for a National Park and jobs in the Fitzroy Valley through sustainable development and management of natural resources



The Commission continues to provide a regional perspective in the consultation stages on the future of the Fitzroy River and its catchment with a view to remain supportive of the needs to protect the health of the river while providing for sustainable socio-economic development.

Consultation on the State Government's Fitzroy River commitments were paused in 2020 as the State Government, Aboriginal communities and other stakeholders dealt with the COVID-19 response.

In November 2020, the "Managing Water in the Fitzroy River Catchment" Discussion Paper was released for public comment. The paper outlined the options and approaches being considered by the WA Government to protect the Fitzroy River and to sustainably manage the water resources and sustainable economic development pathways and strategies in the catchment, while protecting the health of the river for future generations.

Due to the impacts of COVID-19 and the wet season complicating the consultation process, the public comment period on the paper was extended from 31 May 2021 until 31 August 2021 to ensure all

stakeholders have ample opportunity to comment.

Substantial consultation took place in the 2 years prior to the release of the Discussion Paper which forms the basis of another series of face-to-face discussions with Traditional Owners and stakeholders in the Fitzroy catchment.

At the end of the public comment period, all feedback will be considered which will enable a draft Fitzroy River water allocation plan to be prepared, the creation of the Fitzroy River National Park, sustainable socio-economic development and the development of a management plan for the Fitzroy River. Once prepared, a draft Fitzroy River water allocation plan will be released for public comment before a final water allocation plan is created.

Ensuring the Fitzroy River catchment's water resources are managed and developed in a sustainable manner will be an ongoing and adaptive process and one which will continue to involve Government, Traditional Owners, the pastoral leaseholders, the Commission and other stakeholders.

Local Content

The Local Content Adviser ensures there is a positive link between Government works and procurement activity



The Kimberley Development Commission's Local Content Adviser works with local businesses and Government agencies to maximise the opportunities for economic benefit and employment arising from Government works and procurement.

In partnership with DPIRD and KDC the Local Content Adviser works directly with a broad range of stakeholders, promoting new businesses and upcoming opportunities to relevant industry peak bodies and local business while maintaining relationships with various

Government Agencies to further build capacity across the region.

Examples of this are:

- Sourcing options for funding, resources, services and networks
- Being an influencer in process and policy
- Helping Government to meet any requirements relevant to Local Content
- A WAIPS Adviser
- A focal point for local content development efforts
- Assist in maximising Regional and Aboriginal Business Engagement



Broome based Aboriginal Building Company, Kullarri Building constructing day use facilities for tourists at Beagle Bay.

COVID Recovery, Coordination and Review

As the pandemic progressed, the Commission played a lead role in coordinating the regional response and in providing direct intelligence to the State's Pandemic Response.



The COVID-19 pandemic triggered major economic shocks to the Kimberley, one of the most impacted areas in Regional WA. Rates of recovery are highly differentiated by industry and geography. The State Government has prioritised projects that are able assist recovery, generate jobs and diversify the economy.

The Commission worked with stakeholders across the regional especially the Kimberley Regional Group of Local Governments, Traditional Owners and industry representatives to bring forward a range of stimulating projects to help impacted businesses and communities recover from the economic impacts of COVID. Many of those projects have been supported, funded and even completed. Many of those projects will continue to be considered by both Commonwealth and State governments and the private sector,

establishing a useful pipeline of projects well into the future that will generate jobs, and grow and diversify the economy.

In the middle of the pandemic this process proved Kimberley leaders could work collaboratively together to support the State Government in safeguarding the community, protecting jobs and then building the recovery and driving economic growth.



Regional Economic Development Scheme (REDS)

The REDS grants program is a \$38.85million (over seven years) State Government initiative that invests in local projects to stimulate economic growth and development in regional Western Australia. The program is being progressively rolled out in seven rounds and for the Kimberley this translates as approximately \$617,000 each year distributed over seven years (\$4,318,000 in total).

The 2020 RED Grants round offered funding of up to \$100,000 for successful applications. This was a reduction from previous years with the view of assisting more applicants effected by the COVID-19 pandemic. The grants opened in each region across the state on 12 May and closed on 7 July 2020.

In the Kimberley component of the round, thirty-eight applications were received by the Commission and these collectively requested \$2,775,391, approximately four times the available funding. Further to a rigorous assessment process, eight grants listed below with a combined funding value of \$667,951, were approved and announced by the Minister on 19 November 2020. Having managed the regional implementation and establishment of the grants in the Kimberley, the Commission has now established connections with the proponents and will work as required to support project implementation.



Department of
Primary Industries and
Regional Development

KIMBERLEY
KIMBERLEY
KIMBERLEY

Regional Economic Development Grants

Strong economy
Creating jobs
Diverse industries

REDS (third round) Projects funded in 2020:

Recipient	Project	Allocation
Karajarri Traditional Lands Association	Punturr Punturr Cultural Tourism Hub	\$95,000
Yiyili Community Indigenous Corporation	Laarri Art Centre Project: expanding the current facilities of Laarri Gallery	\$91,256
RJ Agricultural Services (Raitech)	Unlocking the value chain: Converting Plantago production research to a psyllium manufacturing industry	\$88,800
Waringarri Arts Aboriginal Corporation	KAA Product Development & Marketing Collaboration	\$90,000
Shire of Halls Creek	Halls Creek Indigenous Skills and Capabilities Development Program	\$20,650
Emama Nguda Aboriginal Corporation	High-production Hydroponic Container Fresh Produce Pilot	\$96,581
Enterprise Partnerships WA	The Piriwa Op Shop and Enterprise Hub	\$88,625
Waste Not Food Recycling	Establishing a Black Soldier Fly farming facility, in Broome, for organic waste recovery	\$97,039

2019 grants are still being administered due to delays and restrictions attributed to the COVID-19 pandemic. These projects have recommenced with some nearing completion and others requiring extensions to achieve the outcomes initially identified. It is envisaged most of these projects will be complete by the end of 2021.

At the time of this report a fourth round of REDs is planned to take place early in the new financial year valued at \$556,000.

Actual Results versus Budget Targets

Performance is monitored against financial targets and through our Key Performance Indicators. Performance results for 2020/2021 are show below.

