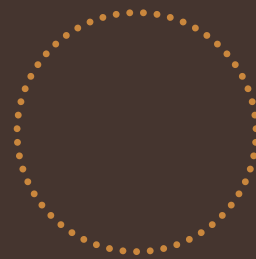




Kimberley
Development
Commission

Annual Report

2021 - 2022





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Cover Photo: Gija artist Shirley Purdie.
Photos throughout report courtesy of Australia's
North West, C & J Maddock, Taryn Yeates,
Tourism Australia, Yvette Parker and
Abby Murray Photography.

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 at 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

Table of Contents

Acknowledgement of Country	3
Statement of Compliance	4
Message from the CEO	5
Chief Executive Officer's Report	7
Overview of Agency	9
Who we are	9
What we do	9
Where we live	11
Operational Structure	13
Performance Management	21
Agency Performance	23
Report on Operations	23
1. Industry Diversification	25
2. Resources and Energy Sector Support and Development	29
3. Lift and Normalise Aboriginal Economic Development	33
4. Normalise Regional Living Standards	39
5. Organisational Excellence	47
Key Performance Indicators	49
Disclosures and Legal Compliance	53
Financial Statements	54
Other Legal Requirements	81
Government Policy Requirements	83

Acknowledgement of Country

The Board and staff of the Kimberley Development Commission acknowledge 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 of Aboriginal people such as song, story and dance, bush food and traditional medicine.

Artwork at Roebuck Bay Lookout, Broome

Statement of Compliance

For the year ended 30 June 2022

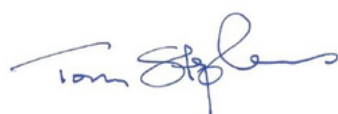
HON ALANNAH MACTIERNAN MLC

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 2022.

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

The financial statements comply with Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board.



Hon. Tom Stephens OAM
Chairperson
12 September 2022



Mr Charles Berger
Chief Executive Officer
12 September 2022

Message from the Chair



Over the year just past Kimberley people have demonstrated once again the hallmarks of strong community spirit, pressing forward with self-evident resilience, optimism and generosity. I look forward to building on the success of the 2021-22 year.

Over the year just past Kimberley people have demonstrated once again the hallmarks of strong community spirit, pressing forward with self-evident resilience, optimism and generosity. Faced with challenges big and small, people and organisations of the region have rolled up their sleeves, looked after one another, and kept an eye on the future. I'm very pleased the Commission was able to play our part in successfully tackling so many of the COVID-19 related challenges, to arrive at a very exciting point in the development of the region.

In the year just gone the Commission was proud to host the Hon. Kim Beazley on his last visit to the region as Governor of Western Australia. We also hosted the new Western Australian Trade Commissioners on a tour of the region before taking up their posts across Asia and Europe. The tour showcased the Kimberley's premium produce and is already yielding opportunities for Kimberley businesses.

The Board has continued to focus its efforts on the priorities of the State Government and the Minister for Regional Development Alannah MacTiernan, a true friend of the Kimberley.

Significant progress was made towards building stronger foundations for Aboriginal Economic Development with the creation of a Kimberley Youth and Community Justice Response package to provide more effective and culturally appropriate interventions for our young people. We are particularly pleased with the \$11.6 million in additional funding committed to the Kimberley Schools Project, a long-standing initiative with the Commission as a key partner.

Other achievements throughout the year include the launch of the Kimberley Community Action Fund, a \$2 million grant program supporting local solutions to reduce crime in the Kimberley, and round four of the Regional Economic Development Grants which saw seven projects funded

across a diverse range of industries from biomedical research to livestock supplements and childcare. We also continued to work toward the diversification of Kimberley industries and the development of the green energy sector, providing support for mining developments in rare earths, precious metals, and mineral sands.

I gratefully acknowledge the very generous work of my predecessor as Chair in David Mack, and thank my fellow Board members for their thoughtful input and strategic insight, and for utilising their strong community and industry networks to further the Commission's objectives. I would like to commend in particular Ms Kalyn Fletcher, for her service as Deputy Chair, and Chair of our Audit and Risk Sub-committee, Desiree Male.

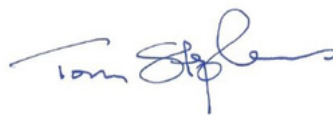
This year we welcomed a new CEO to the Commission, Chuck Berger. On behalf of the Board, I would like to recognise and thank Timothy Bray for stepping up as Acting CEO, and the whole Commission's team for their continued contribution throughout the year. After a period of staffing shortages, we look forward to proceeding with a strong and complete cohort.

Coming into the new financial year, I am excited by a transformational set of infrastructure and industry projects that will strengthen the Kimberley economy and ensure benefits are widely shared across our community.

It will be critical for the Commission to ensure that these projects can leverage a resilient local workforce. This in turns

requires us to get the foundations right: on housing; access to reliable childcare and healthcare; and amenities that will encourage people to live and work in the region.

I look forward to building on the success of the 2021-22 year, continuing our collaboration with stakeholders and partners in Local and State government, Traditional Owners and Aboriginal Controlled Community Organisations, business leaders and the Kimberley community as a whole.



Hon. Tom Stephens OAM
Chairperson
12 September 2022



China Wall, Halls Creek

Chief Executive Officer's Report



The Commission's capacity to deliver sound advice and support depends on our team of dedicated officers and Board members. I'm delighted to have joined the Commission this year, along with new Board Chairperson Hon. Tom Stephens OAM.

The year 2021-22 in the Kimberley is indelibly marked by our experience of the pandemic. This includes a jarring combination of emotions: gratitude at having escaped the waves of infection and lockdown experienced elsewhere, sadness at our long isolation from friends and family around the world, dread at what might happen when the pandemic does reach the Kimberley – and ultimately relief as borders reopened and normality returned.

Our emergence from the shadow of pandemic has not been without severe challenges for the region. Rapidly escalating housing costs and inflation have made it more difficult for families to make ends meet, and a sustained shortage of workers has affected almost every business and organisation in the region.

In the midst of this complex environment, the Commission supported our community's ability to respond effectively to these multiple challenges. In Broome, the official opening of the Broome Town Beach Jetty in November 2021 marked the completion of this important precinct redevelopment, coinciding with the successful completion of

the \$23m Chinatown precinct revitalisation project. Together, these flagship developments show Broome as a dynamic community, with eyes set on the future.

Across the region, this dynamism is mirrored in a range of other developments. The Dampier Road Activation project dramatically improves access for Peninsula residents to services in Broome, while opening up economic opportunities for their communities. In the East Kimberley, the commencement of development of Knox Plains, and planning for irrigation upgrades and a cotton gin herald a major increase in agricultural production. Commitment of major funding to the sealing of the Tanami Road and redevelopment of the RAAF Curtin Airbase will provide much needed stimulus for Derby, Fitzroy Crossing and Halls Creek.

The Commission provided a total of \$773,000 in funding through the Regional Economic Grants Scheme (2021 Round) to seven innovative and exciting projects across the region. These range from a biomedical laboratory manufacturing facility utilising pearl shell to produce high-end injectable bone implants, to the expansion

of a family childcare centre, to the production of livestock supplements for the pastoral industry.

The year has also featured sustained calls from all sectors of our community to do better looking after young people in our region. The WA Government's announcement in May of a \$40.4m Kimberley Youth and Community Justice Response is an important step forward, and a recognition that culturally adapted and community-based approaches are needed to help our young people reach their full potential. The Commission is leading substantial aspects of that investment in our young people, including a \$15m alternative facility for Aboriginal youth at risk of detention, and a \$2m Kimberley Community Action Fund to support community projects aimed at youth engagement and community security.

The Commission remains a driving force behind the Kimberley Schools Project, which is embedding evidence-based educational practice including Aboriginal cultural competency across the region. The extension of the program through 2026 was announced in May, with an additional \$11.7m in funding. The program has been enthusiastically endorsed by our Aboriginal educators, Principals, teachers, aides, parents/carers and community members. The additional funding reflects a confident recognition that the program is making a difference for educators and students alike.

Looking ahead, the region has as bright a future as ever. A reinvigorated Closing the Gap strategy, and strong leadership from Aboriginal community organisations, has laid a foundation for Aboriginal prosperity and economic inclusion. As more and more tourists return in 2022, there is every reason to believe the sector will build on its strengths with greater diversity of unique events and experiences. Across our service

sector, agriculture and resources industries, and new sustainability industries, a wide range of projects and opportunities are moving ahead. The Commission is well placed to support our communities and businesses make these a reality.

