



2011-2012 ANNUAL REPORT



TABLE OF CONTENTS	Page
Statement of Compliance	3
Chairman’s Report	4
Executive Summary	6
About Us	8
➤ Enabling Legislation	8
➤ Responsible Minister	8
➤ Mission	8
➤ Strategic Direction	8
➤ Organisational Chart	9
➤ Board of Management	10
Commission Performance	12
➤ Service 1 – Facilitation of the Provision of Appropriate Infrastructure and Industry	12
➤ Service 2 – Promotion of the Region and its Investment Opportunities	14
Financial Targets	15
➤ Actual Results versus Budget Targets	
Significant Issues Impacting the Commission	16
Disclosures and Legal Compliance	17
➤ Independent Auditor Generals Opinion	17
➤ Certification of Financial Statements	20
Financial Statements	
➤ Statement of Comprehensive Income	21
➤ Statement of Financial Position	22
➤ Statement of Changes in Equity	23
➤ Statement of Cash Flows	24
➤ Notes to the Financial Statements	25
Key Performance Indicators	62
➤ Certification of Key Performance Indicators	62
➤ Relationship to Government Goals	63
➤ Efficiency Indicators	63
➤ Effectiveness Indicators	64
Other Financial Disclosures	65
Other Legal Requirements	65

STATEMENT OF COMPLIANCE

HON BRENDON GRYLLES MLA
MINISTER FOR REGIONAL DEVELOPMENT; LANDS MINISTER ASSISTING THE
MINISTER FOR STATE DEVELOPMENT

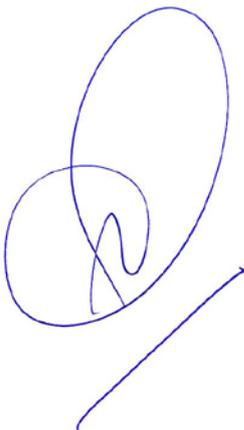
In accordance with Section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Goldfields-Esperance Development Commission for the financial year ended 30 June 2012.

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



Jon Price
Chairman

3rd September 2012



Robert Hicks
Chief Executive Officer

3rd September 2012



CHAIRMAN'S REPORT

Let me start by acknowledging my appreciation of the Minister for Regional Development, Hon. Brendon Grylls, with my March 2012 appointment as the seventh Goldfields-Esperance Development Commission Chairman.

Over the past twelve months Western Australia's nine Regional Development Commissions have gone through a period of redefinition and increased relevance and importance to Government, Industry and Community.

This has been largely brought about due to the acceptance of Royalties for Regions and an acknowledgement that the Commissions are playing a key role in the implementation of this widely celebrated Government initiative.

Emerging from the Review of Regional Development Commissions we've seen the engagement of an Executive Chairman and secretariat support for the Regional Development Council. We consider this to be strategically significant in that we now have a high level permanent presence in Perth to represent and coordinate on behalf of all the Commissions.

The development of the resource industry continues to drive this Region's economy. The Yilgarn area of Western Australia has emerged as a significant iron ore province for the resource industry. The majority of companies exploring in this area have indicated their preference to use Esperance Port as the export gateway. This has triggered state government endorsement for the expansion of the Esperance Port to handle up to thirty million tonnes throughput per annum.

The 2011/12 \$5m Royalties for Regions Budget allocation and subsequent \$2 million Federal Government allocation, will see the Department of Transport advance stage one of the exciting state and national interest, GEDC initiated, PortLink project, with development of detailed planning studies on the proposed Intermodal Terminal in Kalgoorlie, road and rail realignments around Kalgoorlie-Boulder to service the proposed Intermodal Terminal and a sealed road link between Wiluna and Great Northern Highway. In addition, detailed economic modelling will be undertaken for the first time to determine the feasibility of the project and support business case development.

Championed by the GEDC, and with widespread government, industry and community support, the proposed development of two new industry sectors at the Mungari Industrial Estate site, with the Premier's endorsement, could lead to significant flow on benefits for the Region, State and Nation.

The GEDC has strengthened its good working relations with key regional stakeholders such as Regional Development Australia Goldfields Esperance, the Chambers of Commerce and Industry, Chamber of Minerals and Petroleum, State Government Agency Regional Managers, to name a few. This Commission is often regarded as leading the way in establishing and maintaining regional partnerships in the interests of mutual cooperation for the delivery of regional outcomes.

The Commission continues to work closely and cooperatively with the Minister for Regional Development, his staff and the Department of Regional Development and Lands.

The Commission and Regional Development Council (RDCo) are also working more closely with all State Government departments to align planning strategies and develop its Regional Investment Blueprint to ensure we maximise regional outcomes in a tight fiscal environment.

We pay tribute to retired Commission Chairman, Graham Thomson, who has led the Board through a new and exciting period for regional development. In particular we applaud him for leading the reformation of the Regional Development Council, his legacy will be acknowledged for many years to come.

I want to thank the hard working Commission CEO, Robert Hicks, and his staff. The past twelve months have been both exciting and somewhat uncertain; however the future looks bright and full of opportunities.

Finally, my appreciation to the Board for their support, hard work and wise counsel; I look forward to the next twelve months with enthusiasm and excitement for the Region.

A handwritten signature in black ink, appearing to read 'Jon Price', with a stylized, cursive script.

Jon Price

3rd September 2012



EXECUTIVE SUMMARY

The Goldfields-Esperance Development Commission (GEDC) is required to comply with the requirements of the *Financial Management Act 2006*, the *Public Sector Management Act 1994* and all other relevant laws. I am pleased to report that complete compliance was achieved.

The annual Client Survey is used to satisfy the Office of the Auditor General reporting requirements, obtain information from clients as to the agency's effectiveness and how it can improve. The 2011/12 Survey once again reflected "very positively" on the GEDC.

Following a report from the Economic Regulation Authority (ERA) the Western Australian government took the decision during the year to decommission the Office of Shared Services over the next two years. This Commission is expected to roll out by mid 2013.

The revision of the 2011-2021 Goldfields-Esperance Region Strategic Development Plan provides a clearer direction and focus for the Region's future. The Plan is proving to be an important tool for government and non-government agencies in their respective planning efforts. Furthermore, the revision of the Goldfields-Esperance Workforce Development Alliance's "Workforce Futures" report and plan has been widely applauded and embraced. This is particularly relevant given the increased demand for labour continuing to be an ongoing regional challenge.

The Esperance SuperTown draft Interim Growth and Implementation Plan was delivered on time to Government for its consideration. Led by the GEDC, the Plan was developed in partnership with the Shire of Esperance and the Esperance Chamber of Commerce & Industry.

The advancement of the GEDC initiated PortLink project has captured the imagination of many across government, industry and community. In this context the Region has been privileged to have had a number of senior political figures visit the region throughout the year. Indeed The Prime Minister visited in late 2011 to consider the Region's infrastructure needs in the context of the PortLink vision, a vision that aims to open up development opportunities in the interior of the State by creating a "spine" or "infrastructure corridor" that will connect the State's major exporting ports.

Education and Training are critical in attracting and retaining population. In this regard the GEDC played a key role in negotiating a positive outcome for the \$35 million redevelopment of Curtin University's Agricola College student accommodation facility; Royalties for Regions contributed \$20 million and was the catalyst for this project advancing. Furthermore, the GEDC was instrumental in highlighting the need for the proposed redevelopment of the Kalgoorlie-Boulder high school campus leading to a Royalties for Regions budget allocation of \$20 million to potentially trigger planning.

The Mungari Heavy Industrial site project has long been dormant. The Premier's decision to allow two project proponents options to lease over the site may lead to two new exciting and very significant industries for the Region.