Financial Targets

	2020/2021 Target \$'000	2020/2021 Actual \$'000	Variation \$'000
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	3,711	2,534	1,177
Net cost of services (sources from Statement of Comprehensive Income)	3,711	2,521	1,190
Total equity (sourced from Statement of Financial Position)	1,267	1,116	151
Net increase/(decrease) in cash held (sources from Statement of Cash Flows)	-48	-215	-167
Approved salary expense level	218	272	-54
Agreed borrowing limit (where possible)	0	0	0

Working Cash Targets

	2021 Agreed Limit \$'000	2021 Target/Actual \$'000	Variation \$'000
Agreed working cash limit (at Budget)	27	27	N/A
Agreed working cash limit (at Actuals)	23	951	928



Pentecost River. Photo courtesy of Australia's North-West Tourism/CJ Maddock

Significant Issues Impacting the Commission

Current and Emerging Issues and Trends

Significant issues expected to continue impacting the Commission in 2021/2022 include:

- Securing adequate labour supplies for industries unable to access traditional sources from interstate and foreign markets
- Planning for economic expansion and leveraging required investment in projects, infrastructure and housing into local jobs and economic benefit
- the need to support Aboriginal people in their economic advancement whilst recognising the importance of Aboriginal cultural preservation;
- facilitating diversified regional investment that provides employment and enterprise opportunities for regional industry and small business and assists in the economic recovery of the Kimberley and the State;

Economic and Social Trends

As the Kimberley emerges into a 'post-COVID' economy and operating environment along with the rest of Australia, many challenges are transitioning into new opportunities. High levels of diversity in the Kimberley economy have also been key to soften the impact of structural shifts caused by COVID.

Employment has declined to levels below 15,000 jobs, and while the total of wages & salaries paid to Kimberley workers was estimated at \$122.259 million, a fall of 0.47% since the onset of the pandemic, this contraction has been counteracted by an optimistic fall in unemployment levels. While the onset of the pandemic saw the highest levels of unemployment in the region for the past decade (reaching 16.5% in March 2020), recovery has been steady and reflected in unemployment rates for March 2021. These are the lowest since September 2017, when unemployment reached 10.27%. As the spread of the virus is contained and the social lockdown policies are gradually relaxed across Australia, it is anticipated that the negative impacts of the pandemic will continue to lessen and Gross Regional Product return to levels above \$3Billion.

The greatest decrease in employment in the region occurred in the Accommodation & Food Services sector, followed by Transport, Postal and Warehousing and Mining. The conclusion of JobKeeper in March 2021 has also had a somewhat significant impact on the regional labour market. Approximately 35% of all estimated 2,270 businesses in the Kimberley registered for the scheme, led by Broome (43%) and Derby West Kimberley (22%). At a Commonwealth and State Government level, economic incentives for workers and businesses such as airfare subsidies, grants and income support payments played an integral role in recovering levels of activity. The tourism industry continues to recovery and festivals such as Ord Valley Muster 2021 experienced a record number of visitors because of increased visitor confidence. All 2021 festivals in the region are set to proceed at the time of writing.

COVID also brought about a new dynamic to the Kimberley housing market. In mid-April 2021, vacancy rates have reached historical lows in both Kununurra (0.76%) and Broome (0.23%). The recovery observed by the region has been welcome yet highlighted several challenges to the housing market. These include but are not limited to attempts of local businesses to

attract staff to the region amidst a reduction of supply of overseas workers and the increasing regional demand for housing and associated services.

The Commission continues to monitor projects likely to lift activity levels in the region, having identified a minimum 40 initiatives among Local, State and Commonwealth Government infrastructure works and private investments equivalent to more than half of the region's GRP. Australian Exchange (ASX) listed companies operating in the Kimberley, including those under care and maintenance, remain engaged in capital raising to strengthen cash flow targeted at project continuity. Recent capital attraction includes Sea Farms, which has been successful in raising funds to ensure stability of capital works on Legune Station and Project Sea Dragon (PSD) contractual commitments, and Northern Minerals, has commissioned their ore sorter at their Brown Range Heavy Rare Earths Pilot Plant, which is expected to further contribute to the development of a commercial beneficiation plant. Agrimin, a minerals company, has been granted Major Project status by the Commonwealth for its Kimberley Lake MacKay Potash project (Sulphate of Potash fertiliser). Agrimin will receive additional Commonwealth support as it advances operations and contributes to the economic diversification of the region.

Changes in Written Law

There were no changes in written law in 2020/2021 that impacted the Commission.

Likely Developments & Forecast Results of Operations

In 2020/2021 it is anticipated that the Commission will build on the collective and diverse skills and experience of its Board and Staff to support economic recovery and growth.

Building on its strong foundation of governance and corporate management, the Commission will refocus on strategic projects already underway and work with project partners to maximise the benefits for the region. These strategic initiatives include but will not be limited to the:

- Emergence of renewable energy industries at scale
- Strategic resources including Browns Range & Thunderbird coming into production
- Kimberley Schools Project that is yielding positive results and will equip the regions young population for the future;
- North-West Aboriginal Housing project that is providing local business and increasing the region's stock of high-quality Aboriginal housing;
- Marine logistics infrastructure in the West Kimberley;
- Regional Economic Development (REDS) grants supporting industry diversity and jobs growth.

This project work will be complemented by:

- data collection and analysis to both monitor the region's economic recovery and identify areas of continuing need; and
- continual liaison with Government, Industry and Community to identify investment, infrastructure and service opportunities to boost the regional economy and strengthen the regional Community.





James Price Point. Photo courtesy of Australia's North-West Tourism/CJ Maddock

Disclosures and legal compliance

Opinion of the Auditor General



Auditor General

INDEPENDENT AUDITOR'S OPINION 2021 Kimberley Development Commission

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Kimberley Development Commission (Commission) which comprise:

- the Statement of Financial Position at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information, including administered transactions and balances.

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 Kimberley Development Commission for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it 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
- 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 responsibilities 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Kimberley 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 Kimberley Development Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2021.

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 involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an 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 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 audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Kimberley Development Commission for the year ended 30 June 2021. 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 Kimberley Development Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2021.

The Board's responsibilities 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 it 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 responsibilities

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.

Other information

The Board is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of the Kimberley Development Commission for the year ended 30 June 2021 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, controls 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, controls or key performance indicators. If users of the financial statements, controls 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, controls and key performance indicators.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
7 September 2021

Financial Statements

Kimberley Development Commission – 30 June 2021

Disclosures and Legal Compliance

Certification of Financial Statements

For the reporting period ended 30 June 2021

The accompanying financial statements of the Kimberley Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2021 and the financial position as at 30 June 2021.