The Commission's capacity to deliver sound advice and support depends on our team of dedicated officers and Board members. I'm delighted to have joined the Commission this year, along with new Board Chairperson Hon. Tom Stephens OAM. The year featured a sustained and successful recruitment effort, resulting in the Commission returning to full staffing numbers at present. The Commission also completed important internal improvements as well, including website upgrades, a full shift to Cloud-based IT systems, and initiation of CRM development. These tools will substantially improve the Commission's efficiency and public communications capacity in the years to come.



Mr Charles Berger
Chief Executive Officer
12 September 2022



Dalmanyi Bell Gorge, Gibb River Road

Overview of Agency

Who we are

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.

What we do

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.

Our Vision

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





Our Values

Excellence

in every endeavour
we commit to

Ethical

through honest and
transparent dealings

Collaborate

to connect, align with
respect

Responsible & Inclusive

by being positive and
supportive of all
Kimberley people

Make a Difference

through our
undertakings being
quantifiable and
measurable to ensure
real outcomes

Mud flats and Cockburn Ranges, East Kimberley

Where we live

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 approximately 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 around 39,000, 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 towns and approximately 150 Aboriginal Communities.

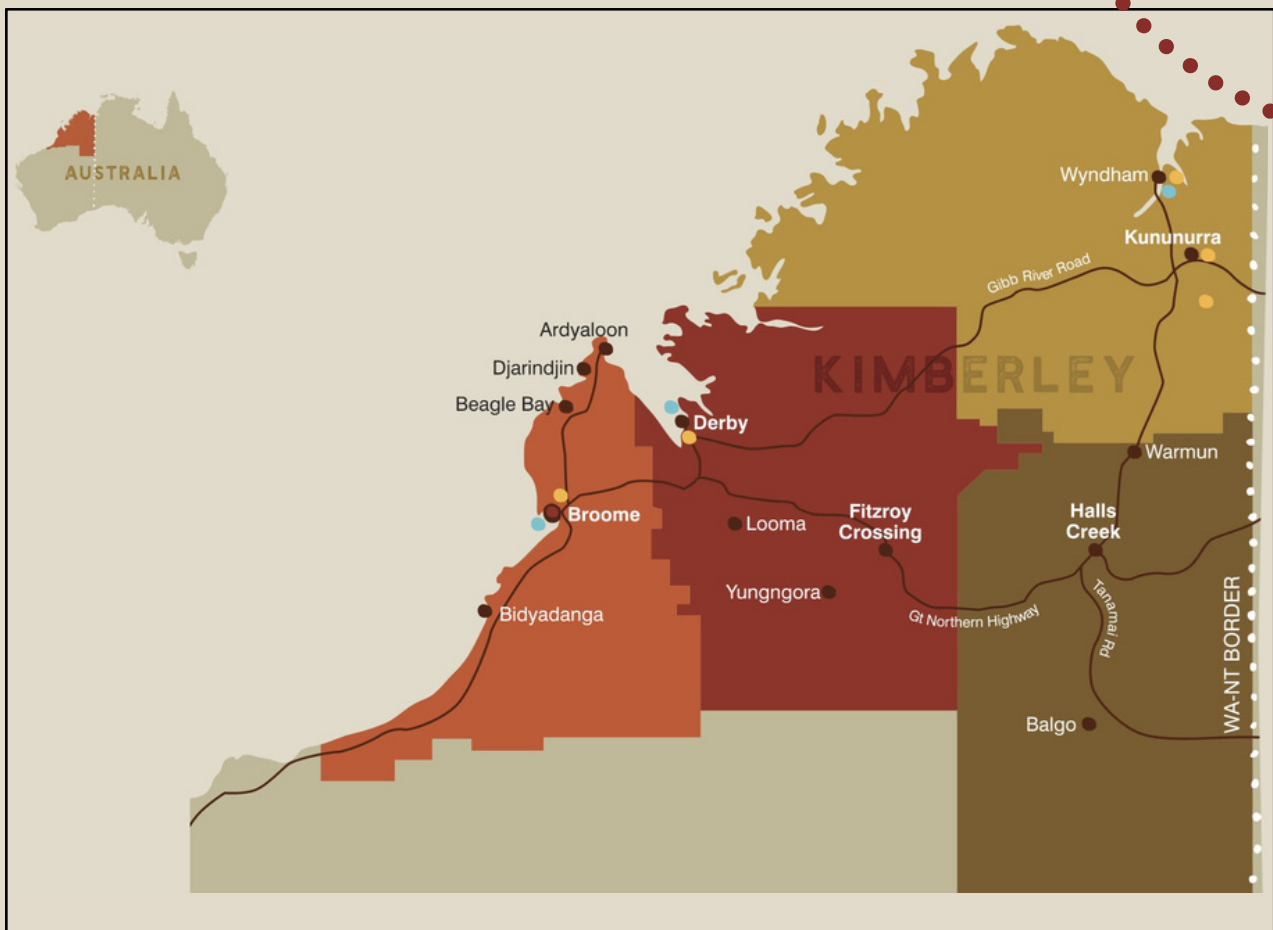
The Traditional Owners of the Kimberley are primary partners in regional development and their knowledge, guidance, participation and perspective is essential and invaluable in charting the Kimberley's future.

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.



Lake Kununurra



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 \$3.51 billion in 2021-22, which represents 1% of the estimated Gross State Product.

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 and withstand the significant impact of the COVID-19 Pandemic and associated restrictions on regional businesses and industry.

Operational Structure

Enabling Legislation

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.
- generally take steps to encourage, promote, facilitate and monitor the economic development in the region.

Responsible Minister

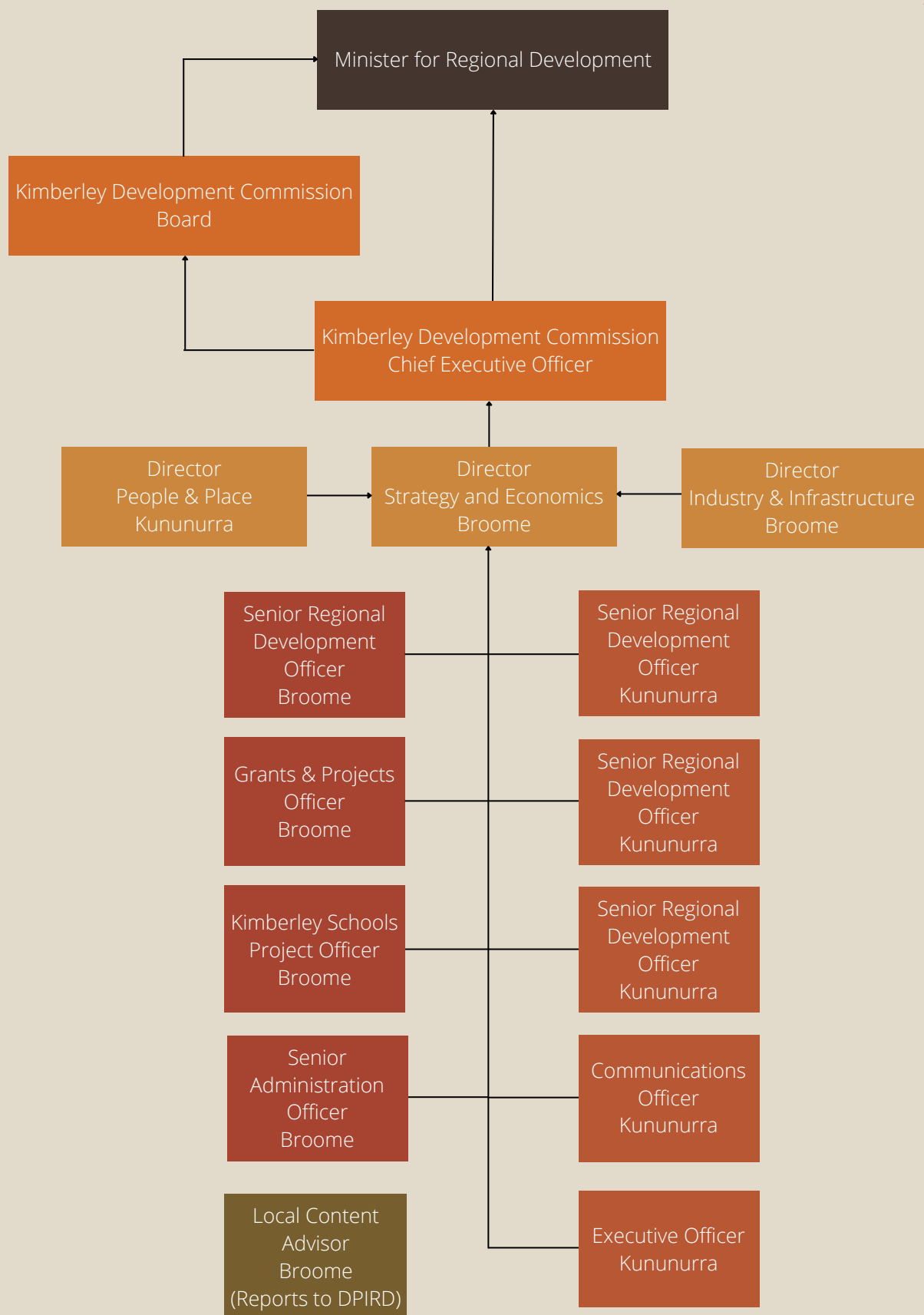
The Commission is responsible to the Hon. Alannah MacTiernan MLC Minister for Regional Development, Agriculture and Food; Hydrogen Industry.

