



2021-22 ANNUAL REPORT

pdc.wa.gov.au

Pilbara Development Commission

Welcome to our 2021-22 Annual Report

This report is an important tool used to ensure transparency and accountability of the Pilbara Development Commission to Parliament, our stakeholders and the community we serve. It is an account of our achievements during the reporting period and a look at the emerging challenges and opportunities that lie ahead for the Pilbara, and for the Commission.

Formats

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

This report is available in different formats on request. If you would like a printed copy of the report please contact our head office in Karratha on telephone (08) 6551 7500 or send us an email via fdc@fdc.wa.gov.au.

Feedback

Making our annual report transparent, accurate and relevant is important to us, so we'd like to know what you think. To share your feedback on this report please contact us on telephone (08) 6551 7500 or send us an email via fdc@fdc.wa.gov.au.



Statement of Compliance

For the year ended 30 June 2022

HON ALANNAH MACTIERNAN MLC
MINISTER FOR REGIONAL DEVELOPMENT; AGRICULTURE AND
FOOD; HYDROGEN INDUSTRY

In accordance with section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Pilbara Development Commission for the reporting period ended 30 June 2022.

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



Mr Tim Larkin
Chair
6 September, 2022



Ms Trish Barron
A/Chief Executive Officer
6 September, 2022



Acknowledgement of Country

The Pilbara Development Commission acknowledges the Traditional Owners throughout the Pilbara and their continuing connection to the land, waters and culture.

We pay our respects to Elders past, present and emerging.

Artwork: Sally Mack, Untitled
Copyright Sally Mack/Copyright Agency, 2022

Contents

Overview	4
Chair's Foreword	4
A message from the Commission's leadership team	6
Performance highlights	10
Operational structure	12
Performance management framework	20
Agency Performance	22
Strategic Goal 1: Prosperous and diverse economy	22
Strategic Goal 2: Regional liveability	30
Strategic Goal 3: Aboriginal economic participation and prosperity	34
Strategic Goal 4: Organisational excellence	40
Summary of key performance indicators	41
Significant issues impacting the agency	42
Disclosures and legal compliance	46
Financial statements	47
Audited key performance indicators	65
Other statutory information	69



As publishers of this report the Pilbara Development Commission makes every reasonable effort to ensure the accuracy of all information in the report. Nevertheless, we are unable to guarantee the accuracy of all information contained.

We take no responsibility and will not be liable either in contract for negligence or in any other way for any errors, act or omissions, which may occur in relation to the report.

Contact us

Level 2, The Quarter
20 Sharpe Avenue
Karratha WA 6714
Ph: 1800 THE PILBARA (1800 843 745)

Online

Website: pdc.wa.gov.au
Email: pdc@pdc.wa.gov.au
LinkedIn: [linkedin.com/company/pilbara-development-commission](https://www.linkedin.com/company/pilbara-development-commission)

Postal
PO Box 294
Karratha WA 6714

Overview



Message from our Chair

It's my pleasure to present the Pilbara Development Commission's 2021-22 Annual Report, my first as Chair, a role I was honoured to accept in January 2022.

The Pilbara has once again been an outstanding contributor to Western Australia and Australia's economic wellbeing. The region's Gross Regional Product hit a new record in 2021 totalling more than \$71 billion, a 14 per cent increase on the previous year. The Pilbara also continued to be a strong contributor to State revenue, contributing more than \$10 billion in state royalties in 2021, which is over a quarter of the state's total revenue.

It's been a truly transformational year for the Pilbara. For a region that has built its reputation on the wealth of its mineral deposits, it is now taking centre stage in the global energy transition. We've known for a long time that the Pilbara possesses the natural assets and infrastructure that make it a smart investment for green energy development. This year, the planning, partnerships and promotion of this opportunity were initiated with major investment commitments from both the State and Commonwealth governments, and the private sector, to progress hydrogen projects in the Pilbara.

The investment pipeline is estimated to include more than \$150 billion worth of projects, which will create more than 12,000 permanent operational jobs. The future has never looked brighter for major investment and business confidence is high.