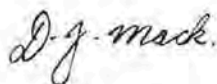
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Cameron Patterson
Chief Finance Officer
6 September 2021



Tim Bray
A/Chief Executive Officer
6 September 2021



David Mack
Chairperson
6 September 2021



Financial Statements for the period ended 30 June 2021

Kimberley Development Commission – 30 June 2021

Table of Contents

Financial Statements

Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9

Notes to the financial statements

1. Basis of Preparation	10
Statement of compliance	10
Basis of preparation	10
Judgements and estimates	10
Contributed equity	10
2. Use of Our Funding	11
2.1. (a) Employee benefits expenses	11
2.1. (b) Employee related provisions	11
2.2. Grants and Subsidies	12
2.3. Other expenditure	13
3. Our Funding Sources	13
3.1. Income from State Government	13
3.2. Other income	14
4. Key Assets	14
4.1. Property, plant and equipment	14
4.2. Right-of-use assets	15
5. Other Assets and Liabilities	16
5.1. Receivables	16
5.2. Amounts receivable for services (Holding Account)	17
5.3. Payables	17
6. Financing	17
6.1. Lease Liabilities	17
6.2. Finance costs	18
6.3. Cash and Cash Equivalents	18
6.4. Capital Commitments	18
7. Financial instruments and Contingencies	19
7.1. Financial Instruments	19
7.2. Contingent assets and liabilities	19
8. Other Disclosures	19
8.1. Events occurring after the end of the reporting period	19
8.2. Correction of prior period errors/changes in accounting policy	19
8.3. Key management personnel	20
8.4. Related party transactions	20
8.5. Related bodies	21
8.6. Affiliated bodies	21
8.7. Special purpose accounts	21
8.8. Remuneration of auditors	21
8.9. Equity	21
8.10. Supplementary financial information	21
8.11. Explanatory statement	21

Statement of Comprehensive Income
For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1(a)	351	312
Supplies and services	2.3	1,892	2,077
Depreciation and amortisation expense	4.1, 4.2	14	21
Finance costs	6.2	-	1
Grants and subsidies	2.2	263	116
Other expenses	2.3	14	15
Total cost of services		2,534	2,542
Income			
Other income	3.2	13	152
Total income		13	152
NET COST OF SERVICES		2,521	2,390
Income from State Government			
Income from other public sector entities	3.1	534	303
Resources received	3.1	1,778	1,933
Total income from State Government		2,312	2,236
SURPLUS/(DEFICIT) FOR THE PERIOD		(209)	(154)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(209)	(154)

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



Statement of Financial Position
As at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6.3	961	1,104
Restricted cash and cash equivalents	6.3	339	411
Receivables	5.1	27	3
Total Current Assets		<u>1,327</u>	<u>1,518</u>
Non-Current Assets			
Restricted cash and cash equivalents	6.3	3	3
Amounts receivable for services	5.2	39	39
Property, plant and equipment	4.1	9	17
Right-of-use assets	4.2	16	22
Total Non-Current Assets		<u>67</u>	<u>81</u>
TOTAL ASSETS		<u>1,394</u>	<u>1,599</u>
LIABILITIES			
Current Liabilities			
Payables	5.3	41	29
Lease liabilities	6.1	6	13
Employee related provisions	2.1(b)	222	217
Total Current Liabilities		<u>269</u>	<u>259</u>
Non-Current Liabilities			
Lease liabilities	6.1	9	15
Total Non-Current Liabilities		<u>9</u>	<u>15</u>
TOTAL LIABILITIES		<u>278</u>	<u>274</u>
NET ASSETS		<u>1,116</u>	<u>1,325</u>
EQUITY			
Contributed equity	8.9	145	145
Accumulated surplus/(deficit)		971	1,180
TOTAL EQUITY		<u>1,116</u>	<u>1,325</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 2021

	Notes	Contributed equity \$'000	Accumulated surplus \$'000	Total equity \$'000
Balance at 1 July 2019		145	1,334	1,479
Deficit		-	(154)	(154)
Total comprehensive income for the period		-	(154)	(154)
Balance at 30 June 2020	8.9	145	1,180	1,325
Balance at 1 July 2020		145	1,180	1,325
Deficit		-	(209)	(209)
Total comprehensive income for the period		-	(209)	(209)
Balance at 30 June 2021	8.9	145	971	1,116

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

Statement of Cash Flows
For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Funds from other public sector entities		534	303
Net cash provided by State Government		534	303
<i>Utilised as follows:</i>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(323)	(350)
Supplies and services		(128)	(161)
Grants and subsidies		(263)	(116)
GST payments on purchases		(33)	(18)
Other payments		(14)	(19)
Receipts			
GST receipts on sales		-	14
GST receipts from taxation authority		12	9
Other receipts		13	152
Net cash used in operating activities		(736)	(488)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(13)	(7)
Net cash used in financing activities		(13)	(7)
Net decrease in cash and cash equivalents		(215)	(192)
Cash and cash equivalents at the beginning of the period		1,518	1,710
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.3	1,303	1,518

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

Notes to the financial statements

1. Basis of Preparation

The Kimberley Development Commission (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 6 September 2021.

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 (TIs)
- 3 Australian Accounting Standards (AASs) - Reduced Disclosure Requirements
- 4 Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The FMA and the TIs take precedence over AASs. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

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.

Comparative figures

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

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 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

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
Employee benefits expenses	2.1(a)
Employee related provisions	2.1(b)
Grants and subsidies	2.2
Other expenditure	2.3

2.1. (a) Employee benefits expenses

	2021 \$'000	2020 \$'000
Employee benefits	311	276
Superannuation - defined contribution plans	40	36
Total employee benefits expenses	351	312
Add: AASB 16 Non-monetary benefits	7	13
Net employee benefits	358	325

Employee Benefits: include wages and salaries, accrued and paid leave entitlements and paid sick leave.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds.

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

2.1. (b) Employee related provisions

	2021 \$'000	2020 \$'000
<u>Employee benefits provisions</u>		
Annual leave	138	143
Long service leave	81	71
	219	214
<u>Other provisions</u>		
Employment on-costs	3	3
Total current employee related provisions	222	217

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

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.

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 for long service leave is 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

Notes to the financial statements

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, and 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.

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'.

	2021 \$'000	2020 \$'000
Employment on cost provision		
Carrying amount at start of period	3	3
Additional/(reversals of) provisions recognised	-	-
Carrying amount at end of period	<u>3</u>	<u>3</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

	2021 \$'000	2020 \$'000
Non Public organisations	28	116
Local Government agencies	235	-
Total recurrent grants and subsidies	<u>263</u>	<u>116</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.

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.

Notes to the financial statements

2.3. Other expenditure

	2021 \$'000	2020 \$'000
Supplies and services		
Board fees	61	76
Communications	2	2
Consultants and contractors	2	3
Consumables	7	6
Travel	40	49
Other	2	8
Resources provided free of charge by DPIRD ^(a)	<u>1,778</u>	<u>1,933</u>
Total supplies and services expense	<u>1,892</u>	<u>2,077</u>
Other expenses		
Building and infrastructure maintenance	1	1
Internal audit fees	12	-
Other expenses	<u>1</u>	<u>14</u>
Total other expenses	<u>14</u>	<u>15</u>
Total other expenditure	<u>1,906</u>	<u>2,092</u>

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

Supplies and services expenses 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.

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

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
Income from State Government	3.1
Other income	3.2

3.1. Income from State Government

	2021 \$'000	2020 \$'000
Income received from other public sector entities during the period:		
- Department of Primary Industries and Regional Development - operational funding	<u>534</u>	<u>303</u>
Total grants and subsidies	<u>534</u>	<u>303</u>
Resources received from other public sector entities during the period:		
- Services received free of charge ^(a)	<u>1,778</u>	<u>1,933</u>
Total resources received	<u>1,778</u>	<u>1,933</u>
Total income from State Government	<u>2,312</u>	<u>2,236</u>

(a) Support Services provided by Department of Primary Industries and Regional Development to support the Commission in the fulfilment of its statutory functions and obligations under the Kimberley Development Commission Act 1993. See note 2.3 Other expenditure.