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.

The Chief Executive Officer is an employee of the Kimberley Development Commission (KDC), all other staff are employees of the Department of Primary Industries and Regional Development (DPIRD) assigned to the Commission under an arrangement under section 29 of the *Regional Development Commissions Act 1993* endorsed by the Minister for Regional Development, the Director General of DPIRD and the CEO of the Commission.





Board Members

The Board of Management is the governing body of the KDC and meets regularly to set major policy directions including budgets, major expenditure approvals and advice to the Minister on regional matters. Consistent with the *Regional Development Commissions Act 1993* and the *Regional Development Commissions Amendment Regulations 2017*, the Kimberley Development Commissions Board is appointed by the Minister and 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.



Chairperson

The Honourable Tom Stephens OAM JP BA GAICD

Ministerial representative - appointed 2022

Previously a regional member of the State Parliament (1982-2013), Tom Stephens served as Minister for Regional Development (2001-2003) and has continued to maintain an active involvement across regional Western Australia.

Currently serving on a number of boards and committees in both the non-for-profit and government sector, in roles which include the WA Regional Development Trust; Chair of the WA Geographic Names Committee; Trustee with MercyCare WA; Board Member of DSF SPELD; and as an Independent Director with MG and WDLAC.



Member, Ex Officio

Mr Charles Berger

Chief Executive Officer - appointed 2021

Chuck Berger was appointed CEO of the Kimberley Development Commission in December 2021. With a diverse background in the private and not-for-profit sectors, Chuck brings to the KDC a strong interest and experience in new industry development, integrated human service delivery, and strengthening the capacity and resilience of Aboriginal communities.

Raised in Kansas (USA), he studied law at Yale Law School and practiced corporate law in New York and Brussels, before migrating to Australia in 2003. Since then, he has served as Director of Strategic Ideas at the Australian Conservation Foundation, CEO of Outdoors Victoria, and Manager of Kimberley Community Legal Services. Chuck has also held appointments including Chair of Community Legal WA (2018-2021), Board member and later Co-Chair of East Kimberley College (2018-21), Board member of the Australian Consumers Association (2009-2012), and Board member of Community Legal Centres Australia (2020-21).



Member
Cr David Menzel

Local Government representative - appointed 2020

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.



Member
Cr Desiree Male

Local Government representative - appointed 2020

Cr Male and her family are long term residents of Broome where she is the Director and Proprietor of three separate businesses. Further to 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.



Member

Ms Kira Fong OAM

Ministerial representative - appointed 2019

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.

As at 30th June 2022 there were two community representative positions vacant on the Kimberley Development Commission Board.



Bungle Bungle Range, Purnululu National Park

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 Charles Berger
Chief Executive Officer

Mr Berger was appointed CEO of the Kimberley Development Commission in December 2021. With a diverse background in the private and not-for-profit sectors, Chuck brings to the KDC a strong interest and experience in new industry development, integrated human service delivery, and strengthening the capacity and resilience of Aboriginal communities.



Mr Tim Bray
Director, Strategy and Economics

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 thirteen years.



Mr Glen Chidlow
Director, Industry and Infrastructure

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



Pigeon Hole Lookout, El Questro, East Kimberley

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.



Dalmanyi Bell Gorge, Gibb River Road

Performance Management

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.

Outcome based management

Since 1 July 2017 the Commission has received funding via DPIRD eliminating the requirement for a dedicated Resource Agreement. The Commission receives support for financial and human resource services from DPIRD. 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.

No changes were made to the Commission's Outcome Based Management Framework in 2021-2022 but a simplified framework has been approved by the Minister for Regional Development for 2022-23.



RED Grant Round 4 Announcements at Willie Creek Pearl Farm
Kira Fong, KDC Board, Rosetta Sahanna MLC Member for Mining and Pastoral and Lynette Pope

Government Goals

There are government goals that guide the development of policies, programs and services within Western Australian government agencies.

The Kimberley Development Commission's activities and services contribute to the economic and social development of the region by maximising job creation and broadening the region's economic base in partnership with government and the private sector.

The enhancement of the Kimberley's economic and social development is the State Government's desired outcome from the activities of the Commission. We achieve this outcome by coordinating and facilitating beneficial outcomes for business and community groups and most importantly for the people living and working in the Kimberley.

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

Government Goals	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.
Desired Outcome	An environment conducive to the balanced economic and social development of the Kimberley Region.
Services	<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.

Agency Performance

The Kimberley Development Commission's Strategic Plan 2019-2021 defines its strategic direction and sets out the KDC's approach to the delivery of regional development outcomes, identifying key themes and strategies to achieve economic and social outcomes for the region.

The KDC has identified five strategic themes that are important mechanisms for aligning effort across the region. These themes resonate in the Kimberley through an approach to development that integrates people, place and prosperity.

Report on Operations

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.

This section of the Annual Report illustrates the Commission's diverse activities and achievements in 2021-2022 across the region, in accordance with its Statutory responsibilities, Government's priorities and the Commission's Strategic Plan.



RED Grant Round 4 Announcements at Willie Creek Pearl Farm. Minister MacTiernan, Kira Fong, KDC Board and Chuck Berger KDC CEO with Grant recipients

Strategic Themes

1
Industry
Diversification



2
Resources and
Energy



3
Aboriginal
Economic
Development



4
Regional Living
Standards



5
Organisational
Excellence



Theme 1

Industry Diversification



Ord Valley, East Kimberley

The Kimberley has unique opportunities determined 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 industries such as the resources and energy sector.

We aim to achieve the outcomes of this strategic theme by:

- working collaboratively with established industries and businesses to ensure they remain strong economic contributors
- actively identifying, seeking out and attracting investment to the region for new industries and businesses
- advocating for economic infrastructure too support development and leveraging industry and government funding for high quality projects
- delivering on transformation opportunities to improve the efficiency of doing business in the region.

Key Achievements

The Commission employs a number of mechanisms to support Industry diversification. Contributing to the state and regional assessment of infrastructure needs especially in common user infrastructure is a critical role and the Commission continues to liaise closely with key agencies including Infrastructure WA, Infrastructure Australia, Development WA and Horizon Power to ensure that businesses both large and small will have access to the efficient infrastructure and services that enable their growth.

Working across sectors to promote local content opportunities continues to offer significant diversification benefits. The skills and service of the Commission's Local Content Advisor, used to help Kimberley businesses maximise local

content outcomes including employment from State Government contracts, are now being proactively applied to Commonwealth and Corporate contracts. This further expands the opportunity for local businesses to grow and diversify their operations. These are also important levers to improve outcomes in Aboriginal employment and procurement.

The Commission's primary direct mechanism to support industry diversification is the Regional Economic Development grants. By providing direct financial backing of the energy, expertise and spirit of our entrepreneurs as they invest in new and growing businesses we directly support local jobs and innovation in the region.



Lauren Bell, Waste Not Food Recycling, RED Grant recipient

Project in focus:

Regional Economic Development Grants

Seven grants with a combined funding value of \$773,000, were approved and announced by the Minister on 5 April 2022.

The Regional Economic Development (RED) grants program is a \$45.8 million State Government initiative over eight years, which invests in local projects to stimulate economic growth and development in regional Western Australia. The program is being progressively rolled out in eight rounds and for the Kimberley this translates to approximately \$637,000 each year distributed over eight years (\$5,096,000 in total).

The 2021 RED Grants round offered funding of up to \$250,000 for successful

applications. This was an increase from the previous years' grant round which was reduced with the view of assisting more applicants effected by the COVID-19 pandemic.

The grants opened in each region across the state on 27 August and closed on 21 October 2021.