While the future is bright, the current issues faced by residents in the region are casting a shadow. The cost of housing is rapidly increasing, there is a lack of childcare, a shortage of labour, and the nation-wide cost of living increases are impacting households. These factors also place pressure on the small businesses, such as the local hairdresser, the mechanic, and the cafe owner, all of whom are essential to the liveability of the Pilbara. Addressing these challenges will be a major focus of the Commission in the year ahead.

In my role as Deputy Chair for the last two years I was impressed by the dedication and genuine passion of Brendan Hammond, who resigned as Chair of the Commission in January. During his almost five-year tenure, Brendan brought leadership and vision to the Board. His commitment to improving outcomes for Aboriginal people, driving down the cost of doing business through the

introduction of direct sea freight and ensuring the region benefitted from major new investment are just a few of the many achievements during his time in the role.

I also acknowledge the generous contribution of Gerry Parsons, whose term concluded in 2021 after five years. Gerry is a strong voice for the sustainable economic development of the region and advocated strongly for the community, in particular the East Pilbara.

On behalf of the Board, I sincerely thank Brendan and Gerry for their contributions, as well as the ongoing commitment of the current Board members.

I thank the Hon. Alannah MacTiernan MLC, Minister for Regional Development, for her strong support of regional WA and her unwavering commitment to driving economic development opportunities for the Pilbara.

The workforce and inflation challenges facing the Pilbara are at the forefront of our minds as we enter another era of significant growth. I am confident that more great things are on the horizon for the Pilbara, and I am committed to ensuring everyone benefits from the prosperity.



Tim Larkin | Chair



A message from the Commission's leadership team

The Pilbara is a truly unique and significant part of Western Australia. The place, the people, the projects and the partnerships that define our region are what makes the Pilbara a globally competitive economic powerhouse as well as a desirable place to live.

This year saw the region's economic importance grow as our total exports exceeded AU\$200 billion for the first time and we were delighted to see the release of the most recent Census showed the residential population of both Karratha and Port Hedland has continued to increase.

For an isolated region located 1600 kilometres from the nearest capital city, the Pilbara is also becoming an increasingly connected place, both within Australia and globally. New international freight links, transport routes and increased digital capacity will continue to unlock stranded assets, bring communities closer together, and create new opportunities for business investment and innovation in the years ahead.

The Commission welcomes this transition and the opportunities it brings, while acknowledging that it also brings us closer to global challenges. Like many businesses in the Pilbara over the past 12 months our workforce has been stretched as we carried several vacancies off the back of COVID-19 and against a tight nationwide job and housing market. That being said, as a team, we have been resourceful, nimble and able to continue to create genuine impact in the community and economic development of the Pilbara with the support of our regional development partners.

We are pleased to report that this year we achieved 100 per cent satisfaction rate in our annual survey. This result

is a credit to the people who work for the Commission, many who have been part of the team for several years. Their ability to navigate across a vast region that has such a diverse portfolio of industries, businesses, with unique social and economic challenges is extraordinary. We are proud of this result and will continue to deliver on our operational values and aim to be a partner of choice in regional development. We thank our stakeholders and partners for completing our annual performance survey and their input into our continuous improvement process.

At the beginning of 2022, the role of Chief Executive Officer of the Commission was handed to our two Directors, Trish Barron and Michael Heap, as Terry Hill took on the role of Acting Director General of our portfolio partner, the Department of Primary Industries and Regional Development. Both Trish and Michael were Acting CEO, in addition to fulfilling their existing leadership roles, for an extended period. During this demanding time, we are proud that our stakeholder satisfaction remained high, and our impact and responsiveness to regional issues remained strong.

Our focus in the year ahead will be on the delivery of our 2022-24 Strategic Plan which prioritises supporting sustainable economic diversification, improving regional living standards and increasing the wellbeing of Aboriginal people in the region.