The GEDC has played a key role in establishing and participating in the Goldfields-Esperance Workforce Development Alliance (GEWDA), Goldfields-Esperance Tertiary Education Alliance (GETEA), Goldfields-Esperance Tourism Alliance (GETA), Goldfields Education Mining Industry Alliance (GEMIA) and Regional Heads of State Government Agencies group (RHSGA). These groups, or alliances, have been critical mechanisms for advancing contemporary regional issues.

Strategic relations with the nine local governments, Chamber of Commerce and Industry, Chamber of Minerals and Energy, and Regional Development Australia Goldfields Esperance has been invaluable in developing a partnership approach and mutual co-operation on key regional issues.

The GEDC played a leading role in helping progress WA Land Information System's (WALIS) "Location Information Strategy (LIS)". Indeed WALIS considers the GEDC as one of the original champions of this initiative and will continue to work with the Commission to progress the scenario planning approach.

The GEDC successfully elevated the issues of child neglect in Laverton and the Lands to the State Government peak body, the Aboriginal Affairs Coordinating Committee (AACC). As a result there has been particular attention focussed by the AACC on the issues highlighted by the GEDC and others at the highest levels of the State Government bureaucracy.

The GEDC considers Community Resource Centres (CRCs) as an important link to small regional communities and therefore has continued to forge and cement cooperative working relationships with the Region's CRCs.

The GEDC continues to provide and deliver services such as Regional Economic Modelling (REMPPLAN), support to project proponents seeking Royalties for Regions and other grant funding, statistical information & provision of a regional perspective to Government and non-government agencies.

The Review of Regional Development Commissions has been embraced by the Board and staff of the Commission. Indeed, establishment of the Regional Development Executive Chair position and supporting secretariat has been of considerable benefit to the GEDC.

My thanks is extended to all staff for their patience throughout the year particularly given the uncertainty around the impacts of the Review process. My appreciation is also extended to the Board for its wise counsel and strategic guidance.

Finally, my sincere gratitude to outgoing Board Chairman, Graham Thomson, for his seven years of service on the Board and leadership as Chairman; much was achieved under his stewardship. I warmly welcome Jon Price as Chairman and look forward to a productive twelve months under his leadership.



Robert Hicks
3rd September 2012

ABOUT US

Enabling Legislation

The GEDC was established as a Statutory Authority under the Regional Development Commission Act 1993.

Responsible Minister

Honourable Brendon Grylls MLA

Minister for Regional Development; Lands; Minister Assisting the Minister for State Development.

Mission

To increase investment and attract population to our Region.

Strategic Direction

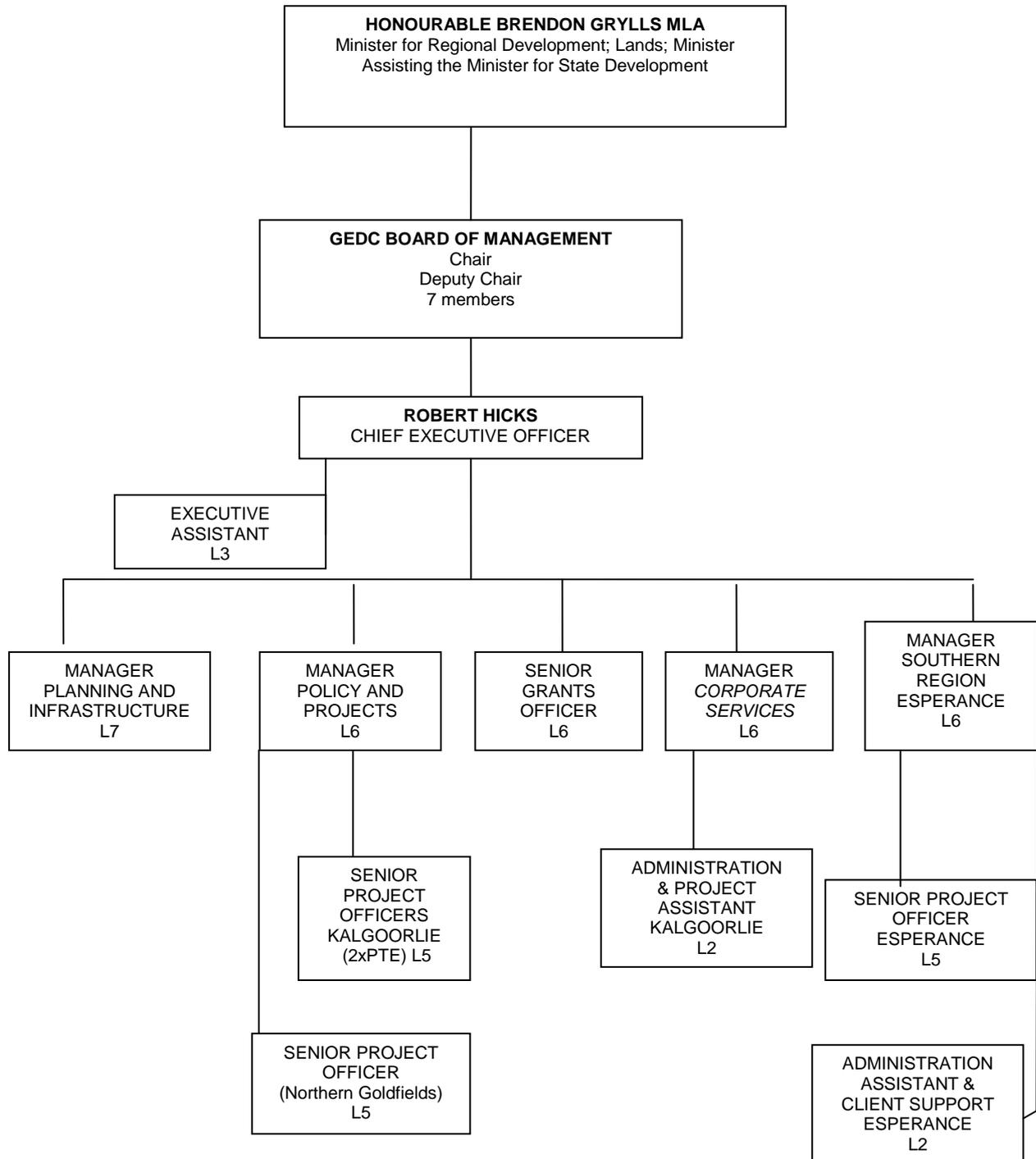
Our achievements for 2011-12 have been underpinned by the revised 2011-2021 Strategic Development Plan 2011-2021, which is aligned with the State Government's commitment to working towards achieving a sustainable Western Australia. The Plan enables us to continue to meet the needs of our stakeholders, capitalise on sustainable development opportunities, and provide a clear direction for our future actions and projects.

Contact Details

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ORGANISATIONAL CHART



BOARD OF MANAGEMENT

The Board of Management is established under Part 2 Section 5 and Part 3 Sections 15 & 16 of the *Regional Development Commissions Act 1993*. and comprises members who represent the following:

- Community (x3)
- Local Government (x3)
- Ministerial (x3)
- CEO/Director (x1)

OUR BOARD

1. Jon Price - Chair

Representative: Ministerial

Jon is Managing Director of a new and emerging gold mining company and is actively involved in community development initiatives. With his extensive mining industry experience and network of contacts, coupled with his passion for community engagement, Jon adds considerable value to the Goldfields-Esperance Development Commission Board.

2. Ron Mosby – Deputy Chair

Representative: Community

Ron is the Immediate Past President of the Kalgoorlie-Boulder Chamber of Commerce & Industry Inc. and is the current President of the Regional Chambers of Commerce and Industry that represents over 6000 regional businesses in WA. He has various business interests including an accountancy practise in Kalgoorlie-Boulder.