Notes to the financial statements

Income from other public sector agencies is recognised as income when the Commission has satisfied its performance obligations under the funding agreement. If there are no performance obligations, income will be recognised when the Commission receives the funds.

Resources received from other public sector entities are recognised as income (and assets or expenses) equivalent to the fair value of the assets, or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

3.2. Other income

	2021 \$'000	2020 \$'000
Other sundry income	13	13
Return of unspent grant monies	-	139
Net proceeds from disposal of non-current assets	-	19
Carrying amount of non-current assets disposed	-	(19)
Net gains/(losses) on disposal on GROH right of use asset	-	-
Total other income	13	152

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

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
Infrastructure, property, plant and equipment	4.1
Right-of-use assets	4.2

4.1. Property, plant and equipment

Year ended 30 June 2021	Buildings \$'000	Furniture and fixtures \$'000	Office equipment \$'000	Computer Hardware \$'000	Total \$'000
1 July 2020					
Gross carrying amount	130	79	6	81	296
Accumulated depreciation	(130)	(63)	(5)	(81)	(279)
Carrying amount at start of period	-	16	1	-	17
Depreciation	-	(7)	(1)	-	(8)
Carrying amount at 30 June 2021	-	9	-	-	9
Gross carrying amount	130	79	6	81	296
Accumulated depreciation	(130)	(70)	(6)	(81)	(287)

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 cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Notes to the financial statements

Subsequent measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

4.1.1 Depreciation and impairment

	2021 \$'000	2020 \$'000
Furniture, fixtures and fittings	7	7
Office equipment	1	1
Total depreciation for the period	8	8

As at 30 June 2021, there were no indications of impairment to property, plant and equipment. All surplus assets at 30 June 2021 have either been classified as assets held for sale or have been written-off.

Finite useful lives

All 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 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
Furniture, fixtures and fittings	3 to 10 years
Office Equipment	5 years

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

Impairment

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

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss. Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

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

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

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

4.2. Right-of-use assets

	2021 \$'000	2020 \$'000
Vehicles	16	22
Net carrying amount	16	22

There were no additions to right-of-use assets during the 2021 financial year (2020: \$nil).

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.

The Commission has elected not to recognise right-of-use assets and lease liabilities for short-term lease (with a lease of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

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 for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1.

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2021 \$'000	2020 \$'000
Residential accommodation	-	6
Vehicles	6	7
Total right-of-use asset depreciation	6	13
Lease interest expense (included in Finance Cost)	-	†

The total cash outflow for leases in 2021 was \$7,000 (2020: \$13,000).

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

The Commission has leases for vehicles and residential accommodations.

The Commission recognises leases as right-of-use assets and associated lease 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.

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
Receivables	5.1
Amounts receivable for services	5.2
Payables	5.3

5.1. Receivables

	2021 \$'000	2020 \$'000
GST receivable	27	3
Total current receivables	27	3

Notes to the financial statements

5.2. Amounts receivable for services (Holding Account)

	2021	2020
	\$'000	\$'000
Balance at end of period	<u>39</u>	<u>39</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

	2021	2020
	\$'000	\$'000
Trade payables	1	9
Other payables	25	4
Accrued expenses	12	16
Accrued salaries	3	-
Total current payables	<u>41</u>	<u>29</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.

6. Financing

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

	Note
Lease liabilities	6.1
Finance costs	6.2
Cash and cash equivalents	6.3
Capital commitments	6.4

6.1. Lease Liabilities

	2021	2020
	\$'000	\$'000
Current	6	13
Non-current	9	15
	<u>15</u>	<u>28</u>

Initial measurement

The Commission measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. 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 value 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 a 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 which case the lease liability is reassessed and adjusted against the right-of-use asset.

Notes to the financial statements

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

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales, are recognised by the Commission in profit or loss in the period in which the condition that triggers those payments occurs.

This section should be read in conjunction with note 4.2 Right-of-use assets.

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 modifications.

6.2. Finance costs

	2021 \$'000	2020 \$'000
Lease interest expense	-	1

'Finance cost' includes the interest component of lease liability repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

6.3. Cash and Cash Equivalents

	2021 \$'000	2020 \$'000
Non-restricted cash and cash equivalents	961	1,104
<i>Non-Royalties for Regions fund restricted cash</i>		
Community Resource Centre Wyndham	75	75
Kimberley Regional Development Scheme	22	32
Kimberley Capabilities Register	7	7
Warnum Re-Establishment Taskforce	170	170
	274	284
<i>Royalties for Regions Fund Projects Restricted cash</i>		
Regional Grant Scheme	8	10
Community Chest Grants Scheme	32	32
Local Projects Local Jobs	9	69
Warmun Governance	16	16
	65	127
Total restricted cash and cash equivalents	339	411
Non-current restricted cash and cash equivalents		
Accrued salaries suspense account	3	3
Total cash and cash equivalents	1,303	1,518

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

6.4. Capital Commitments

There are no known capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements (2020: none).

Notes to the financial statements

7. Financial instruments and Contingencies

	Note
Financial instruments	7.1
Contingent assets and contingent liabilities	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:

	2021	2020
	\$'000	\$'000
<u>Financial assets</u>		
Cash and cash equivalents	1,303	1,518
Financial assets at amortised cost ^(a)	<u>39</u>	<u>39</u>
Total financial assets	<u>1,342</u>	<u>1,557</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost ^(b)	<u>56</u>	<u>57</u>
Total financial liabilities	<u>56</u>	<u>57</u>

(a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

7.2. Contingent assets and liabilities

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

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

There were no contingent assets or liabilities which would affect the Commission at the end of June 2021 (2020: none).

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
Correction of period errors/changes in accounting policies	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Remuneration of auditors	8.8
Equity	8.9
Supplementary financial information	8.10
Explanatory statement	8.11

8.1. Events occurring after the end of the reporting period

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

8.2. Correction of prior period errors/changes in accounting policy

The Commission has adopted the following new Australian Accounting Standards in accordance with the transitional provisions applicable to each standard:

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-5 Amendments to Australian Accounting Standards – Deferral of AASB 1059

Notes to the financial statements

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

AASB 2019-7 Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations

AASB 2020-4 COVID-19-Related Rent Concessions

The Commission considers the above standards do not have a material impact on the Commission.