In the Kimberley component of the round, twenty-nine applications were received by the Commission and these collectively requested \$5,090,713, close to seven times the available funding. To date, there is only one proponent that has not received their funding and the Commission is working closely with them to progress the project and disburse the funds.



RED Grant Round 4 Announcements at Willie Creek Pearl Farm
Minister MacTiernan with Patrick Moase, Marine Biomedical and Robert Banfield, Willie Creek Pearl Farm

RED Grants 2021-2022

Round Four



Marine Biomedical Pty Ltd To enable a pilot Good Manufacturing Practice (GMP) laboratory facility in Broome to manufacture PearlBone	\$200,000
East Kimberley Chamber of Commerce and Industry Addressing labour shortage issues in the East Kimberley region	\$75,000
Mowanjum Aboriginal Corporation Expanding Mowanjum's Pivot Capability to accommodate more Wagyu breeders	\$60,000
Lakeside Minerals Livestock Pty Ltd Establishment of Lakeside Minerals Livestock - supplements for Kimberley pastoralists.	\$150,000
Fripped Enterprises Pty Ltd Traffic Management Certification	\$33,000
Frillneck Enterprises Pty Ltd Little Bilbies Expansion Project	\$170,000
MGC Building and Maintenance Pty Ltd Assistance in Purchasing Capital Equipment	\$85,000

2020 grant funds have been disseminated after some delays due to COVID-19 implications. Three projects have been acquitted with a further three nearing completion. It is anticipated the final two projects will be nearing completion by the end of 2022.

At the time of writing this report a fifth round of REDs is open for applications with up to \$701,060 available for project funding.

Theme 2

Resources and Energy Sector Support and Development



Solar panels, Kimberley

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.

We aim to achieve the outcomes of this strategic theme by:

- working collaboratively with proponents to maximise the opportunities for local content from their projects
- identifying and advocating for efficient common user infrastructure and facilities
- assisting with long term planning to maximise the local employment, training and business opportunities especially amongst Aboriginal people. We aim to have these workforces reflect the diverse population of Kimberley residents.

Key Achievements

The uniquely diverse minerology of the Kimberley continues to underpin a significant portion of the Kimberley economy and workforce. Modest in size but high in value and often with decades of productive life ahead of them, the Kimberley has significant resources in tech metals, zircon and titanium, iron ore and potash. These small, rich, long-lived resources are well matched to the Kimberley's small population.

Planning ahead for the infrastructure, support industries and workforces that the sector needs is an important task for the Commission. The Commission is also planning to capitalise and build our attractiveness as 'dormitory' for other regions by planning for the amenities that make the lifestyle in our towns renowned. The Tanami sealing, inter and intra-regional air services, the imminent construction of the Kimberley Marine Offloading facility and export options through both Derby and Wyndham will continue to improve the

logistic chains servicing the industry and make the industry a more efficient business and stable employer.

Renewable energy options continue to move quickly. While the Kimberley has unparalleled opportunities in the generation of renewable energy from solar, wind, tidal and hydro-power sources it's in the area of battery storage and off-grid resilience that the greatest strides are being made. Horizon Power is installing modern embedded networks in 13 of the regions remote Aboriginal communities which will immediately improve power reliability and management but will also gradually enable these communities to move off expensive fossil fuels and onto renewable energy sources. Battery Energy Storage Systems (BESS) will be making this a reality in Broome during 2022 following the lead of Derby Hospital in reducing its carbon footprint through a combination of solar PV and smoothing batteries.





King Cascade Falls
Photo Credit: Tourism Australia

Project in Focus:

Broome Maritime Facility

Growing and improving the industrial, commercial and recreational maritime infrastructure in Broome is critical to its economic and social growth.

Boating remains a key recreational past-time for Broome residents and the State Government has already made a significant commitment of \$35 million to providing the Broome community with safe, environmentally sensitive, state-of-the-art recreational small boat facilities. Progressed by a disciplined collaboration between the Yawuru people, the Shire of Broome and the State this project is now seeking additional funding to make this long-cherished dream a reality.

At the commercial and industrial end of the scale Broome is currently serviced by the port of Broome under the Kimberley Ports

Authority. Working with private sector proponents, the State is moving to significantly upgrade Broome's maritime logistics capability. In 2022 the proponents of the Kimberley Marine Offloading Facility (KMOF) announced their operating partner (Peterson Energy Logistics) and primary construction contractor (TAMS), bringing the opening and operation of the facility several steps closer. The +\$100 million investment in the KMOF promises to offer vastly improved capability, lower costs and significant employment opportunities. The benefits for importing and exporting goods and materials and the enablement of more flexibility in tourism, oil and support and a range of other materials herald a new age in Kimberley logistics.



Port Facility, Broome

Theme 3

Lift and Normalise Aboriginal Economic Development



Djarindjin, Dampier Peninsula

Aboriginal people continue to develop life and professional skills, many of which are underdeveloped on an intergenerational basis, but further time, support and opportunities are required. 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 self-determining opportunity. Assisting Aboriginal people to access opportunities along the income continuum including entering the workforce at a range of points, progressing to other industries and careers with greater income and business ownership or entrepreneurial opportunities is key to the Commission's strategy for economic growth.

We aim to achieve the outcomes of this strategic theme by:

- advocating for hard targets for Aboriginal outcomes including employment and procurement from Aboriginal owned businesses to be built into contracts for projects and investments from both the private and public sector
- activating the Local Content Advisor Network to support businesses to work with Aboriginal Partners and Aboriginal businesses to access commercial opportunities
- driving service improvements especially in health, housing, education and training. The Commission recognises that delivering services in these critical areas on par with the metropolitan standard are essential enablers to economic participation.

Key Achievements

With the successful sealing of the Cape Leveque Road, delivering on the Commission's objectives under the Dampier Peninsula Activation Strategy became even more vital. That work is ongoing but important components have been delivered including new tourism facilities, improved mobile phone telecommunications, business support and improved signage to protect sensitive areas, improve safety and assist tourists.

Since 2017 the State Government's Local Content Advisors have been working within the Commissions to maximise the opportunities for local economic benefit from State Government procurement and service provision. In the Kimberley the

Commission has been working to extend that benefit to any commercial opportunity but more particularly to focus on outcomes associated with Aboriginal economic benefit. In Broome both the Chinatown Revitalisation projects, and the Town Beach projects achieved outstanding results for Aboriginal employment with over 20% of the hours delivered by Aboriginal people and up to 70% on some components. Across the Kimberley roadworks on Cape Leveque, the Derby Highway intersection, Duncan Highway, Gibb River Road and Gordon Downs Road also delivered exceptional results for employment and contracting with Aboriginal people and businesses.



Cape Leveque Road, West Kimberley

Project in Focus:

Dampier Peninsula Activation

The sealing of the road has been flagged as a catalyst for a range of opportunities, as well as challenges, for residents and communities situated on the Dampier 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 commitments) was completed in November 2020. The sealing of the road has been flagged as a catalyst for a range of opportunities, as well as challenges, for residents and communities situated on the Peninsula. The State Government has established a

governance structure, for which the Minister for Regional Development is the lead Minister, to enable a coordinated approach to the economic development and impact mitigation strategies associated with the road upgrade. The Commission is playing a key leadership role in partnership with the Department of Premier and Cabinet (DPC). This is with the aim of:

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



Brian Lee Tagalong Tours, Kooljaman

Along with DPC, 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 a range of projects including:

- construction and upgrading of day-use facilities, for example ablutions and shade, at key community locations
- installation of telecommunication upgrades, greatly improving mobile reception at Djarindjin and Lombadina Communities.
- facilitating business enterprise support for new and emerging Aboriginal business ventures on the Peninsula; and
- installation of signage and fencing to protect areas of cultural significance and private property at risk from increased visitation.

Most of these projects are now complete, while the cultural heritage protection works are being implemented by the Department of Planning and Heritage (DPLH) who are providing relevant expertise in this task.

Their work is guided by a comprehensive report, which was commissioned to identify areas on the Peninsula that are most at risk

from increased visitation, and what requirements are needed to help mitigate impacts.

Focus has now shifted toward engagement with the four Prescribed Bodies Corporate (PBCs) that are based on the Peninsula, with key discussions being held regarding the divestment of Aboriginal Lands Trust Estate and other significant land tenure matters.

The impacts of the COVID-19 pandemic have been particularly felt in Aboriginal communities, and the inability to readily access these communities has caused some delays in the delivery of the overarching project.

Funds for the ongoing consultation is likely to be extended to 31st March 2023, at which time the project reverts to a more 'business as usual' approach for government agency interaction on the Peninsula.