3. Anthony Bright (Tony)

Representative: Community

As a previous Board member and past employee of the Goldfields-Esperance Development Commission, Tony brings considerable regional development experience and expertise to the Board table. He is well credentialed to represent the best interests of the southern part of the Region.

4. Richard Grant

Representative: Community

Richard previously worked for the Goldfields-Esperance Development Commission in various positions, worked for a Ministerial office and the Esperance Port Authority. He has an acute awareness of how government, its trading enterprises and regional development operate. Richard brings to the Board an intimate understand of the Region's infrastructure capacity and needs.

5. Jeffery Carter

Representative: Local Government

Jeffery is the current President of the Shire of Leonora, a Board member of Regional Development Australia and is a pastoralist within the Shire of Leonora. His knowledge of local government, the pastoral industry and the Region, provides the Northern Goldfields Shires with excellent representation on the Board.

6. Ron Yuryevich

Representative: Local Government

Ron is the long serving and current Mayor of the City of Kalgoorlie-Boulder and is a successful business owner. Given his extensive experience in local government and appreciation for Regional Development, at a state and commonwealth level, Ron is able to provide high level advice to the Board.

7. Wayne Rogers (Buck)

Representative: Local Government

Buck is the immediate past Deputy President of the Shire of Esperance and a current councillor. He is a successful local business owner with a keen understanding of local government and community development.

8. Lawrence Hamilton (Larry)

Representative: Ministerial

Larry is the Department of Education's Regional Executive Director – Goldfields Education Region and Deputy Chair of the Goldfields Institute of Technology. His acute awareness and insights into the Education sector provides the Board with a better appreciation of the importance of Education in the attraction and retention of population.

9. Tracy Browning

Representative: Ministerial

Tracy owns and operates a local business. Her passion is to create win-win outcomes for indigenous people in partnership with mining companies. Tracy has also worked within the federal parliamentary system and brings to the Board insights into government relations, indigenous engagement and mining industry. She has held various positions on local committees.

COMMISSION PERFORMANCE

Service 1 – Facilitation of the Provision of Appropriate Infrastructure and Industry

Major Achievements

- Funding provided under the Royalties for Regions scheme has enabled the Commission to further create opportunities to build a vibrant sustainable future for our region. Fifteen projects, worth \$744,919, were approved in the third round of funding from the Royalties for Regions Goldfields-Esperance Regional Grants Scheme. The total project value of the approved applications was \$2.21 million.

Successful applicants were:-

RECIPIENT	PROJECT	AMOUNT
Boulder Bowling Club	Kitchen Rebuild	\$30,000
City Kalgoorlie-Boulder	Campervan & Motor-home Club Rally	\$40,000
Eastern Goldfields Halfway House	On Track Project	\$40,131
Esperance Bowling Club	Beach Volleyball Flood Lights	\$20,000
Esperance Men In Sheds	Solar Energy Installation	\$15,000
Esperance Motor Cycle Club	Amenities Upgrade	\$37,889
Esperance Senior Highschool P & C	Girls Academy – Pathway to Future Success	\$69,597
Goldfields Women Healthcare	Premise Improvement	\$91,000
Grass Patch Community Development Association	Grass Patch Store Restoration	\$40,000
Hopetoun Community Childcare Centre	Start-up Costs Childcare Centre	\$28,647
Hopetoun Volunteer Marine & Rescue Group	Truck to Tow Rescue Vessel	\$22,924
Kathleen Day Playgroup	Facility Upgrade	\$23,534
Ngaanyatjarra Media Inc	Media Accommodation Project	\$130,500
Noah's Ark (WA) Inc.	Noahs Ark Kalgoorlie Premises	\$149,447
Ravensthorpe Wildflower Show	Display Shelving Wildflower Exhibition	\$6,250

- In collaboration with the Departments of Regional Development, Transport and the Regional Development Council, the GEDC has played a key role in advancing the PortLink project with the establishment of the PortLink Steering Committee, Technical Officer group and receiving a Federal Government commitment of a further \$2 million planning funding that complements the \$5 million Royalties for Regions 2011/12 budget allocation.
- The GEDC took the lead and responsibility, in partnership with the Shire & Chamber of Commerce & Industry, for bringing the Esperance community together on delivering the Esperance SuperTown draft Interim Growth and Implementation Plan. Furthermore, the GEDC was instrumental in securing

SuperTowns funding of \$12.54 million for the Esperance Waterfront project, \$380,000 for the Esperance Town Centre project and \$193,350 for the Stage 1 of the Esperance Economic Development project.

- The \$120 million Esperance Port Access corridor tender was awarded and work begun. The GEDC played a key part in securing the \$60 million Federal funding that triggered matching State funding. The GEDC was represented on the technical officers group that oversaw the initial planning of the project. This project then triggered the State Government to announce the start of planning for the proposed \$600 million upgrade of the Esperance Port.
- Significantly advanced two proposed projects, to be located at the Mungari Industrial Estate site, with the State Government agreeing to allow the proponents options to lease that will aid them in advancing their respective projects. These two projects will be privately funded and are expected to have significant flow on benefits to the region, state and nation.
- Resulting from GEDC's direct advocacy and intervention, \$20 million was allocated in the 2011/12 State budget for the redevelopment of Curtin University's Agricola College student accommodation facility and was involved in successfully negotiating the terms of the funding arrangement.
- Again as a result of GEDC's direct advocacy a further \$20 million was allocated in the out-years within the State budget for the proposed redevelopment of the Eastern Goldfields High School. It is expected that those funds may trigger further state government investment in the redevelopment of the Boomerang Crescent site.
- The agency has been actively involved in finding a range of solutions for the sustainability of the Australian Prospector and Miners Hall of Fame located in the Region.
- The GEDC played a leading role in helping progress WA Land Information System's (WALIS) "Location Information Strategy (LIS)". Indeed WALIS "considers the GEDC as one of the original champions of this initiative. WALIS will be working with the GEDC to progress the scenario planning approach".

Service 2 – Promotion of the Region and its Investment Opportunities

Major Achievements

- Partnered with Regional Development Australia Goldfields Esperance in the revision of the Goldfields-Esperance Region 2012-2021 Strategic Development Plan.
- Successfully resumed HR functions from the Office of Shared Service platform back to agency.
- Continued to be engaged in the reorganisation of the Australian Prospectors and Miners Hall of Fame facility.
- In partnership with the City of Kalgoorlie-Boulder, Kalgoorlie-Boulder Chamber of Commerce and Industry and the Arts community, was successful in securing the 2014 Regional Arts National Conference.
- Continued to work with the Goldfields-Esperance Tourism Alliance (GETA) Goldfields-Esperance Workforce Development Alliance (GEWDA), Goldfields-Esperance Tertiary Education Alliance (GETEA) and Goldfields Education Mining Industry Alliance (GEMIA) as effective vehicles to successfully advance the Region's workforce, tertiary education and tourism interests.
- Continued to provide a regional economic modelling service to regional stakeholders.
- Continued to partner with the Esperance Chamber of Commerce and Industry in the organisation and delivery of the annual "Over the Horizon" Business and Industry Forum.
- Continued to partner with the Kalgoorlie-Boulder Chamber of Commerce and Industry and the Chamber of Minerals and Energy in the organisation and delivery of the annual "What's Down the Track" industry forum.

FINANCIAL TARGETS

Actual Results Versus Budget Papers Targets

Effectiveness indicators provide information on the extent of, or progress towards achievement of the Commission's desired outcome through the funding and delivery of services.