8.3. Key management personnel

The Commission has determined key management personnel to include the 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 members of the accountable authority and senior officers of the Commission for the reporting period are presented within the following bands:

Compensation band (\$)	2021	2020
Compensation of members of the accountable authority		
50,001 - 60,000	1	1
10,001 - 20,000	-	1
0 - 10,000	6	5
Compensation of senior officers (\$)		
250,001 - 260,000	1	1
240,001 - 250,000	-	1
210,001 - 220,000	1	-
160,001 - 170,000	1	-
	2021	2020
	\$'000	\$'000
Short-term employee benefits	590	503
Post-employment benefits	55	39
Other long-term benefits	59	41
Total compensation for members of the accountable authority and senior officers	704	582

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

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 cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures, of a wholly-owned public sector entity; and

Notes to the financial statements

- 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.

8.5. Related bodies

The Commission had no related bodies during the reporting period.

8.6. Affiliated bodies

The Commission had no affiliated bodies during the reporting period.

8.7. Special purpose accounts

The Commission had no special purpose accounts during the reporting period.

8.8. Remuneration of auditors

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

	2021 \$'000	2020 \$'000
Auditing the accounts, financial statements, controls, and key performance indicators	<u>26</u>	<u>25</u>

8.9. Equity

	2021 \$'000	2020 \$'000
<u>Contributed equity</u>		
Balance at start of period	<u>145</u>	<u>145</u>
Balance at end of period	<u>145</u>	<u>145</u>

8.10. Supplementary financial information

(a) Write-offs

There were no write-offs during the financial year.

(b) Losses through theft, defaults and other causes

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

(c) Gift of public property

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

8.11. Explanatory statement

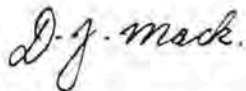
The Commission is exempt from T1 945 Explanatory Statement as their Total Cost of Services is below \$10 million for the two most recent consecutive comparative periods.

Key Performance Indicators

KIMBERLEY DEVELOPMENT COMMISSION
KEY PERFORMANCE INDICATORS
For the year ended 30 June 2021

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 Kimberley Development Commission's performance, and fairly represent the performance of the Kimberley Development Commission for the financial year ended 30 June 2021.



David Mack
Chairperson
6 September 2021



Timothy Bray
A/Chief Executive Officer
6 September 2021



Key Performance Indicators

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

The desired outcome from the Commission's activities is:

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

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

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

Key Performance Indicators of Effectiveness

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

Customer satisfaction is measured against a range of elements of the Commission's service, including the effectiveness of the Commission in achieving seven different outcomes through the delivery of services.

Clients were sent an email invitation to complete the 2021 satisfaction survey online. Both online self completion and telephone interviews were used to obtain a total of 91 client responses from the 111 clients surveyed, representing a response rate of 82%. This results in a maximum standard error ratio of +/- 4.38% at the 95% confidence level.

Key Effectiveness Indicators	Actual 2020/21	Target 2020/21	Actual 2019/20	Actual 2018/19	Actual 2017/18
The Kimberley Development Commission					
Delivers effective activities in assisting economic and social development.	92%	90%	n/a*	94%	92%
Makes a positive contribution to economic and social development in the Kimberley	92%	90%	n/a*	94%	92%
Provides a reliable source of information and advice.	92%	90%	n/a*	94%	91%
Is an accessible source of information and advice.	92%	90%	n/a*	94%	91%

The KPIs are calculated using a new method by comparing the number of 'satisfied' responses with the number of 'dissatisfied' responses and excluding 'don't know' and 'not applicable' from any calculation. The prior year KPIs were adjusted to reflect this change in methodology.

KIMBERLEY DEVELOPMENT COMMISSION
KEY PERFORMANCE INDICATORS
For the year ended 30 June 2021

**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.*

Key Performance Indicators of Efficiency

A discussion of actual results against budget targets for efficiency indicators and comparative information for the current and previous four reporting years is provided.

The Commission's efficiency indicators for its services are calculated by the cost of the projects divided by the number of project hours allocated by staff. To calculate the cost per project hour, grant income and expenditure are deducted from the Total Operating Cost. Using hours spent on each service, a ratio to total hours is calculated and this ratio then determines the Total Operating Cost for each service. Corporate service hours are apportioned across both services.

Efficiency Indicators

Service 1: Policies, strategies, plans and regional promotion results

Key Performance Indicators	Actual 2020/21	Actual 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17
Net Operating Cost	1,166,787	1,434,109	1,213,001	1,330,181	1,520,954
Number of Project Hours.	7,873	9,957	7,444	6,995	6,349
Cost per Project Hour	\$148	\$144	\$163	\$190	\$240

Service 2: Industry and infrastructure identification, coordination and development results

Key Performance Indicators	Actual 2020/21	Actual 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17
Net Operating Cost	1,093,213	992,238	985,977	734,737	779,649
Number of Project Hours	8,000	6,886	6,001	3,606	3,434
Cost per Project Hour	\$137	\$144	\$164	\$204	\$227

Summary of Key Performance Indicators

Comparison of actual results against targets for efficiency indicators.

Key Performance Indicator	2020/2021 Target	2020/2021 Result	Variance
Service 1: Policies, strategies, plans and regional promotion			
Average cost per project hour	\$188	\$148	\$40
Service 2: Industry, infrastructure identification, coordination and development			
Average cost per project hour	\$181	\$137	\$44

Comment:

The Commission's net cost of services less grants and subsidies was 36% below target mainly due to lower depreciation charges than budgeted for the financial year and recruitment of staff attributed to the decrease in expenditure associated with the salary cap and overall travel and expenses. This has resulted in the average cost per project hour being lower than target under both Service 1 and 2.

Key Performance Indicators

Performance management enhances the transparency and accountability of the Commission and enables its service delivery to be readily assessed as it works to achieve desired outcomes that are consistent with its statutory responsibilities and high-level Government Priorities (described in Overview section of this report).

The desired outcome from the Commission's activities is:

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

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

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

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

Key Performance Indicators of Effectiveness

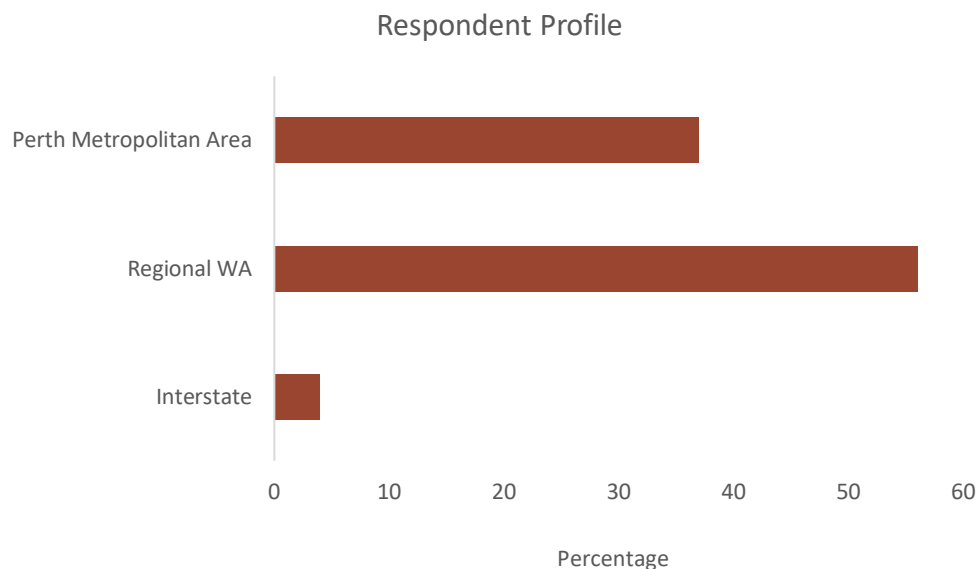
The Commission measures its effectiveness indicators through an annual client perceptions survey, conducted by an independent market research company. Customer satisfaction is measured against a range of elements of the Commission's service, including the effectiveness of the Commission in achieving seven different outcomes through the delivery of services.