The Commission team thanks our Chair and Board for their support and strategic advice and our Minister, Hon Alannah MacTiernan MLC, for her incredible energy and drive for regional development.

We would also like to thank our partners in the region for their ongoing support and shared passion to develop the Pilbara as a great place to live, work, invest and play.



Terry Hill
Chief Executive Officer



Trish Barron
Director, Regional Development
A/Chief Executive Officer
(January – April 2022)



Michael Heap
Director, Regional Development
A/Chief Executive Officer
(April – June 2022)

The Pilbara

4 LGAs Local Government Authorities

- City of Karratha
 - Town of Port Hedland
 - Shire of Ashburton
 - Shire of East Pilbara
- 4 National Parks

6,580km
from India

2,900km
from Singapore

1,200km
from Perth





50,000+ years
of continuous occupation



31 Aboriginal
language groups

Pilbara population

62,840

(2% increase since 2011)



14%
are Aboriginal



33%
born overseas

median age

33



\$71 billion
gross regional product



\$9.6 billion
in State royalties in 2021



Resilience sculpture, Paraburdoo

Our 2021-22 highlights



Pilbara Summit held in the Pilbara for the first time, attracting **600 delegates**

\$140 million

funding attracted for the Pilbara Hydrogen Hub

Pilbara **Cultural Land Management** project commenced



2 new regional living videos



Hundreds of artworks from Pilbara Aboriginal Artists on display at the Art Gallery of Western Australia as part of the

Tracks We Share

Contemporary Art of the Pilbara exhibition



\$600,000 funding for tourism infrastructure project

86 small grant agreements progressed

5 RED Grants awarded



10 regional events sponsored

LinkedIn
followers
increased by
25%

**100% of
stakeholders**
surveyed agreed the
Commission makes
a positive contribution
to the economic and
social development
of the Pilbara

**Stages
1&2**
of the Aboriginal
and Torres Strait
Islander Product
Development
project completed

When our stakeholders were asked what they value most about the Commission, this is what they said.

“The staff are very professional and know the area and are therefore a good source of information.”

“They provide useful data and have strong relations with different sectors and are good at collaborating with the different sectors to facilitate positive outcomes.”

“They work really hard to help.”

“They strive to create opportunity, they are proactive and positive.”

“Good quality of staff, collaborative always for the best outcomes for stakeholders and they work very hard.”

“Their knowledge of the regional area, context and willingness to share resources with other government departments which helps to realise positive outcomes for the Pilbara.”

Quotes taken from anonymous responses to the 2022 Annual Stakeholder telephone survey conducted by Advantage Communications and Research.

Operational structure

Who we are

The Pilbara Development Commission (the Commission) is a statutory authority of the Western Australian State Government and is one of nine regional development commissions, each serving a different region of WA.

Responsible to the Minister for Regional Development, the Commission has a Chief Executive Officer and team of staff located in the Pilbara region who are overseen by a Board, which includes community, local government and Ministerial appointments.



What we do

The Commission's role is to coordinate and promote economic and social development in the Pilbara to maximise prosperity and well-being for the region, and for Western Australia. The Commission achieves this by providing the regional link between government policy and planning and regional aspirations and needs.

How we work

The Commission works to make the Pilbara an even better place to live, work, invest and visit by developing and supporting initiatives that align with our Strategic Plan. Our plan sets out how we will achieve our vision for the Pilbara with a list of measurable actions against four strategic goals.

Enabling legislation

The Commission was established under the *Regional Development Commissions Act 1993* (RDC Act). The objectives of the Commission under the RDC Act are:

- Maximising job creation and improving career opportunities in the region;
- Developing and broadening the economic base of the region;
- Identifying infrastructure services to promote economic and social development within the region;
- Providing information and advice to promote business development within the region;
- Seeking to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area; and
- Taking steps to encourage, promote, facilitate and monitor the economic development in the region.

Our Vision

The Commission's vision for the Pilbara region is 'vibrant and sustainable communities underpinned by a strong, diverse economy'.