	2011-12 Target ¹	2011-12 Actual	Variation ²
	\$000	\$000	\$000
Total Cost of Services (Statement of Comprehensive Income)	\$3,072	\$3,204	\$132
Net Cost of Services (Statement of Comprehensive Income)	\$3,015	\$3,197	\$182
Total Equity (Statement of Financial Position)	\$883	\$1,992	\$1,109
Net Increase/(Decrease) in Cash Held (Statement of Cash flows)	(\$165)	(\$1,218)	(\$1,053)
Approved Full-time Equivalent (FTE) Staff Level	12	12	-

1. As specified in the budget statements for the year 2011-12.

2. Variance is attributed to Royalties for Regions funding expended on projects and budget cash-flow changes in the current year.

Significant Issues Impacting the Commission

- Full decommissioning of Shared Services. Resuming full responsibility for Finance and Payroll during 2012-13 with a clustering arrangement with Department of Regional Development and Lands.
- The revision, during 2011-12 of the Goldfields-Esperance Strategic Development Plan 2011-2021 has placed the Commission at the forefront of advancing the major projects identified by the review.
- Implementation of the review of Regional Development Commissions is likely to impact on the structure and operations of the Commission.
- Continued growth and diversification of the resources industry, particularly the emergency of the Yilgarn iron ore province, is expected to increase the Commissions co-ordination role in relation to infrastructure provision and labour force supply and demand.
- Expected increase in the Commissions role in identifying regional planning gaps within the education, training and workforce sectors.
- Finalization and implementation of the Esperance SuperTown Growth Plan may impact the Commissions human resource capacity.
- Expectations that the Commission will provide increased support to project proponents wishing to access Royalties for Regions and other leveraged funding, therefore the need to ensure there is sufficient capacity and capability within the Commission.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

GOLDFIELDS ESPERANCE DEVELOPMENT COMMISSION

Report on the Financial Statements

I have audited the accounts and financial statements of the Goldfields Esperance Development Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Commission's Responsibility for the Financial Statements

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

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Goldfields Esperance Development Commission at 30 June 2012 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Goldfields Esperance Development Commission during the year ended 30 June 2012.

Controls exercised by the Goldfields Esperance Development Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Commission's Responsibility for Controls

The Commission is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial

Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Goldfields Esperance Development Commission based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Opinion

In my opinion, the controls exercised by the Goldfields Esperance Development Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Goldfields Esperance Development Commission for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Commission's Responsibility for the Key Performance Indicators

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Commission determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commission's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Opinion

In my opinion, the key performance indicators of the Goldfields Esperance Development Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2012.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

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

This auditor's report relates to the financial statements and key performance indicators of the Goldfields Esperance Development Commission for the year ended 30 June 2012 included on the Commission's website. The Commission's management are responsible for the integrity of the Commission's website. I have not been engaged to report on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL ASSURANCE SERVICES
Delegate of the Auditor General for Western Australia
Perth, Western Australia
6 September 2012

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the Goldfields-Esperance 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 year ending 30 June 2012 and the financial position as at 30 June 2012.

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



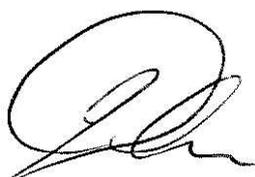
Jon Price
Chairman

3rd September 2012



Robert Hicks
Chief Executive Officer

3rd September 2012



June Anderson
Chief Financial Officer

3rd September 2012

Statement of Comprehensive Income

For the year ended 30 June 2012

		<u>2012</u>	<u>2011</u>
COST OF SERVICES	Note		
Expenses			
Employee benefits expense	5	1,056,705	1,149,481
Supplies and services	6	506,508	381,125
Depreciation expense	7	8,707	17,273
Accommodation expense	8	236,951	221,781
Grants and subsidies	9	1,395,452	1,876,829
Carrying amount of assets written off	10	-	8,420
Total cost of services		<u>3,204,323</u>	<u>3,654,909</u>
Income			
Revenue			
Other revenue	11	7,593	276,763
Income from State Agencies		-	120,827
Total Revenue		<u>7,593</u>	<u>397,590</u>
NET COST OF SERVICES	22	<u>3,196,730</u>	<u>3,257,319</u>
Income from State Government			
Service appropriation	12	1,777,589	1,650,553
Royalties for Regions Country Local Government	12	200,000	-
Resources received free of charge	12	9,704	12,590
Total income from State Government		<u>1,987,293</u>	<u>1,663,143</u>
SURPLUS /(DEFICIT) FOR THE PERIOD		<u>(1,209,437)</u>	<u>(1,594,176)</u>
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus		-	-
Gains/(losses) recognised directly in equity		-	-
Total other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR PERIOD		<u>(1,209,437)</u>	<u>(1,594,176)</u>

See also note 33 'Schedule of Income and Expenses by Service'.

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

Statement of Financial Position

As at 30 June 2012

	Note	<u>2012</u>	<u>2011</u>
ASSETS			
Current Assets			
Cash and cash equivalents	22	1,490,892	1,317,918
Restricted cash and cash equivalents	13	587,029	1,978,246
Receivables	14	23,858	130,612
Amounts receivable for services	15	157,000	157,000
Total Current Assets		<u>2,258,779</u>	<u>3,583,776</u>
Non-Current Assets			
Amounts receivable for services	15	38,000	19,000
Plant and equipment	16	10,347	17,380
Intangible assets	17	418	2,092
Total Non-Current Assets		<u>48,765</u>	<u>38,472</u>
TOTAL ASSETS		<u>2,307,544</u>	<u>3,622,248</u>
LIABILITIES			
Current Liabilities			
Payables	19	86,170	201,713
Provisions	20	203,457	181,581
Total Current Liabilities		<u>289,628</u>	<u>383,293</u>
Non-Current Liabilities			
Provisions	20	25,812	37,413
Total Non-Current Liabilities		<u>25,812</u>	<u>37,413</u>
Total Liabilities		<u>315,440</u>	<u>420,706</u>
NET ASSETS		<u>1,992,104</u>	<u>3,201,541</u>
EQUITY			
Contributed equity	21	54,000	54,000
Accumulated surplus/(deficit)	21	1,938,104	3,147,541
TOTAL EQUITY		<u>1,992,104</u>	<u>3,201,541</u>

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

Statement of Changes in Equity

For the year ended 30 June 2012

	Note	Contributed Equity	Reserves	Accumulated surplus/ (deficit)	Total Equity
Balance at 1 July 2010	21	54,000	-	4,741,717	4,795,717
Total Comprehensive income for the period				(1,594,176)	(1,594,176)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2011		54,000	-	3,147,541	3,201,541
Balance at 1 July 2011		54,000	-	3,147,541	3,201,541
Total Comprehensive income for year				(1,209,437)	(1,209,437)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2012		54,000	-	1,938,104	1,992,104

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

Statement of Cash Flows

For the year ended 30 June 2012

	Note	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		1,758,589	1,631,553
Royalties for Regions Fund		200,000	-
Net cash provided by State Government		1,958,589	1,631,553
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,046,429)	(1,146,474)
Supplies and services		(602,796)	(234,422)
Grants and subsidies		(1,395,452)	(1,876,829)
GST payments on purchases		(215,232)	(224,755)
GST payments to taxation authority		(10,229)	(26,312)
Accommodation		(236,951)	(221,781)
Receipts			
Sale of goods and services		124,584	279,382
GST receipts on sales		229	36,111
GST receipts from taxation authority		205,444	220,197
Net cash provided by/(used in) operating activities	22	(3,176,832)	(3,194,884)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		-	-
Purchase of intangible assets		-	-
Net cash provided by/(used in) investing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(1,218,243)	(1,563,331)
Cash and cash equivalents at the beginning of period		3,296,164	4,859,495
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	22	2,077,921	3,296,164

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

Notes to the Financial Statements

For the year ended 30 June 2012

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

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

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 '*Application of Australian Accounting Standards and Other Pronouncements*'. No Australian Accounting Standards that have been issued or amended but are not yet effective have been early adopted by the Commission for the annual reporting period ended 30 June 2012.