Project in Focus:

Local Content

Aboriginal Short Stay Accommodation, Kununurra

\$20m

This facility will provide guests with access to culturally appropriate, affordable, safe, and secure accommodation while enabling improved access to local support services. The Department of Communities will manage the entire project from site selection, design, construction, and the coordination and oversight of the operational management of the facility. Further work with the Department of Communities will develop over time to connect as many local businesses as possible for the development of works.

RAAF Curtin, Derby

\$200-\$250m

Procurement of Managing Contractor (MCC-1 2021) services for the redevelopment of RAAF Base Curtin in Derby, Western Australia. The Managing Contractor will be responsible for design, planning and construction of facilities and infrastructure for RAAF Base Curtin to ensure the base can continue its important role supporting regional Defence operations. Active engagement has been facilitated between the LCA and the 3 tendering Managing Contractors to develop a strategic plan to incorporate development in Derby for the project and for future use. Plans will involve the shire and engaging communities around the vicinity to understand what indirect benefits could be added to Derby and Surrounds.

Cable Beach Redevelopment, Broome

\$36.5m

Broome's Surf Life Saving Club Is under construction with builders estimating practical completion by November 2022. Adding to the sights and allowing open views of the magnificent Cable Beach sunset the new clubrooms will be a welcome addition to the foreshore. The facility will double as the North West Training Facility for Royal Life Saving WA and for the benefit of their members, community groups, Aboriginal communities and regional industries.

Shire of Halls Creek Town Centre Redevelopment

\$3.9m

The Shire of Halls Creek has received \$3.5m in support from the State Government to undertake key components of the Halls Creek Masterplan. The Commission is providing project management support to the Shire and Main Roads WA to complete the project which will see parklands, footpaths, shade and recreation areas significantly improved, signage utilising local language and a range of social and infrastructure improvement. Local content opportunities including significant Aboriginal employment and contracting of Aboriginal businesses are being prioritised. The project is an important precursor to additional work that will capitalise on the economic development opportunities expected to arise from the sealing of the Tanami Highway over the next 5 years.



Construction of Broome Surf Life Saving Club, Cable Beach

Theme 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.

We aim to achieve the outcomes of this strategic theme by:

- celebrating and promoting the Kimberley's unique attributes and distinctiveness, particularly its rich history, diversity and Aboriginal heritage and culture
- supporting the delivery and access to appropriate level of services for all Kimberley residents
- creating vibrant public places that enable social and cultural exchange and interaction
- promoting the Kimberley as an attractive place to live and work
- leveraging government funding for high quality projects.

Key Achievements

Living and working in the Kimberley offers exciting and unique opportunities for community engagement, experiences in a spectacular natural environment, cultural learning and career progression. These opportunities bring many people to the region both as visitors and long term residents.

But to retain those people and properly service the population, regional living standards in the provision and access of goods in key areas need to mirror what is available in any metropolitan area of Australia.

The Commission monitors outcomes for the delivery of services in Health, Education, Housing, Training, Telecommunications/data, the provision of goods and a range of other determinants of living standards. We then work to advocate for continuous improvements by the

agencies responsible for delivery and simultaneously plan projects that can drive systemic and permanent improvements in regional living standards. Following this methodology the Commission has progressed transformational projects in education, in housing opportunities for Aboriginal people and works closely with DPIRD and the Commonwealth to improve telecommunications infrastructure. Housing projects instigated by the Commission have helped nearly 200 Aboriginal families progress towards home ownership, the Kimberley Schools project is delivering improved educational outcomes in 23 regional schools and Kindilink services to over 300 children in 19 schools. Telecommunications have been upgraded in Halls Creek, Kalumburu, Bidyadanga and the Dampier Peninsula and the Commission continues to plan for further improvements.



La Grange Remote Community School, Bidyadanga

Project in Focus:

Kimberley Schools Project

The Kimberley Schools Project (KSP) is a collaboration between the Commission, the Department of Education, Catholic Education Australia, the Association of Independent Schools Western Australia and the Department of Primary Industries and Regional Development. Initially providing \$25 million Royalties for Regions funding over five years an additional funding commitment of \$11.7 was made in May 2022 to extend the program for a further three years. One of the core design elements of the program is the creation of whole-of-regional consistency in pedagogy and teacher training amongst the participating schools. New and existing strategies to address low education outcomes in the Kimberley are accelerated and intensified and underpin broader economic and social development in the region.

An independent review of the program has highlighted the following points:

- The program, outcomes and continuation of the project has strong stakeholder support.
- KSP has provided teachers and graduate teachers with greater self-confidence in delivering teaching methods.
- Professional learning for Aboriginal and Islander Education Officers and Aboriginal Teacher Assistants has been provided under KSP and greater opportunities for more Aboriginal employment are now possible.
- Schools are encouraging the implementation of the KSP pedagogy beyond year 2.



La Grange Remote Community School, Bidyadanga

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.
- 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, equivalent to approximately 4,464 students of which 2,912 are Aboriginal.

COVID-19 impacts have continued to affect the delivery of education in the Kimberley but KSP coaches and staff have assisted schools by designing support materials suitable for online use thereby guaranteeing delivery of the program when staffing levels are impacted to ensure continuity of education and program intensity.

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 also delivering Kindilink services in more than 19 KSP schools providing pre-school services to more than 300 students to support the critical role of early childhood learning intervention for at-risk children.



La Grange Remote Community School, Bidadanga

Project in Focus:

Kimberley Community Action Fund Grants

The KCAF initiative provides small grants for local solutions to improve community safety and security in the Kimberley region.

The Kimberley Community Action Fund (KCAF) is a \$2 million State Government initiative to provide small grants for local solutions to improve community safety and security in the Kimberley Region of Western Australia. The implementation of the program recognises the high level of community concern at the escalating crime rates in the region and supports a whole-of-community approach to reducing and mitigating criminal activity and damage.

The inaugural round of the KCAF was opened on 2 June 2022 and closed on 30 June 2022 which was a relatively short

period of time for applications. The State Government invested \$1million for this Round of the program and applicants were able to apply for up to \$100,000 for individual projects.

KCAF applications evidenced a demonstrated need and potential impact of the proposed project that would provide community safety initiatives that were locally driven, could be delivered quickly and had demonstrated community support in the Kimberley. These application have been assessed and ten projects were approved to the total value of \$664,946.

At the time of closing 24 applications from a broad range of community-based organisations had been received proposing innovative and diverse solutions.



Kimberley Community Action Fund Grant Announcement
Minyirr Park, Broome

Kimberley Community Action Fund Grants 2021-2022

Round One

Shire of Broome A Sporting Chance	\$86,034
Djarindjin Aboriginal Corporation Development of Family Empowerment Program	\$78,000
Nyamba Buru Yawuru Ltd Mayingan Manja (plenty food) for Elders	\$100,000
Wunan Foundation Inc Swimming the River on Horseback	\$100,000
Shire of Wyndham East Kimberley Kununurra Disruptive and Protective Hardcover Installations	\$49,500
Shire of Wyndham East Kimberley Wyndham Oval Changerooms	\$100,000
Shire of Wyndham East Kimberley Kununurra CCTV Upgrades	\$26,530
Broome Lotteries House Inc Centre Security Project	\$31,454
Purnululu Aboriginal Corporation School Security and Community Safety	\$11,333
Fair Game Australia Ltd Fit and Healthy in the Kimberley with Fair Game	\$82,095



Kimberley

Project in Focus:

Youth Justice

Marlamanu on-country program is an alternative program intended to divert young offenders from incarceration and a cycle of further offending.

The launch of the Government's Aboriginal Youth and Community Justice Response package saw the Commission assigned significant responsibilities, including working with KRED Enterprises on the design process for the "Marlamanu" on-country program and leading an 'Expression-of-Interest' process to develop Aboriginal lead proposals and business cases for further residential facilities for youth at-risk in the Kimberley.

Marlamanu is an alternative program intended to divert young offenders from incarceration and a cycle of further offending. Based at Myroodah Station, it will engage participants in a substantial

residential program of station work, education, clinical assistance, reflection and engagement with elders and other community leaders.

The 'Expression-of-Interest' process for residential facilities for youth at-risk in the Kimberley has opened, with \$500,000 in available funding. It is anticipated that will be shared between several successful applicants. The funds are available in the financial year 2022-2023.

Funds made available through this program are one-off and the Commission will work with successful applicants to develop their proposals. Through this initiative successful proponents will receive support to progress Aboriginal lead proposals to further develop solutions in this important area.