1. Kimberley Development Commission staff provide professional and helpful service
2. Kimberley Development Commission provides a reliable and accessible source of information and advice
3. Kimberley Development Commission is effective and makes a positive contribution to the economic and social development in the Kimberley
4. Kimberley Development Commission's policies, strategies and planning activities are relevant and effective in supporting regional development
5. Kimberley Development Commission's regional promotion activities and information services are relevant and effective
6. Kimberley Development Commission's industry and enterprise development activities are relevant and effective
7. Kimberley Development Commission's infrastructure, planning and development activities are relevant and effective

Clients were sent an email invitation to complete the 2021 satisfaction survey online. Both online self-completion and telephone interviews were used to obtain a total of 91 client responses from the 111 clients surveyed, representing a response rate of 82%. This results in a maximum standard error ratio of +/- 4.38% at the 95 % confidence level.

Respondent Profile

The majority of respondents were from regional Western Australia (56%) followed by 37% from the Perth metropolitan area and 4% from interstate.



The respondent group comprised 47% from the State Government sector of Western Australia, 25% from the private sector, 14% from community organisations, 8% from Local Government, 1% from Commonwealth Government and 4% from other sectors. Respondents were also categorised according to industry, with the largest percentage working in general government/public administration/defence (32%) followed by other community services (10%).

The Respondents had varying levels of contact with the Commission; 3% had contact with the KDC on a daily basis, 14% had weekly contact, 43% had monthly contact, 23% half yearly and 13% had annual contact.

Effectiveness Indicators

Effectiveness Indicator 1

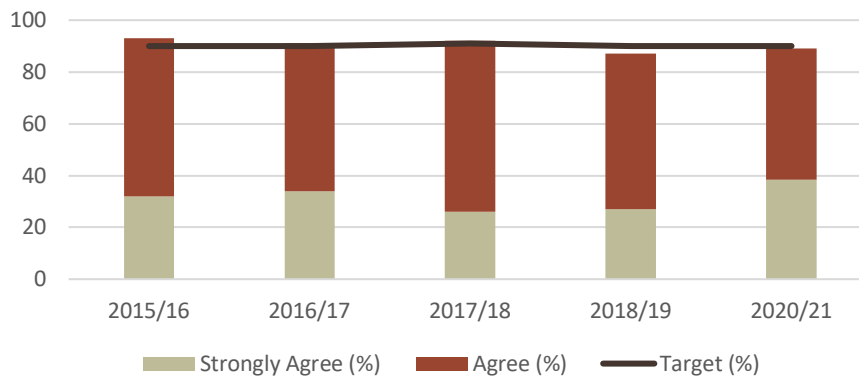
The Kimberley Development Commission is effective and makes a positive contribution to economic and social development in the Kimberley.

92%

Agreement with Effectiveness Indicator 1

This year's survey results attest to the Commission's continuing perceived effectiveness of its contribution toward economic and social development in the Kimberley

Results Against Target - Effectiveness Indicator 1



Effectiveness Indicator 2

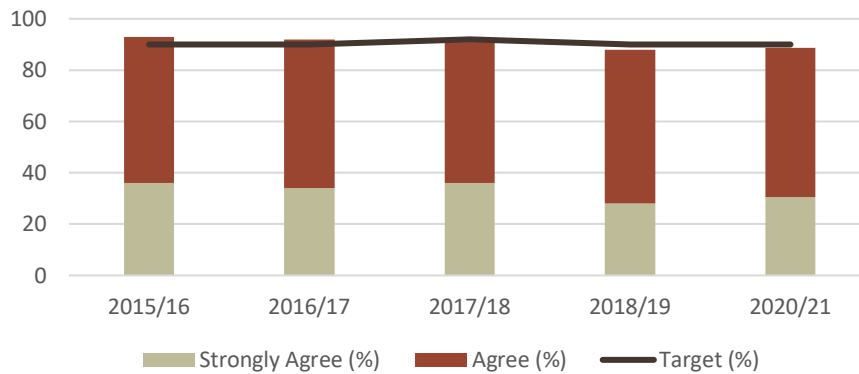
The extent to which the Commission is assessed by its clients as a reliable and accessible source of information and advice on the Kimberley region and regional development issues.

92%

Agreement with Effectiveness Indicator 2

This year's survey results indicate the Commission's stakeholders continuing level of satisfaction with it as a reliable source of information and advice on regional development issues

Results Against Target - Effectiveness Indicator 2



*Note: Due to COVID-19 restrictions, and pursuant to Treasurer's instruction (T1) 904 para (3)(i) the Commission sought and obtained an exemption from reporting the key effectiveness indicators for the 2019-2020 financial year.

Key Performance Indicators of Efficiency

A discussion of actual results against budget targets for efficiency indicators and comparative information for the current and previous four reporting years is provided.

The Commission's efficiency indicators for its services are calculated by the cost of the projects divided by the number of project hours allocated by staff. To calculate the cost per project hour, grant income and expenditure are deducted from the Total Operating Cost. Using hours spent on each service, a ratio to total hours is calculated and this ratio then determines the Total Operating Cost for each service. Corporate service hours are apportioned across both services.

Efficiency Indicators

Service 1: Policies, strategies, plans and regional promotion results

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Number of Project Hours	7,873	9,957	7,444	6,995	6,349
Cost per Project Hour	\$148	\$144	\$163	\$190	\$240

Service 2: Industry and infrastructure identification, coordination and development results

Key Performance Indicators	2020/21	2019/20	2018/19	2017/18	2016/17
Net Operating Cost	1,093,213	992,238	985,977	734,737	779,649
Number of Project Hours	8,000	6,886	6,001	3,606	3,434
Cost per Project Hour	\$137	\$144	\$164	\$204	\$227

The Commission's results against its targets indicate that it has continued to successfully deliver its services effectively and efficiently, within its budget and to the satisfaction of its stakeholders.

Summary of Key Performance Indicators

Comparison of actual results against targets for efficiency indicators.