Note 2. Summary of significant accounting policies

(a) General statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements, the Framework, Statements and Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

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

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

(b) Basis of preparation

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

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

(c) Reporting entity

The reporting entity comprises the Commission.

(d) Contributed equity

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

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

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control are transferred to the purchaser.

Provision of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Service appropriations

Service appropriations are recognised as revenue at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time that those funds are deposited to the bank account or credited to the holding account held at the Department of Treasury.

Grants

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

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

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

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets; which may have been revalued.

(f) Property, Plant and Equipment

Capitalisation/expensing of assets

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

Initial recognition and measurement

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

Subsequent measurement

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

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, ie. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available.

Land under infrastructure is included in land reported under note 17 'Property, plant and equipment'. Independent valuations are obtained every 3 to 5 years for infrastructure.

When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 16 'Property, Plant and equipment'.

Depreciation

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

Furniture and fittings	10 years
Office equipment	5 years
Computer hardware	3 years

(g) Intangible assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing over \$5,000 are capitalized. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually.

All intangible assets controlled by the Commission have a finite useful life and zero residual value. The expected useful life for the intangible assets of the Commission are:

Software	3 years
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Computer software

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

Website costs

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

(h) Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at each reporting date. 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. As the Commission is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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 asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

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

assets at cost are tested for indications of impairment at the end of each reporting period.

(i) Leases

The Commission holds operating leases for its Kalgoorlie and Esperance office buildings and motor vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased property.

(j) Financial Instruments

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

- Receivables: and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Restricted cash and cash equivalents
 - Receivables
 - Amounts receivable for services
- Financial Liabilities
 - Payables

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

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

(k) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalent) assets comprise cash on hand.

(l) Accrued salaries

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

(m) Amounts receivable for services (holding account)

The Commission receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (holding account receivable) that is accessible on the emergence of

the cash funding requirement to cover items such as leave entitlements and asset replacement.

(n) Receivables

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

(o) Payables

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

(p) Provisions

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

Provisions - employee benefits

Annual Leave

The liability for annual leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

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

The provision of annual leave is classified as a current liability as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Long service leave

The liability for long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

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

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

Superannuation

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

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

The Commission has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Commission to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS).

From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund.

The Commission makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish the Commissions' liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

Provisions – other

Employment on-costs

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' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on cost provision'.

(q) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, or other superannuation fund.

(r) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

Where assets or services are received from another State Government agency, these are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(s) Comparative figures

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

Note 3. Judgements made by management in applying accounting policies

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

Note 4. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011.

<i>AASB 1054</i>	<i>Australian Additional Disclosures</i> This Standard, in conjunction with AASB 2011-1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i> , removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
<i>AASB 2009-12</i>	<i>Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]</i> This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.
<i>AASB 2010-4</i>	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Int 13]</i> The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact. The amendments to AASB 101 clarify the presentation of the Statement of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity can be presented in either the Statement of Changes in Equity or the Notes. There is no financial impact.
<i>AASB 2010-5</i>	<i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Int 112, 115, 127, 132 & 1042]</i> This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.
<i>AASB 2010-6</i>	<i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]</i> This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.

AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Int 2, 112 & 113]

This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]

This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

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

		Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued in December 2010. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 11	<p><i>Joint Arrangements</i></p> <p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 13	<p><i>Fair Value Measurement</i></p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013
AASB 119	<p><i>Employee Benefits</i></p> <p>This Standard supersedes AASB 119 (October 2010). As the Commission does not operate a defined benefit plan, the impact of the change is limited to measuring annual leave as a long-term employee benefit. The resultant discounting of the annual leave benefit has an immaterial impact.</p>	1 Jan 2013

		Operative for reporting periods beginning on/after
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 128	<p><i>Investments in Associates and Joint Ventures</i></p> <p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 1053	<p><i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
AASB 2009-11	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]</i></p> <p>[Modified by AASB 2010-7]</p>	1 Jul 2013
AASB 2010-2	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i></p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 Jul 2013

		Operative for reporting periods beginning on/after
AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013
AASB 2011-9	<p><i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i></p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2012
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is no financial impact.</p>	1 Jan 2013
AASB 2011-11	<p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jul 2013

		Operative for reporting periods beginning on/after
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 128	<p><i>Investments in Associates and Joint Ventures</i></p> <p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 1053	<p><i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
AASB 2009-11	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]</i></p> <p>[Modified by AASB 2010-7]</p>	1 Jul 2013
AASB 2010-2	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i></p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 Jul 2013

		Operative for reporting periods beginning on/after
AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013
AASB 2011-9	<p><i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i></p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2012
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 <i>Employee Benefits</i> in September 2011. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-11	<p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jan 2013

Note	2012	2011
5 Employee benefits expense		
Wages and salaries	789,735	916,261
Superannuation – (a)	87,869	106,845
Long service leave (b)	64,284	-21,286
Annual leave	114,815	147,661
	1,056,703	1,149,481
<p>(a) West State and Gold State (contributions paid). (b) Includes a superannuation contribution component.</p>		
6 Supplies and Services		
Communications	29,140	29,447
Consultants and contractors	261,993	220,922
Consumables	17,137	14,166
Travel	50,564	44,501
Maintenance	8,746	5,238
Employee related expenses	17,125	6,374
Other	121,804	60,476
	506,509	381,125
7 Depreciation and amortization expense		
<i>Depreciation</i>		
Furniture and fittings	1,685	1,702
Office Equipment	2,888	4,179
Computing hardware	2,459	9,676
	7,032	15,557
<i>Amortisation</i>		
Intangible assets – computer software	1,673	1,715
Total amortization	1,673	1,715
Total depreciation and amortization	8,705	17,273
8 Accommodation expenses		
Lease rentals	203,818	207,506
Repairs and maintenance	329	316
Power and water	32,804	13,959
	236,951	221,781

	2012	2011
Note 9 Grants and subsidies		
<i>GERDS</i>		
City of Kalgoorlie-Boulder	-	20,000
CSIRO	-	20,000
Discover the Round	-	5,000
GEDC -Various	-	32,018
Miners Hall of Fame	-	20,000
Ravensthorp Community Child Care Inc	-	27,727
Shire of Laverton	-	30,000
 <i>Royalties for Regions</i>		
Australian Red Cross	-	26,000
Australia's Golden Outback	-	17,625
Bay of Isles	-	30,186
Boulder Bowling Club	29,000	-
City of Kalgoorlie Boulder	340,000	200,000
CSIRO	30,000	60,000
Eastern Goldfields Halfway House	39,386	7,909
Esperance Bowling Club	20,000	-
Esperance Men in Sheds	15,000	-
Esperance Motor Cycle Club	37,889	-
Esperance Regional Forum	-	5,149
Esperance Senior High School P&C	69,597	62,500
Esperance Volunteer Resource Centre	-	1,791
Esperance Volunteer Sea Search and Rescue	5,000	95,000
Foodbank of WA Inc	5,000	195,000
Full Circle Therapies Inc	35,000	50,000
Golden Quest Trails Ass.	10,000	47,000
Goldfields Tennis Club	-	27,000
Goldfields Toy Library	-	19,711
Goldfields Womens Health Care	90,000	-
Grass Patch Community Development Inc	39,000	-
Hopetoun Community Childcare	26,647	-
Hopetoun Volunteer Marine & Resue	22,924	-
IASKA	500	6,500
Kalgoorlie-Boulder Cemetary Board	165,000	200,000