Theme 5

Organisational Excellence



Ivanhoe Crossing, Kununurra

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.

We aim to achieve the outcomes of this strategic theme by:

- being a trusted partner of choice for Regional Development
- encouraging thought leadership and out-of-the-box thinking
- applying an evidence-based, decision-making framework to all activities
- collecting, managing and communicating the best available information about the Kimberley
- being an accessible organisation by ensuring effective communication between staff, stakeholders and the community.

Key Achievements

The Commission has undertaken three recruitment campaigns to rebuild staff numbers and capacity. As of September 2022 the Commission has a full complement of staff.

In addition, the Commission has begun detailed scoping to reactivate our unique Economic and GIS capable scenario modelling platform ALCES. The platform will significantly enhance the Commission's capability to model and forecast evidence-based scenarios for projects and initiatives resulting in better outcomes and better managed risks.

The Commission is also moving to adopt a 'fit-for-purpose' Client Relationship Management tool and

expects to be able to implement a suitable system before the end of the 2022 calendar year.

In 2021 the Commission completed a significant upgrade of its IT and voice systems to move to fully cloud based services. This project improved security, functionality and reduced costs while ensuring that the Commission's highly mobile work force could continue to work efficiently from any location.

The commission also continues to significantly upgrade it's website providing improved accessibility and options for disseminating information.



RED Grant Round 4 Announcements at Willie Creek Pearl Farm
Aleta Lee-James, Frillneck Enterprises, Glen Chidlow, KDC and Shawn Donoghue, Frillneck Enterprises

Key Performance Indicators

The Kimberley Development Commission's desired outcome is: An environment conducive to the balanced economic and social development of the Kimberley region.

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.

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.

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 Effectiveness Indicators

The Commission measures its effectiveness indicators through an annual client perceptions survey, conducted by an independent market research company which asks stakeholders to rate the agency's effectiveness and the quality of the service delivered.

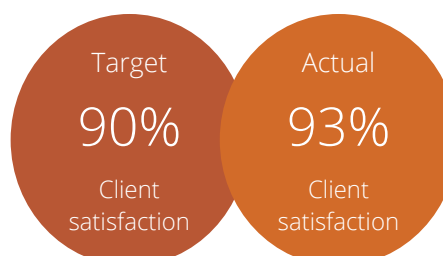
Effectiveness Indicator 1

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



Effectiveness Indicator 2

The Kimberley Development Commission provides a reliable and accessible source of information and advice.



Prior years effectiveness indicators are summarised in the following table.
The KDC is committed to maintaining these effectiveness targets in future years.

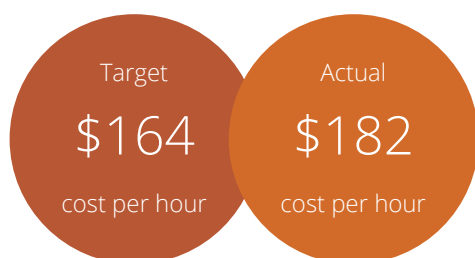
	2017-2018	2018-2019	2020-2021	2021-2022
Effectiveness Indicator 1	92%	94%	92%	89%
Effectiveness Indicator 2	91%	94%	92%	93%

Key Efficiency Indicators

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 across two service areas. The results from 2021-2022 are presented below.

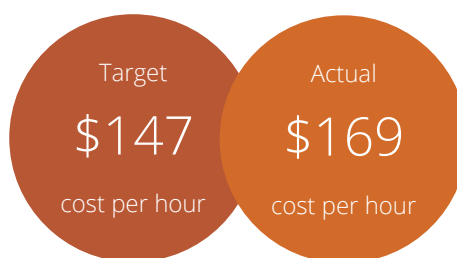
Efficiency Indicator for Service 1

Policies, strategies, plans and regional promotion results.



Efficiency Indicator for Service 2

Industry and infrastructure, coordination and development results



The Commission's Average Cost per Project Hour for both Service 1 & 2 was approximately 12% above target primarily due to a reduction in staff during much of 2021-2022. While non-wage operating costs remained at approximately historic levels, hours worked fell sharply in line with senior staff numbers.

Key Efficiency Indicators

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.

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

Key Performance Indicators	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Net Operating Cost	\$1,441,013	\$1,166,787	\$1,434,109	\$1,213,001	\$1,330,181
Number of Project Hours	7,928	7,873	9,957	7,444	6,995
Cost per Project Hour	\$182	\$148	\$144	\$163	\$190

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

Key Performance Indicators	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Net Operating Cost	\$910,987	\$1,093,213	\$992,238	\$985,977	\$779,649
Number of Project Hours	5,379	8,000	6,886	6,001	3,434
Cost per Project Hour	\$169	\$137	\$144	\$164	\$204



Ord River, East Kimberley

Disclosures and Legal Compliance

The following pages contain the Kimberley Development Commission's financial statements and legal compliance:

- Decision to dispense with the financial audit for the Kimberley Development Commission for year ending 30 June 2022
- Certification of Financial Statements
- Financial Statements
- Certification of Key Performance Indicators
- Detailed notes on Key Performance Indicators
- Other Legal Requirements
- Government Policy Requirements



Myall's Bore, Derby

Financial Statements



Our Ref: 5598-004

7th Floor, Albert Facey House
469 Wellington Street, Perth

The Honourable Tom Stephens
Chairperson
Kimberley Development Commission
PO Box 620
KUNUNURRA WA 6743

Mall to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Dear Chairperson

DECISION TO DISPENSE WITH THE FINANCIAL AUDIT FOR THE KIMBERLEY DEVELOPMENT COMMISSION FOR YEAR ENDING 30 JUNE 2022

We note that the development commissions' were significantly impacted by the 2017 machinery of government changes, with most staff being transferred to the Department of Primary Industries and Regional Development (DPIRD). Another consequence is that your financial statements largely reflect the services and expenses that DPIRD provide and incur on your behalf.

As these services and expenses are already covered in the annual audit of DPIRD, we recently proposed to the Treasurer to dispense with your audit this year. The Treasurer has supported the proposal and the Auditor General has decided to dispense with your audit for the year ending 30 June 2022 under section 14 of the *Auditor General Act 2006*.

Under the *Financial Management Act 2006*, you will still need to prepare your financial statements and key performance indicators and include them, unaudited, in your annual report.

For the same reasons, we are also considering to undertake your audit once every 3 years. This would be the same for all development commissions'. Your OAG Director, Mr Jordan Langford-Smith, will be in contact with your Chief Executive Officer to discuss this and future audits later in the year.

Should you wish to discuss any aspect of this matter, please contact me on 6557 7526 or Mr Langford-Smith on 6557 7609.

Yours sincerely

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
19 May 2022

c.c. Mr Chuck Berger, Chief Executive Officer, Kimberley Development Commission
Mr Michael Barnes, Under Treasurer
Ms Mandy Taylor, Chief Finance Officer, Department of Primary Industries and Regional Development

Disclosures and Legal Compliance

Certification of Financial Statements

For the reporting period ended 30 June 2022

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 2022 and the financial position as at 30 June 2022.

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.



Frank Stalteri
Chief Finance Officer
12 September 2022



Charles (Chuck) Berger
Chief Executive Officer
12 September 2022



Thomas Stephens
Chairman of the Board
12 September 2022

Table of Contents

Financial Statements

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the financial statements

1. Basis of Preparation	8
2. Use of Our Funding	10
2.1. (a) Employee benefits expenses	10
2.1. (b) Employee related provisions	10
2.2. Grants and Subsidies	11
2.3. Other expenditure	12
3. Our Funding Sources	13
3.1. Income from State Government	13
3.2. Other income	13
4. Key Assets	14
4.1. Property, plant and equipment	14
4.1.1. Depreciation and impairment	14
4.2. Right-of-use assets	15
5. Other Assets and Liabilities	17
5.1. Receivables	17
5.2. Amounts receivable for services (Holding Account)	17
5.3. Payables	17
6. Financing	18
6.1. Lease Liabilities	18
6.2. Cash and Cash Equivalents	19
6.3. Capital Commitments	19
7. Financial instruments and Contingencies	20
7.1. Financial Instruments	20
7.2. Contingent assets and liabilities	20
8. Other Disclosures	21
8.1. Events occurring after the end of the reporting period	21
8.2. Initial application Australian Accounting Standards	21
8.3. Key management personnel	22
8.4. Related party transactions	22
8.5. Related bodies	22
8.6. Affiliated bodies	22
8.7. Special purpose accounts	23
8.8. Remuneration of auditors	23
8.9. Equity	23
8.10. Supplementary financial information	23
8.11. Explanatory statement	23