Key Performance Indicator	2020/2021 Target	2020/2021 Result	Variance
Service 1: Policies, strategies, plans and regional promotion			
Average cost per project hour	\$188	\$148	\$40
Service 2: Industry and infrastructure identification, coordination and development			
Average cost per project hour	\$181	\$137	\$44

The Commission's net cost of services less grants and subsidies was 36% below target mainly due to lower depreciation charges for the financial year and recruitment of staff attributed to the decrease in expenditure associated with the salary cap and overall travel and expenses. This has resulted in the average cost per project hour being lower than target under both Service 1 and 2.

Annual Estimates 2021/2022

In accordance with Treasurers Instruction 953, the annual estimates for the 2021/2022 year are hereby included in the 2020/2021 Annual Report. These estimates do not form part of the 2020/2021 financial statements and are not subject to audit.

4 Section 40 Budget

Statement of Comprehensive Income	Actual 2020-21	Budget 2020-21	Budget 2021-22
	\$'000s	\$'000s	\$'000s
EXPENSES			
Employee benefits	351	319	326
Supplies and Services	103	208	308
Services received free of charge	1,778	3,119	2,351
Depreciation and Amortisation	14	14	14
Grants and Subsidies Expenses	0	43	0
Other Expenses	14	7	18
TOTAL COST OF SERVICES	2,260	3,711	3,018
INCOME			
Other Revenue.	13	0	0
TOTAL INCOME	13	0	0
NET COST OF SERVICES	2,247	3,711	3,018
INCOME FROM STATE GOVERNMENT			
Income received from other state agencies	534	534	559
Services received free of charge	1,778	3,119	2,351
TOTAL INCOME FROM STATE GOVERNMENT	2,312	3,653	2,910
SURPLUS/(DEFICIT)	65	(58)	(108)

Statement of Financial Position	Actual 2020-21	Budget 2020-21	Budget 2021-22
	\$'000s	\$'000s	\$'000s
ASSETS			
Current Assets			
Cash and cash equivalents	965	1,046	865
Restricted cash and cash equivalents	349	423	349
Receivables	23	3	23
Non-Current Assets			
Amounts receivable for services	39	39	39
Restricted cash and cash equivalents	3	0	3
Property, plant and equipment	9	17	1
Right-of-use assets	16	22	16
TOTAL ASSETS	1,404	1,550	1,296
LIABILITIES			
Current Liabilities			
Payables	34	36	29
Lease liabilities	12	15	12
Provisions	222	217	227
Non-Current Liabilities			
Lease liabilities	9	14	9
TOTAL LIABILITIES	277	282	277
NET ASSETS	1,127	1,268	1,019
EQUITY			
Contributed equity	145	145	145
Reserves	0	0	0
Accumulated surplus/(deficiency)	982	1,122	874
TOTAL EQUITY	1,127	1,267	1,019

Statement of Cash Flow	Actual 2020-21	Budget 2020-21	Budget 2021-22
	\$'000s	\$'000s	\$'000s
CASH FLOWS FROM STATE GOVERNMENT			
Income received from other state agencies	534	534	559
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits	(327)	(319)	(326)
Supplies and services	(120)	(201)	(308)
Finance costs	0	0	0
GST payments on purchases	(33)	(26)	(33)
GST payments to taxation authority	0	0	0
Grants and subsidies	(263)	(43)	0
Other payments	(14)	(7)	(18)
Receipts			
GST receipts on sales	0	0	0
GST receipts from taxation authority	12	26	33
Other receipts	17	0	0
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets	0	0	0
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments	(7)	(13)	(7)
Net increase/(decrease) in cash held and cash equivalent	(201)	(49)	(101)
Cash and cash equivalents at the beginning of the period	1,517	1,518	1,316
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,316	1,469	1,215

Ministerial Directions

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

Other Financial Disclosures

Pricing policies of services provided

The Commission has provided no services for which a fee would have been payable during 2020/2021.

Capital Works

Improvements were made to the Kimberley Development Commission Broome office in October 2020 at a cost of \$18,158.21 (inc GST).

Employment and Industrial Relations

Staff Profile

Staff Employed	2016	2017	2018	2019	2020	2021
Full-time permanent	3	3	0	0	0	0
Full-time contract	4	4	1	1	1	1
Part-time measured on FTE basis	0.6	0.6	0	0	0	0
Positions vacant	1	1	0	0	0	0
Total staff employed	7.6	7.6	1	1	1	1

Since the disposition of the Commission's employees to the Department of Primary Industries and Regional Development (DPIRD) on 1 July 2017, the Commission has retained one employee, the Chief Executive. At 30 June 2021 twelve DPIRD positions were based with the Commission; a total of 10.9 FTE.

Staff Development

The Commission's Board and Staff are accustomed to remote learning and taking advantage of opportunities to learn both informally and formally. Three Project Staff have completed the Diploma in Project Management offered online by DPIRD in partnership with TAFE. All staff have participated actively in on-the-job professional development opportunities.

Worker's Compensation

The Commission received no Worker's Compensation Claims in 2020/2021.

Governance Disclosures

Board and Committee Remuneration

(Premier's Circular 2017/08: State Government Boards and Committees)

As required, the Commission provides this report on the individual and aggregate costs of remunerating all positions on its Boards and Committees – State Government Boards and Committees in reference to those which appear in the Register published by the Department of Premier and Cabinet. The Commission's Board Members are also entitled to claim a travel allowance that is not included in this information.

Remuneration by Board Position for 2020/2021 (including Superannuation)

Position Title	Member name	Type of remuneration	Period of membership	Term of appointment	Base salary/sitting fee	Gross/actual remuneration for 2020/21
Chair	James Brown	Annual	01/07/20 to 30/06/21	2016 to 2021	\$47,250 per annum	\$47,099.00
Deputy Chair	Geoff Haerewa	Annual & per meeting	01/07/20 to 31/12/20	2018 to 2022?	\$5,000 per annum and \$790 Full Day \$513 Half Day	\$3,113.97
Deputy Chair	Kalyn Fletcher	Annual & per meeting	01/01/21 to 30/06/21	2021 to 2022	\$5,000 per annum and \$790 Full Day \$513 Half Day	\$3,976.13
Member	Kalyn Fletcher	Per meeting	01/07/20 to 31/12/20	2018 to 2022	\$622 Full Day \$403 Half Day	\$622.00
Member	Desiree Male	Per meeting	01/07/20 to 30/06/21	2020 to 2022	\$622 Full Day \$403 Half Day	\$1,866.00
Member	David Menzel	Per meeting	01/01/21 to 30/06/21	2020 to 2022	\$622 Full Day \$403 Half Day	\$1,244.00
Member	Cissy Core-Birch	Per meeting	01/07/20 to 30/06/2021	2018 to 2021	\$622 Full Day \$403 Half Day	\$622.00
Member	Kira Fong	Per meeting	01/07/20 to 30/06/21	2019 to 2022	\$622 Full Day \$403 Half Day	2,488.00
Total						\$61,031.10

Contracts with Senior Officers

At the date of reporting no Senior Officers, or firms of which Senior Officers are Members or entities in which Senior Officers have substantial interests, had interests in existing or

proposed contracts with the Commission other than normal contracts of employment of service.