Note	2012	2011
9		
Grants and subsidies (continued)		
<i>Royalties for Regions</i>		
Kalgoorlie-Boulder Urban Landcare Inc	-	6,450
Kambalda Cultural and Arts Group	1,285	47,943
Kathleen Day Playgroup	23,534	-
Laverton Family Centre	-	10,803
Laverton Leonora Cross Cultural Ass.	-	3,278
Laverton Sports Club	-	10,300
National Trust of Australia (WA)	-	11,150
Ngaanyatjarra Media	128,500	-
Ravensthorp Historical Society	-	8,076
Ravensthorp Wildflower Show	6,250	-
Rural Clinical School of WA	93,350	93,350
Shire of Dundas	-	8,140
Shire of Esperance	25,000	60,000
Shire of Leonora	-	125,000
Shire of Ravensthorp	120,000	80,000
South East Forrest Foundation	-	3,000
South East Premium Wheat Growers Ass.	5,054	47,000
Stage Left Theatre Troupe	-	130,000
The Cannery Arts Centre	2,536	26,223
Wanarn Community	10,000	-
	1,395,452	1,876,829

Note	<u>2012</u>	<u>2011</u>
10 Carrying amount of assets written off		
The write-off were the result of change to accounting policy capitalisation rate		
Furniture & Office Equipment	-	8,420
	<u>-</u>	<u>8,420</u>
11 Other revenues from ordinary activities		
Other revenue/recoups	7,593	276,763
	<u>7,593</u>	<u>276,763</u>
Tourism WA	-	100000
Department of Transport	-	20,827
Income from State Agencies	<u>-</u>	<u>120,827</u>
	<u>7,593</u>	<u>397,590</u>

Note	<u>2012</u>	<u>2011</u>
12		
Income from State Government		
Appropriation received during the year:		
Service appropriation (a)	1,758,589	1,631,553
Plus transfers to the Holding Account	19,000	19,000
Royalties for Regions Country Local Government Fund (c)	200,000	-
Resources received free of charge (b)	9,704	12,590
	<u>1,987,293</u>	<u>1,663,143</u>

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

(b) Discretionary transfers of assets between State Government agencies are reported as assets assumed/(transferred) under Income from State Government. Non-discretionary non-reciprocal transfers of net assets (ie. restructuring of administrative arrangements) designated as Contributions by Owners (CBOs) under TI 955 and are recognised directly to equity.

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

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

Note	<u>2012</u>	<u>2011</u>
13 Restricted cash and cash equivalents		
Current		
Royalties for Regions Grants Scheme ^(a)	587,029	1,978,246
	<u>587,029</u>	<u>1,978,246</u>
 <i>(a) These unspent funds are committed to projects and programs in the region.</i>		
14 Receivables		
Current:		
Trade debtors	1,678	118,221
GST Receivable	22,179	12,391
	<u>23,858</u>	<u>130,612</u>
15 Amounts receivable for services		
Current ^(b)	157,000	157,000
Non-current ^(b)	38,000	19,000
	<u>195,000</u>	<u>176,000</u>

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

Note	<u>2012</u>	<u>2011</u>
16 Property, plant and equipment		
Furniture and fittings at cost	30,491	30,491
Accumulated depreciation	(25,435)	(23,750)
	<u>5,056</u>	<u>6,741</u>
Office equipment at cost	26,770	26,770
Accumulated depreciation	(21,479)	(19,127)
	<u>5,291</u>	<u>7,643</u>
Computing hardware at cost	50,977	50,977
Accumulated depreciation	(50,977)	(48,517)
	<u>-</u>	<u>2,459</u>
Communications equipment at cost	28,353	28,353
Accumulated depreciation	(28,353)	(27,817)
	<u>-</u>	<u>537</u>
Total plant and equipment	<u>10,347</u>	<u>17,380</u>

Note 16 (continued)

Property, plant and equipment

Reconciliations

Reconciliations of the carrying amounts for furniture, equipment and computers, at the beginning and end of the reporting period are set out below:

	Furniture & fittings \$	Office equipment \$	Computing hardware \$	Comms. Equipment \$	TOTAL \$
2011					
Carrying amount at start of year	8,444	10,024	17,129	2,334	37,931
Additions	-			-	-
Disposals/Write-offs			4,994		4,994
Reclassification	-				-
Depreciation	1,702	2,382	9,676	1,797	15,557
Carrying amount at end of year	6,741	7,643	2,459	537	17,380

	Furniture & fittings \$	Office equipment \$	Computing hardware \$	Comms. Equipment \$	TOTAL \$
2012					
Carrying amount at start of year	6,741	7,643	2,459	537	17,380
Additions	-			-	-
Disposals/Write-offs					-
Reclassification	-				-
Depreciation	1,685	2,352	2,459	537	7,033
Carrying amount at end of year	5,056	5,291	-	-	10,347

Note	<u>2012</u>	<u>2011</u>
17 Intangible assets		
Computer software		
At cost	64,989	64,989
Accumulated amortisation	(64,571)	(62,897)
	<u>418</u>	<u>2,092</u>
Reconciliations		
Carrying amount at the start of the year	2,092	3,807
Additions	-	-
Disposals	-	-
Amortisation expense	1,674	1,714
	<u>418</u>	<u>2,092</u>
Adjustments to Equity	-	-
	<u>418</u>	<u>2,092</u>

18 Impairment of Assets

There were no impairment to plant & equipment or intangible assets at 30 June 2012.

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

All surplus assets at 30 June 2012 have either been classified as assets held for sale or written-off.

Note	<u>2012</u>	<u>2011</u>
19 Payables		
Trade payables	19,233	35,108
GST payable	-	10,000
Accrued expenses	66,938	156,604
	86,170	201,713
20 Provisions		
<u>Current:</u>		
<i>Employee benefits provision</i>		
Annual Leave ^(a)	65,173	87,691
Long Service Leave ^(b)	122,270	59,542
Other Leave	-	6,913
	187,443	154,146
<i>Other provisions</i>		
Wages	16,015	27,435
	16,015	27,435
	203,457	181,581
<u>Non-Current:</u>		
<i>Employee benefits provision</i>		
Long service leave ^(b)	25,812	37,413
	25,812	37,413

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

- Within 12 months of reporting date	65,173	87,691
- More than 12 months after reporting date		

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

- Within 12 months of reporting date	122,270	59,542
- More than 12 months after reporting date	25,812	37,413

Note

21 Equity

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

	<u>2012</u>	<u>2011</u>
Contributed equity		
Balance at start of period	54,000	54,000
Contributions by owners		
Capital contribution	-	-
Total contributions by owners	<u>54,000</u>	<u>54,000</u>
Accumulated surplus		
Balance at start of period	3,147,541	4,741,716
Result for the period	(1,209,437)	(1,594,176)
Balance at end of period	<u>1,938,104</u>	<u>3,147,541</u>
Total Equity at end of period	<u>1,992,104</u>	<u>3,201,541</u>

2012

\$

2011

\$

Note

22 Notes to the Cash Flow Statement

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

Cash and cash equivalents	1,490,292	1,317,318
Restricted cash assets	587,029	1,978,246
Petty cash	600	600
	2,077,921	3,296,164

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

Net cost of services	(3,196,730)	(3,257,319)
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Non-cash Items:

Resources received Free of Charge	9,704	12,590
Depreciation and amortisation expense	8,707	17,273
Assets written off	-	8,420
Other non-cash adjustments	-	(3,426)

(Increase)/decrease in assets:

Current receivables ^(a)	116,543	(118,221)
Other current assets	-	77

Increase/(decrease) in liabilities:

Current payables ^(a)	(105,542)	127,011
Current provisions	21,876	38,219
Other current liabilities	-	-
Non-current provisions:	(11,601)	(24,748)
Change in GST in receivables/payables ^(b)	(19,788)	5,240

Net cash provided by/(used in) operating activities	(3,176,832)	(3,194,884)
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(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included.