Kimberley Development Commission – 30 June 2022

Statement of Comprehensive Income
For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1(a)	241	351
Supplies and services	2.3	2,071	1,892
Depreciation and amortisation expense	4.1, 4.2	13	14
Grants and subsidies	2.2	103	263
Other expenses	2.3	27	14
Total cost of services		<u>2,455</u>	<u>2,534</u>
Income			
Other income	3.2	181	13
Total income		<u>181</u>	<u>13</u>
NET COST OF SERVICES		<u>2,274</u>	<u>2,521</u>
Income from State Government			
Income from other public sector entities	3.1	418	534
Resources received	3.1	1,907	1,778
Total income from State Government		<u>2,325</u>	<u>2,312</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		<u>51</u>	<u>(209)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		<u>51</u>	<u>(209)</u>

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

Kimberley Development Commission – 30 June 2022

Statement of Financial Position
As at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6.2	705	961
Restricted cash and cash equivalents	6.2	467	339
Receivables	5.1	2	27
Total Current Assets		1,174	1,327
Non-Current Assets			
Restricted cash and cash equivalents	6.2	3	3
Amounts receivable for services	5.2	39	39
Property, plant and equipment	4.1	2	9
Right-of-use assets	4.2	10	16
Total Non-Current Assets		54	67
TOTAL ASSETS		1,228	1,394
LIABILITIES			
Current Liabilities			
Payables	5.3	42	41
Lease liabilities	6.1	7	6
Employee related provisions	2.1(b)	8	222
Total Current Liabilities		57	269
Non-Current Liabilities			
Lease liabilities	6.1	2	9
Employee related provisions	2.1(b)	2	-
Total Non-Current Liabilities		4	9
TOTAL LIABILITIES		61	278
NET ASSETS		1,167	1,116
EQUITY			
Contributed equity	8.9	145	145
Accumulated surplus/(deficit)		1,022	971
TOTAL EQUITY		1,167	1,116

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

Kimberley Development Commission – 30 June 2022

Statement of Changes in Equity For the year ended 30 June 2022

	Notes	Contributed equity \$'000	Accumulated surplus \$'000	Total equity \$'000
Balance at 1 July 2020		145	1,180	1,325
Surplus/(deficit)			(209)	(209)
Total comprehensive income for the period		-	(209)	(209)
Balance at 30 June 2021	8.9	145	971	1,116
Balance at 1 July 2021		145	971	1,116
Surplus/(deficit)			51	51
Total comprehensive income for the period		-	51	51
Balance at 30 June 2022	8.9	145	1,022	1,167

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

Kimberley Development Commission – 30 June 2022

Statement of Cash Flows
For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Funds from other public sector entities		418	534
Net cash provided by State Government		<u>418</u>	<u>534</u>
<i>Utilised as follows:</i>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(444)	(323)
Supplies and services		(167)	(128)
Grants and subsidies		(103)	(263)
GST payments on purchases		(17)	(33)
Other payments		(27)	(14)
Receipts			
GST receipts on sales		17	-
GST receipts from taxation authority		20	12
Other receipts		181	13
Net cash used in operating activities		<u>(540)</u>	<u>(736)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(6)	(13)
Net cash used in financing activities		<u>(6)</u>	<u>(13)</u>
Net decrease in cash and cash equivalents		(128)	(215)
Cash and cash equivalents at the beginning of the period		1,303	1,518
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.2	<u>1,175</u>	<u>1,303</u>

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 12 September 2022.

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) – Simplified Disclosures
- 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).

Accounting of Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Agency as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Contributed Equity

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, as designated as contributions by owners (at the time of, or prior to, transfer) 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.

Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations; and
- Right-of-Use Asset reconciliations.

Notes to the financial statements

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.

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 benefits provisions	2.1(b)
Grants and subsidies	2.2
Other expenditure	2.3

2.1. (a) Employee benefits expenses

	2022 \$'000	2021 \$'000
Employee benefits	214	311
Superannuation - defined contribution plans	27	40
Total employee benefits expenses	241	351
Add: AASB 16 Non-monetary benefits	7	7
Net employee benefits	248	358

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

	2022 \$'000	2021 \$'000
<u>Employee benefits provisions</u>		
Annual leave	8	138
Long service leave	-	81
	8	219
<u>Other provisions</u>		
Employment on-costs	-	3
Total current employee related provisions	8	222

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.

Notes to the financial statements

2.1 (b) Employee related provisions (continued)

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 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'.

	2022 \$'000	2021 \$'000
Employment on cost provision		
Carrying amount at start of period	3	3
Additional/(reversals of) provisions recognised	(3)	-
Carrying amount at end of period	-	3

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

	2022 \$'000	2021 \$'000
Non Public organisations	103	28
Local Government agencies	-	235
Total recurrent grants and subsidies	103	263

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

	2022 \$'000	2021 \$'000
Supplies and services		
Board fees	52	61
Communications	1	2
Consultants and contractors	13	2
Consumables	9	7
Travel	79	40
Other	10	2
Resources provided free of charge by DPIRD ^(a)	1,907	1,778
Total supplies and services expense	2,071	1,892
Other expenses		
Building and infrastructure maintenance	3	1
Internal audit fees	12	12
Other expenses	12	1
Total other expenses	27	14
Total other expenditure	2,098	1,906

(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.

Notes to the financial statements

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

	2022 \$'000	2021 \$'000
Income received from other public sector entities during the period:		
- Department of Primary Industries and Regional Development - operational funding	418	534
Total grants and subsidies	418	534
Resources received from other public sector entities during the period:		
- Services received free of charge ^(a)	1,907	1,778
Total resources received	1,907	1,778
Total income from State Government	2,325	2,312

(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.

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

	2022 \$'000	2021 \$'000
Other sundry income	15	13
	15	13
Return of unspent grant monies	166	-
	166	-
Total other income	181	13

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).

Notes to the financial statements

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
Total key assets	

4.1. Property, plant and equipment

Year ended 30 June 2022	Buildings \$'000	Furniture and fixtures \$'000	Office equipment \$'000	Computer Hardware \$'000	Total \$'000
1 July 2021					
Gross carrying amount	130	79	6	81	296
Accumulated depreciation	(130)	(70)	(6)	(81)	(287)
Carrying amount at start of period	-	9	-	-	9
Depreciation	-	(7)	-	-	(7)
Carrying amount at 30 June 2022	-	2	-	-	2
Gross carrying amount	130	79	6	81	296
Accumulated depreciation	(130)	(77)	(6)	(81)	(294)

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 and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

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.

Subsequent measurement

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

4.1.1. Depreciation and impairment

	2022 \$'000	2021 \$'000
Furniture, fixtures and fittings	7	7
Office equipment	-	1
Total depreciation for the period	7	8

As at 30 June 2022, there were no indications of impairment to property, plant and equipment or infrastructure. All surplus assets at 30 June 2022 have either been classified as assets held for sale or have been written-off.

Notes to the financial statements

4.1.1 Depreciation and impairment (continued)

Finite useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include 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

	2022 \$'000	2021 \$'000
Vehicles	10	16
Net carrying amount	10	16

There were no additions to right-of-use assets during the 2022 financial year (2021: \$nil).

Notes to the financial statements

4.2 Right-of-use assets (continued)

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:

	2022 \$'000	2021 \$'000
Vehicles	6	6
Total right-of-use asset depreciation	6	6

The total cash outflow for leases in 2022 was \$7,000 (2021: \$7,000).

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 lease liabilities in relation to these right-of-use assets have been disclosed in note 6.1.

Notes to the financial statements

5. Other Assets and Liabilities

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

	Note
Receivables	5.1
Amounts receivable for services	5.2
Payables	5.3

5.1. Receivables

	2022 \$'000	2021 \$'000
GST receivable	2	27
Total current receivables	2	27

5.2. Amounts receivable for services (Holding Account)

	2022 \$'000	2021 \$'000
Balance at end of period	39	39

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

	2022 \$'000	2021 \$'000
Trade payables	9	1
Other payables	33	25
Accrued expenses	-	12
Accrued salaries	-	3
Total current payables	42	41

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

Notes to the financial statements**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
Cash and cash equivalents	6.2
Capital commitments	6.3

6.1. Lease Liabilities

	2022	2021
	\$'000	\$'000
Current	7	6
Non-current	2	9
	<u>9</u>	<u>15</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.

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 4.3 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.