Insurance premiums paid to Indemnify members of the Board

In 2020, \$7,409.93 (inc GST) was paid, via the Insurance Commission of Western Australia, to indemnify all Board Members and Senior Officers during 2020/2021, as listed in the Operational Structure section of this report, against a liability incurred under sections 13 or 14 of the *Statutory Corporations (Liability of Directors) Act 1996*.

Unauthorised Use of Credit Cards

In accordance with Treasurer's Instructions TI 321 "Credit Cards – Authorised Use" we report that there has been no unauthorised use of the Commission's Credit Cards in 2019/2020 by the Commission's Board or Chief Executive.

Other Legal Requirements

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

Advertising

(The Electoral Act 1907, Section 175ZE)

The Commission did not incur any expenditure in advertising, market research, polling, direct mail or media advertising in 2020/2021.

Recruitment advertising costs for DPIRD positions based with the Commission were incurred by DPIRD.

Disability Access and Inclusion Plan Outcomes

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

The Commission's initiatives are provided against each of the seven desired Disability Access and Inclusion Plan outcomes:

1. People with disabilities have the same opportunities as other people to access the services of and any events organised by a public authority.
Although the Commission has not organised many events in 2020/2021, when it has done so, access arrangements for any delegates with disabilities have been considered.
2. People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.
The Commission generally fosters key relationships by visiting our clients, stakeholders and partners at their preferred venue or meeting place. Most meetings are small (often

one-on-one) and require no special facilities. Since COVID many meetings now take place in a virtual environmental that is not location sensitive.

3. People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it. Information that the Commission produces is prepared in accordance with Government's standards and can be made available in special formats on request.
4. People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority. The Commission's staff are used to working with people from a diverse range of backgrounds and are committed to offering those with disabilities the same high quality of service as people without disabilities.
5. People with disabilities receive the same opportunities as other people to make complaints to a public authority. The Commission's complaint mechanisms are accessible for people with disabilities in alternate formats where required.
6. People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority. People with disabilities are welcomed to participate in any public consultation organised by the Commission and its staff are available to provide support to remove any impediments.
7. People with disabilities have the same opportunities as other people regarding employment practices (recruitment and retention) by a public authority. The Commission ensures that its recruitment and retention practices are fair and unbiased and welcomes applications from people with disabilities.

Compliance with Public Sector Standards and Ethical Codes

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

In accordance with the *Public Sector Management Act 1994, s31* for 2019/2020 the following compliance report is provided:

WA Public Sector Code of Ethics

The Commission's Board and Staff have complied with the WA Public Sector Code of Ethics. There have been no reports of non-compliance.

Public Sector Standards in Human Resource Management

The Commission has complied with the Public Sector Standards in Human Resource Management which are supported by the Commission's Human Resource Management Policy Manual which has been updated in the last year.

No breach claims have been received.

Kimberley Development Commission Board Charter and Code of Conduct

The Commission's Board Charter and Board Code of Conduct have been reviewed and updated in the last year and are consistent with the WA Public Sector Code of Conduct, legislation and Government policy.

There have been no reports of non-compliance.

Reporting on Recordkeeping Plans

In accordance with the *State Records Act 2000* and *State Records Commission Standard 2, Principle 6 - Compliance*, the Commission reports the following:

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

In May 2019 the Commission surveyed staff to inform the development of its fourth Recordkeeping Plan (RKP) that was submitted to the State Records Commission and approved on 12 December 2019. Since that time, the Commission has continued to make progress in reviewing its records for disposal and retention

The organisation conducts a recordkeeping training program

A formalised Recordkeeping Training program exists and supports ongoing informal staff development about recordkeeping across the Commission's two offices. New staff are orientated to the Commission's recordkeeping systems and continuing staff are updated as required

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

During the development of the Commission's fourth Recordkeeping Plan (2019) the efficiency and effectiveness of the KDC Recordkeeping training program was reviewed and found to be suitable and to support the Commission's compliance with the *State Records Act 2000*

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

The Commission's Induction program was updated in early 2020, since the development of the Commission's new Recordkeeping Plan and includes a summary of recordkeeping roles and responsibilities, which are described in detail in the Commission's recordkeeping policies

Government Policy Requirements

Occupational Safety, Health and Injury Management

(Public Sector Commissioner's Circular 2018-03: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector)

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

The Commission's Executive is committed to maintaining a safe working environment for its Board Members, DPIRD employees, Contractors and Visitors. This has been especially important during the COVID-19 Pandemic, when the Commission has observed Government's restrictions and has been committed to maintaining a healthy work environment

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

Two DPIRD KDC based staff are members of the respective DPIRD Occupational Safety & Health Committees in the East and West Kimberley which provide a formal mechanism of consultation. Given the small size of the organisation the Commission's Chief Executive and DPIRD employees also liaise directly with one another on Occupational Safety and Health matters

Statement of compliance with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*, including the development of return-to-work plans

The Commission has remained compliant with the *Workers' Compensation and Injury Management Act 1981* with no Worker's Compensation or Injury Management issues to deal with in 2020/2021

Statement confirming that an assessment of the occupational safety and health management system has been completed (within the past five years or sooner depending on the risk profile of the agency) using a recognised assessment tool

A self-evaluation of the Commission's Occupational Safety and Health management system was completed in June 2019 using the Government's Worksafe Plan and Workbook

A report of the percentage of agreed actions completed following assessment of the occupational safety and health system

100% of agreed actions have been addressed

The Commission’s report on occupational safety, health and injury management performance for 2020/2021 is tabled below:

Measure	Actual Results		Results against Target	
	2019/2020	2020/2021	Target 2020/2021	Comment on Result
Number of fatalities	0	0	0	Continuing trend of zero
Lost time injury and/or disease incidence rate	0	0	0	Continuing trend of zero
Lost time injury and/or disease severity rate	0	0	0	Continuing trend of zero
Percentage of injured workers returned to work:			Greater than or equal to 80% return to work within 26 weeks	Continuing trend of zero
i) within 13 weeks	0	0		
ii) within 26 weeks	0	0		
Percentage of managers trained in occupational safety, health and injury management responsibilities	100%	100%	Greater than or equal to 80%	Target achieved

Government Building Training Policy

(Premier’s Circular 2015-02 – Government Building Training Policy)

The Commission has not held any building and construction or civil engineering contracts in 2020/2021.

WA Multicultural Policy Framework

The Kimberley Development Commission’s Multicultural Plan 2021-2024 was submitted to the WA Office of Multicultural Interests on 28th January 2021.



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