(b) This reverses our the GST in receivables and payables.

Note	<u>2012</u>	<u>2011</u>
23 Resources received free of charge		
During the year the following resources were received free of charge.		
Dept of Finance - Building Management and Works	9,704	12,590
24 Commitments		
Commitments for minimum lease payments are payable as follows:		
Within 1 year	2,161	8,400
Later than 1 year but not later than 5 years	-	937
	2,161	9,336
Representing:		
Non-cancellable operating leases	2,161	9,336
	2,161	9,336
25 Contingent liabilities and contingent assets		
At reporting date, the Commission had no contingent liabilities or contingent assets.		
26 Controlled Entities		
At the reporting date the Commission had no controlled entities.		
27 Events occurring after the Financial Position date		
No material events have occurred after 30 June 2012.		

Note 28 Explanatory statement

Significant variations between estimates and actual results for 2012 and between the actual results for 2011 and 2012 are shown below. Significant variations are considered to be those greater than 10%.

Significant variances between estimates and actual results for 2012

	2012	2012	
	Budget	Actual	Variation
	\$'000	\$'000	\$'000
Employee expense			
<i>Staff vacancies during the 2011-12 year has resulted in reduced employee expenses.</i>	1,422	1,057	- (365)
Grants and subsidies expense			
<i>Previous years grant recipients grant funds paid during 2011-12.</i>	1,000	1,395	395
Grants and contributions received			
<i>Royalties for Regions Country Local Government fund revenue. Recashflow of Goldfields-Esperance Regional Grants Fund.</i>	1,125	200	(925)

Note 28 Explanatory Statement (continued)

Significant variations between actual results for 2011 and 2012

	2012 \$'000	2011 \$'000	Variation \$'000
Employee benefits expense			
Staff vacancies	1,057	1,149	(93)
Supplies and Service			
Temporary staff engaged	507	381	125
Income received from State Agencies			
Royalties for Regions Country Local Government Funds only.	200	262	(62)

Note 29. Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Commission are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables, payables, bank overdraft, WATC/Bank borrowings, finance leases, and Treasurer's advances. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

Credit risk

The Commission trades only with recognised, creditworthy parties. To ensure its bad debt risk is minimal, the Commission periodically monitors its exposure to bad debts. There are no significant concentrations of credit risk.

Liquidity risk

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

(b) Categories of financial instruments

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Financial Assets		
Cash and Cash Equivalents	1,491	1,318
Restricted Cash	587	1,978
Loans and Receivables	197	294
	2,275	3,590
Financial Liabilities		
Payables	86	192
Employee Entitlements	229	219
	315	411

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

(c) Financial instrument disclosures

Credit risk and interest rate exposures

- 1) All financial assets of the Commission are unsecured.
- 2) The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in the financial statements.
- 3) The Commission does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.
- 4) The Commission does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.
- 5) The Commission has determined that the impact of interest rate risk is not material to the financial statements and has therefore not been calculated and disclosed in these accounts.

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Commission's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

2012	Weighted Average Effective Interest Rate \$'000	Variable Interest Rate \$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000	Non- Interest bearing \$'000	Total \$'000
Financial Assets							
Cash and cash equivalents	0.00%					1,491	1,491
Restricted cash and cash equivalents	0.00%					587	587
Receivables						2	2
Amounts receivable for services						195	195
						2,275	2,275
Financial Liabilities							
Payables						86	86
Employee entitlements						229	229
						315	315
2011							
Financial assets						3,590	3,590
Financial liabilities						411	411

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

Note

30 Remuneration of members of the accountable authority and senior officers

Remuneration of members of the accountable authority officers whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands:

\$	<u>2012</u>	<u>2011</u>
Under \$10,000	10	6
10,001 - 20,000	-	1
20,001 - 30,000	-	1
30,001 - 40,000	-	-
40,001 - 50,000	-	-
Total remuneration of the members:	<u>25,136</u>	<u>32,326</u>

The total remuneration includes the superannuation expense incurred by the Authority in respect of members of the Accountable Authority. No members of the Accountable Authority are members of the Pension Scheme.

Remuneration of senior officers

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

\$	<u>2012</u>	<u>2011</u>
20,001 – 30,000	-	-
70,001 – 80,000	-	-
80,000 – 90,000	-	-
90,001 -110,000	-	-
160,001 -175,000	1	1
Total remuneration of senior officers:	<u>173,304</u>	<u>176,286</u>

Note

31 Remuneration of auditor

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

	2012	2011
Auditing the accounts, financial statements and key performance indicators	34,000	35,300

32 Related Bodies

The Commission has no related bodies as defined by Treasurer's Instruction 951.

Note 33

	Facilitation of the provision of appropriate infrastructure and industry services.		Promotion of the region and its investment opportunities.			
	Service 1		Service 2		Total	
	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
COST OF SERVICES						
Expenses						
Employee benefits expense	359,280	505,772	697,425	643,709	1,056,705	1,149,481
Supplies, Services & Admin	172,213	167,695	334,295	213,430	506,508	381,125
Depreciation and amortisation expense	2,960	7,600	5,746	9,673	8,707	17,273
Accommodation expenses	80,563	97,584	156,388	124,197	236,951	221,781
Grants and subsidies	474,454	825,805	920,998	1,051,024	1,395,452	1,876,829
Other expenses		3,705		4,715	-	8,420
Total cost of services	1,089,470	1,608,160	2,114,852	2,046,749	3,204,323	3,654,909
Income						
Other Income from State Agencies	3,299	58,703	6,405	74,713	9,704	133,417
Other revenue	2,581	121,776	5,011	154,987	7,593	276,763
Total income other than income from State Government	5,880	180,479	11,416	229,701	17,297	410,180
NET COST OF SERVICES	1,083,590	1,427,681	2,103,436	1,817,048	3,187,026	3,244,729
INCOME FROM STATE GOVERNMENT						
Service appropriation	604,380	726,243	1,173,209	924,310	1,777,589	1,650,553
Royalties for Regions	68,000		132,000		200,000	-
Total income from State Government	672,380	726,243	1,305,209	924,310	1,977,589	1,650,553
Surplus (deficit) for the period	(411,211)	(701,437)	(798,227)	(892,738)	(1,209,437)	(1,594,176)

Key Performance Indicator Information

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 Goldfields-Esperance Development Commission's performance, and fairly represent the performance of the GEDC for the financial year ended 30 June 2012.



Jon Price
Chairman

3rd September 2012



Robert Hicks
Chief Executive Officer

3rd September 2012

Detailed Information in Support of Key Performance Indicators

Relationship to Government Goals

The Commission is the primary referral point in assisting people and groups working on projects, and business or industry to develop products/services that will benefit the whole Goldfields-Esperance Community.

Our desired outcome is to encourage and promote opportunities to build, increase investment, attract, and retain population to the Goldfields-Esperance region.

Performance measures are defined and monitored for GEDC's strategic goals through the Western Australian Government Budget Statements.

Government Goal	Desired Outcome	Services
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.	An environment, which is conducive to the balanced economic and social development of the Goldfields-Esperance region.	<ol style="list-style-type: none"> 1. Facilitation of the provision of appropriate infrastructure and industry services 2. Promotion of region and its investment opportunities

KEY EFFICIENCY INDICATORS

The key efficiency performance indicators measure the overall efficiency in achieving the desired outcomes. These outcomes are linked to Government goals.