Notes to the financial statements

6.2. Cash and Cash Equivalents

	2022 \$'000	2021 \$'000
Non-restricted cash and cash equivalents	705	961
<i>Non-Royalties for Regions fund restricted cash</i>		
Community Resource Centre Wyndham	75	75
Kimberley Regional Development Scheme	22	22
Kimberley Capabilities Register	7	7
Warmun Re-Establishment Taskforce	170	170
	274	274
<i>Royalties for Regions Fund Projects Restricted cash</i>		
Regional Grant Scheme	136	8
Community Chest Grants Scheme	32	32
Local Projects Local Jobs	9	9
Warmun Governance	16	16
	193	65
Total restricted cash and cash equivalents	467	339
Non-current restricted cash and cash equivalents		
Accrued salaries suspense account ^(a)	3	3
Total cash and cash equivalents	1,175	1,303

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.

6.3. Capital Commitments

There are no known capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements (2021: 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:

	2022 \$'000	2021 \$'000
<u>Financial assets</u>		
Cash and cash equivalents	1,175	1,303
Financial assets at amortised cost ^(a)	<u>39</u>	<u>39</u>
Total financial assets	<u>1,214</u>	<u>1,342</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost ^(b)	<u>51</u>	<u>56</u>
Total financial liabilities	<u>51</u>	<u>56</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 2022 (2021: none).

Notes to the financial statements**8. Other Disclosures**

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

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

8.1. Events occurring after the end of the reporting period

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

8.2. Initial application Australian Accounting Standards

The following standards are operative for reporting periods ended on or after 30 June 2022:

- AASB 1060 – General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
- AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts
- AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures
- AASB 2021-1 – Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities
- AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021

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

Notes to the financial statements

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 (\$)	2022	2021
Compensation of members of the accountable authority		
50,001 - 60,000	-	1
30,001 - 40,000	1	-
0 - 10,000	6	6
Compensation of senior officers (\$)		
250,001 - 260,000	-	1
210,001 - 220,000	1	1
160,001 - 170,000	1	1
140,001 - 150,000	1	-
	2022	2021
	\$'000	\$'000
Short-term employee benefits	483	590
Post-employment benefits	48	55
Other long-term benefits	48	59
Total compensation for members of the accountable authority and senior officers	578	704

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
- 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.

Notes to the financial statements**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:

	2022 \$'000	2021 \$'000
Auditing the accounts, financial statements, controls, and key performance indicators	-	26

The Auditor General has dispensed with the audit for the year ending 30 June 2022 under section 14 of the Auditor General Act 2006.

8.9. Equity

	2022 \$'000	2021 \$'000
<u>Contributed equity</u>		
Balance at start of year	145	145
Balance at end of period	145	145

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

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 2022.



Thomas Stephens
Chairman
12 September 2022



Charles Berger
Chief Executive Officer
12 September 2022

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 2022 satisfaction survey online. Both online self completion and telephone interviews were used to obtain a total of 86 client responses from the 106 clients surveyed, representing a response rate of 81%. This results in a maximum standard error ratio of +/- 4.61% at the 95% confidence level.

Key Effectiveness Indicators	Actual 2021/22	Target 2021/22	Actual 2020/21	Actual 2019/20	Actual 2018/19	Actual 2017/18
The Kimberley Development Commission						
Delivers effective activities in assisting economic and social development.	89%	90%	92%	n/a*	94%	92%
Makes a positive contribution to economic and social development in the Kimberley	89%	90%	92%	n/a*	94%	92%
Provides a reliable source of information and advice.	93%	90%	92%	n/a*	94%	91%
Is an accessible source of information and advice.	93%	90%	92%	n/a*	94%	91%

The revised KPIs are calculated by comparing the number of 'satisfied' responses with the number of 'dissatisfied' responses, and excluding 'don't know' and 'not applicable' from any calculation.

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 2021/22	Actual 2020/21	Actual 2019/20	Actual 2018/19	Actual 2017/18
Net Operating Cost	1,441,013	1,166,787	1,434,109	1,213,001	1,330,181
Number of Project Hours.	7,928	7,873	9,957	7,444	6,995
Cost per Project Hour	\$182	\$148	\$144	\$163	\$190

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

Key Performance Indicators	Actual 2021/22	Actual 2020/21	Actual 2019/20	Actual 2018/19	Actual 2017/18
Net Operating Cost	910,987	1,093,213	992,238	985,977	734,737
Number of Project Hours	5,379	8,000	6,886	6,001	3,606
Cost per Project Hour	\$169	\$137	\$144	\$164	\$204

Summary of Key Performance Indicators

Comparison of actual results against targets for efficiency indicators.

Key Performance Indicator	2021/22 Target	2021/22 Result	Variance
Service 1: Policies, strategies, plans and regional promotion			
Average cost per project hour	\$164	\$182	\$18
Service 2: Industry, infrastructure identification, coordination and development			
Average cost per project hour	\$147	\$169	\$22

Comment:

The Commission's Average Cost per Project Hour for both Service 1 & 2 was approximately 12% above target primarily due to a reduction in staff during much of 2021-22. While non-wage operating costs remained at approximately historic levels, hours worked fell sharply in line with senior staff numbers.

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

In accordance with Section 175ZE of the *Electoral Act 1907*, the Commission monitors expenditure incurred in relation to advertising, market research, polling direct mail and media advertising.

The Commission's total expenditure for advertising in 2021-2022 was \$1,193.17.

Compliance with Public Sector Standards and Ethical Codes

In accordance with the *Public Sector Management Act 1994*, Section 31(1) for 2021/2022 the following compliance report is provided:

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.

Credit Cards

In accordance with Treasurer's Instructions 321 "Credit Cards - Authorised Use" we report that there has been no personal expenditure of the Commission's Credit Cards in 2021-2022 by the Commission's Board or Chief Executive Officer.

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 Plan

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

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.

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.

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

Disability Access and Inclusion Plan Outcomes

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 2021-2022, 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 environment 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.

Government Policy Requirements

Occupational Safety, Health and Injury Management

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.

Two DPIRD KDC based staff are members of the respective DPIRD Occupational Safety & Health Committees in the East and West Kimberley which provides a formal mechanism of consultation.

Given the small size of the organisation the Commission's Chief Executive Officer and DPIRD employees also liaise directly with one another on Occupational Safety and Health matters.

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 2021-2022.

The Commission is committed to supporting the Australian Work Health and Safety Strategy 2012-2022 and the National Strategic Plan for Asbestos Awareness and Management 2019-2023. The Commission has not encountered activities relevant to the targets of the National Strategic Plan for Asbestos Awareness and Management in this reporting period.

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. 100% of agreed actions have been addressed.



Mimbi Caves, near Fitzroy Crossing

The Commission's report on occupational safety, health and injury management performance for 2021-2022 is tabled below:

		Actual Results		Results against Target	
Measure	2019-2020	2020-2021	2021-2022	Target 2021-2022	Comment on Result
Number of fatalities	0	0	0	0	Continuing trend of zero
Lost time injury and/or disease incidence rate	0	0	0	0	Continuing trend of zero
Lost time injury and/or disease severity rate	0	0	0	0	Continuing trend of zero
Percentage of injured workers returned to work: i) within 13 weeks ii) within 26 weeks	0	0	0	Greater than or equal to 80% return to work within 26 weeks	Continuing trend of zero
Percentage of managers trained in occupational safety, health and injury management responsibilities	100%	100%	100%	Greater than or equal to 80%	Target achieved

Government Building Training Policy

The Commission has not held any building and construction or civil engineering contracts in 2021-2022.

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. The Commission has not been advised of any action required under this plan.

Board and Committee Remuneration

As defined in the Premier's Circular 20 21/18: State Government Boards and Committees, 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. Below is information on Remuneration by Board Position for 2021-2022 (including Superannuation).

Position Title	Member Name	Type of remuneration	Period of membership	Gross/actual remuneration for 2021-2022
Chair	James Brown	Annual	nil - Payment relates to previous financial year	\$1,993
Chair	David Mack	Annual	7 months	\$30,542
Chair	Tom Stephens	Annual	5 months	\$7,971
Deputy Chair and Member	Kalyn Fletcher	Annual and per meeting	9 months	\$8,349
Member	Kira Fong	Per meeting	12 months	\$2,255
Member	David Menzel	Per meeting	12 months	\$3,826
Member	Desiree Male	Per meeting	12 months	\$2,255
			Total	\$57,190

Chair \$47,200 per annum

Deputy Chair \$5,000 per annum and sitting fee \$790 full day or \$513 half day

Members \$622 full day or \$403 half day



Cockburn Ranges, East Kimberley



Annual Report 2021-2022

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