Our Purpose

To be the catalyst for development and growth in the Pilbara region.

Our Values

The Commission is a values-driven organisation, which promotes a positive working environment making it a partner of choice. The overarching value of excellence drives a culture of continuous improvement and leadership within the agency.

The Commission's values are:

Excellence *in all we deliver*

Integrity *to act ethically, honestly and with transparency*

Unite *to connect, respect and collaborate*

Care *to be positive and supportive*

Impact *to make a difference*

Strategic goals

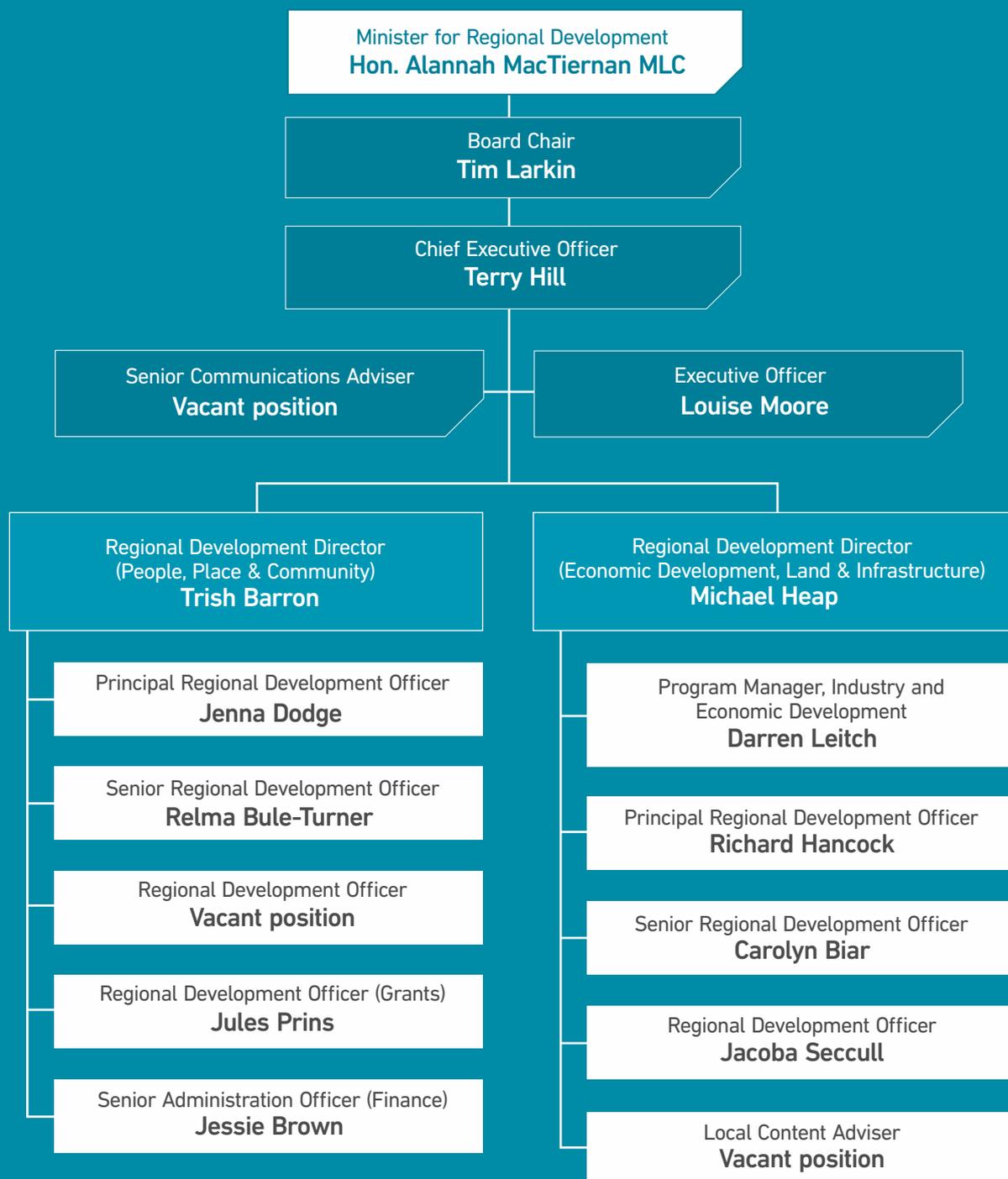
We work in collaboration with businesses, agencies, local government authorities and the community to achieve outcomes under our four strategic goals:

- 1. Prosperous and diverse economy**
- 2. Regional liveability**
- 3. Aboriginal economic participation and prosperity**
- 4. Organisational excellence**

A summary of our achievements against these strategic goals is included in the Agency Performance section of this report on [page 22](#).

Our people

Organisational chart as of 30 June 2022



The Chief Executive Officer is an employee of the Commission. All other Commission staff are employees of the Department of Primary Industries and Regional Development (DPIRD) and work for the Commission under the direction of the Chief Executive Officer under a Service Level Agreement. DPIRD also provides Human Resources and Finance support services to the Commission under a Service Level Agreement.



Our Minister

The Commission is responsible to the Minister for Regional Development, the Hon. Alannah MacTiernan MLC. The Minister has the power to direct the Commission, either generally or with respect to a particular matter, on the exercise and performance of its powers, functions and duties under the *Regional Development Commissions Act 1993*.

Our Board

The Board is the governing body of the Commission, appointed to ensure the efficient and effective operation of the organisation. The Board meet regularly to consider matters of economic and social importance to the Pilbara, to formulate advice to the Minister on appropriate matters, to set policy directions for the Commission and to formulate budget priorities.

The Board is made up of six members who each contribute skills, experience and knowledge that benefit the Commission and the region. Membership comprises of two community, two local government and two Ministerial appointments. The Commission's Chief Executive Officer is a member of the Board by virtue of office.

Current Board members



Tim Larkin

Chair (Deputy Chair until Jan 2022)
Ministerial Appointment
Term 2020 – 2022

Tim Larkin is a senior executive with more than 30 years of experience working for leading multinational companies in the resources sector including BHP Billiton, United Group, Mowlem plc, the Leighton Group and Laing O'Rourke in project development and operational roles. In addition, he was the chief executive of a major 100 per cent Aboriginal-owned, diversified business serving the Pilbara with a focus on tourism and civil and mining services operations. He currently is the Principal of a strategy and development consultancy focussed on the resources sector.



Sara Slattery

Community appointment
Term 2019 – 2023

Sara Slattery is a career practitioner with extensive experience working for employment services and Aboriginal-owned organisations in the Pilbara. She is the Chief Executive Officer of Robe River Kuruma Aboriginal Corporation and a member of the Australian Association of Career Counsellors and Institute of Company Directors. Ms Slattery has held other leadership roles in a range of Pilbara Aboriginal and non-Aboriginal organisations, including in Roebourne and South Hedland. Ms Slattery is a Robe River Kuruma native title holder, and currently lives in Wickham.



Brett Ellacott

Community appointment
Term 2020 - 2022

Brett Ellacott is a qualified mechanical engineer who grew up and studied at James Cook University in Townsville, Queensland. Mr Ellacott worked across many commodities and resource companies in a project management and maintenance capacity before starting a company which focuses on technology and innovation opportunities. He recognises the potential of the Pilbara area for economic prosperity and diversification while also possessing a community mindset which results in his active participation in the Port Hedland Marine Rescue as a senior skipper and projects coordinator.



Marg Bertling

Local government appointment
Term 2020 – 2021

Marg Bertling settled in Karratha in 1987 with a background in home finance, writing and journalism. Since 2009 she has operated her commercial and industrial photography and videography business, involving travel across the Pilbara. Cr Bertling spent many years as a St John's volunteer ambulance officer and member of community groups. Elected as a Councillor for the City of Karratha in 2011, 2015 and 2019, she supports development and opportunities for communities in the Pilbara and is focused on sustainable projects that: provide long term benefits for residents; encourage multigenerational families; and support business growth.