The following efficiency indicators are based on the total cost for each of the two service areas after excluding Grants expenses. The costs for each service area comprise both direct expenditure and an allocation of general costs and overheads. The total cost of the two services is reported in the GEDC's Income Statement as the Total Cost of Services.

Service 1 – Service description: Consults, advocates for, and assists key stakeholders in the region to progress activities that will improve the standard of infrastructure, ensuring that it is of equal standard to that in the metropolitan area and that it caters for the regions expansion of industry.

Performance Measures	2009-10	2010-11	2011-12 ^a Budget Target	2011-12 ^a Actual
Net cost of service	\$1,006,522	\$711,232	\$1,209,000	\$615,016
Cost per chargeable hour	\$91	\$75	\$130	\$77

^a Excludes grants

Variance from target to actual can be contributed to the timing of grant funding, staff turnover and leave programs.

Service 2 – Service description: Assists the promotion and development for a range of activities that promote the region and its services.

Performance Measures	2009-10	2010-11	2011-12 ^a Budget Target	2011-12 ^a Actual
Net cost of service	\$671,014	\$1,066,848	\$806,000	\$3,855
Cost per chargeable hour	\$57	\$88	\$125	\$76

^a Excludes grants

Variance from target to actual can be contributed to the timing of grant funding, staff turnover, leave programme and actual staffing costs against services.

KEY EFFECTIVENESS INDICATORS

The key effectiveness indicators measure the extent to which performance contributes to improved client satisfaction.

The GEDC's effectiveness indicators are measured by undertaking an annual survey of key clients. This survey is conducted by an independent market researcher, Asset Research. Electronic questionnaires were sent to 240 clients that had contact with the GEDC in the previous 12 month period. Asset Research received 173 completed surveys, resulting in a response rate of 61.6%.

Contact with clients and key stakeholders assists in providing opportunities to develop business and employment opportunities, reduce obstacles to economic growth and increase trade activity. Success in these areas will assist the GEDC to achieve its stated outcome – an environment conducive to the balanced economic and social development of the Goldfields-Esperance region.

In this years survey there has been an increase in the score for respondents who believe that the GEDC contributes to development in the region. The GEDC will continue to work towards achieving its targets. A comparison with previous years is summarised in the following table.

Contributed to Development	2009	2010	2011	2012	Target
Contributed to economic development	87%	87%	86%	88%	90%
Contributed to social development	77%	78%	79%	78%	80%
Contributed to balance of the two	72%	72%	74%	75%	75%

The report is available in full from our web site.

Ministerial Directives

No Ministerial directives were received during the financial year.

Other Financial Disclosures

Capital Works

No capital works were undertaken this financial year.

Staff Development

The GEDC has a commitment to the development of its employees. Our strategies are to build a highly skilled, professional, and fair workforce with the ability to adapt to a changing work environment.

During the financial year, our employees received a broad range of training in-house and externally.

Staff Profile

	<u>2011/12</u>	<u>2010/11</u>
Full time permanent	6	8
Full time contract	1	2
Part time measured on a FTE basis	1	1
	<u>8</u>	<u>11</u>

OTHER LEGAL REQUIREMENTS

Legislative Amendments and New Legislation

There were no amendments to the Regional Development Act in 2011/12.

Compliance with Public Sector Management Act 31(1)

1. In the administration of the GEDC, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics, and our Code of Conduct.
2. I have in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made in 1 is correct.
3. During 2011-12 our Code of Conduct was revised and updated with all staff being kept informed.
4. The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged	Nil
Number of breaches found	Nil
Number still under review	Nil



Robert Hicks
Chief Executive Officer

3rd September 2012

Advertising

In accordance with section 175ZE of the Electoral Act 1907, the following expenditure was incurred:-

1. Total expenditure for 2011/2012 was **\$5,494**
2. Expenditure was incurred in the following areas:

CLASS OF EXPENDITURE	ORGANIZATION	TOTAL EXPENDITURE
Advertising Agencies		\$
Polling Organizations		\$Nil
Direct Mailing		NIL
Market Research	Asset Research	\$3275
Media Advertising	Kalg Miner/Esp Express	\$2219

Disability Access and Inclusion Plan (DAIP)

Through the GEDC DAIP we are committed to delivering the same level of services to people with disabilities. The plan ensures we maintain the six outcomes identified, effectively.

The DAIP will ensure that people with disabilities

- 1) have the same opportunities as other people to access the services of and any events organised by the Commission;
- 2) have the same opportunities as other people to access the agencies buildings and facilities;
- 3) receive information from the Commission in a format that will allow ready access to it;
- 4) receive the same level and quality of service from the Commission;
- 5) have the same opportunities to make complaints to us;
- 6) have the same opportunities as other people to participate in public consultation.

Record Keeping Plan

Our Record Keeping Plan has been approved by the State Records Office and remains current until 2013. We continually review staff compliance with our Plan by using the following methods;

1. A checklist is performed to test the efficiency and effectiveness of the plan. No shortcomings have been identified during this process.
2. We have officers responsible for the management of records. They are available to assist all staff with any record keeping enquires they may have.
3. All staff are made aware of their role and responsibilities for record keeping and management at induction by the responsible officers for records management within the Commission.

Compliance with Relevant Written Laws

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

Financial Management Act 2006	State Supply Commission Act 1991
Auditor Generals Act 2006	Equal Opportunity Act 1984
Salary & Allowances Act 1975	Gov Employees Super Act 1987
Government Employees Housing Act	Disability Services Act 1993
Public Interest Disclosure Act 2003	State Records Act 2000
Occupational Safety and Health Act 1984	Freedom of Information Act 1992
Public Sector Management Act 1994	Corruption and Crime Commission Act 2003
Disability Services Act 1993	Government Financial Responsibility Act 2000
Industrial Relations Act 1979	State Superannuation Act 2000
Royalties for Regions Act 2009	

Public Interest Disclosures

The Public Interest Disclosure Act 2003 requires the Commission to:

- 1) Facilitate the disclosure of public interest information;
- 2) Provide protection for those who make disclosures;
and
- 3) Provide protection for those who are the subject of a disclosure.

In accordance with the Act, the Commission has duly appointed a Public Interest Disclosure Officer and has provided awareness sessions with all staff.

Nil public interest disclosures were received during 2011/2012.

GOVERNMENT POLICY REQUIREMENTS

Occupational Safety, Health, and Injury Management

GEDC is committed to providing and maintaining a safe and healthy work environment for all employees and other persons providing services at or visiting our premises. This includes management acknowledging its duty to provide and maintain a working environment in which employees and other persons are not exposed to hazards. The principles, procedures, and guidelines underpinning this commitment are contained in GEDC's Occupational Safety and Health Policy and the Vehicle Policy.

The executive team and the workplace has an elected OSH coordinator who is responsible for coordinating all consultations on OSH issues. Regular reviews of work environments are conducted.

GEDC has an Injury Management System that contains a Return to Work Program to enable injured workers to return to the workplace as soon as practical. Although GEDC has not received any Workers Compensation claims in 2011-12, it is dedicated in ensuring that safety and health management systems are in place and reviewed regularly.

The GEDC has maintained its **NIL** Lost Time Incidence rate and Lost Time Frequency rate. The results are outlined in the table below:

INDICATOR	2011-12
Number of fatalities	Zero
Lost time injury incident rate	Zero
Lost time injury severity rate	Zero
Percentage of injured workers returned to work within 28 weeks	No injuries reported
Percentage of managers aware of occupational safety and health management responsibilities	100%