Wendy McWhirter-Brooks

Local government appointment
Term 2022 – 2023

Wendy McWhirter-Brooks has decades of experience in agriculture, education and community development as an agricultural enterprise operator and a teacher. She is currently the Deputy President of the Shire of East Pilbara and is a member of a number of committees including the Pilbara/Kimberley JDAP Committee, Pilbara Tourism Association, North West and Northern Territory Drought Innovation Hub Advisory Committee, and Chair of the Marble Bar CRC. Living in Marble Bar, Cr McWhirter-Brooks is passionate about maximising opportunities for young people in regional WA, and helping to create better social, cultural and economic opportunities for people in the Pilbara.



Terry Hill

Ex officio, Chief Executive Officer of
the Pilbara Development Commission

Terry Hill has been in his current position as Chief Executive Officer of the Pilbara Development Commission for over 7 years. He has held senior roles in the State Government, and at a national level. He has carried out the role as the Deputy Chair of the Grape and Wine Research and Development Corporation and was a foundation Director of Horticulture Australia Ltd. He has also worked internationally leading a significant project in Indonesia, industry trade missions to Asia and managing the commercialisation of intellectual property. Mr Hill holds a Bachelor of Science in Agriculture, a Masters in Agribusiness and is a Fellow of the Australian Institute of Company Directors.

Members whose terms concluded during 2021-22



Brendan Hammond

Chairperson
Ministerial appointment
Resigned January 2022

A skilled executive and senior leader, Brendan Hammond has more than 25 years of experience in senior roles across energy, water, ports and resources sectors, including as Managing Director of Rio Tinto Argyle Diamonds. He has more than ten years of experience as a board Chair of listed businesses and government trading enterprises, including Horizon Power and Dampier Port Authority.



Geraldine (Gerry) Parsons

Local government appointment
Term concluded September 2021

Gerry Parsons has resided in Newman since 2000 and has served as a councillor for the Shire of East Pilbara since 2011. Cr Parsons currently chairs the boards of the Newman Chamber of Commerce and Industry and South Newman Primary School.

Our leadership team

The Commission is made up of a team of 14, led by the Chief Executive Officer who is responsible to the Board Chair as illustrated in the organisational structure on [page 14](#).

Leadership is an attribute demonstrated by all employees of the Commission through their role in supporting and advocating for regional development and growth of the Pilbara with stakeholders.

Internally, the Commission's leadership team is made up of the Chief Executive Officer and two Regional Directors. Together, the leadership team provide day-to-day direction to staff, and work together to manage the delivery of the Commission's strategic priorities as determined by the Board.



Terry Hill

Chief Executive Officer

Mr Hill has been in the position of Chief Executive Officer for more than seven years, based in Karratha and regularly travelling throughout the region. The Commission's Executive Officer and Senior Communications Adviser respond directly to the Chief Executive Officer.

See full profile on [page 17](#).



Trish Barron

Director Regional Development
Portfolio: People, Place & Community

Ms Barron is the longest serving member of the Commission staff, having commenced in her role in 2003 to facilitate the Port Hedland Enhancement Scheme. A long-term public servant working in the community and regional development portfolios, Ms Barron leads the People Place and Community team at the Commission. Ms Barron is passionate about making the Pilbara a great place to live.



Michael Heap

Director Regional Development
Portfolio: Economic Development,
Land & Infrastructure

Joining the Commission from the private sector in 2019, Mr Heap now leads a team of staff, based in the Pilbara, who work to ensure the region grows a diverse and sustainable economy. Mr Heap's professional background is in research and analytics, and he is an advocate for evidence-based decision making and the use of data to deliver impactful outcomes. He is passionate about contributing to the success of regional Western Australia, in particular the economic powerhouse of the Pilbara.

Performance Management Framework

The State Government has four goals that guide the high-level policies and/or priorities that support its vision. At the Commission, we contribute to the government's goal of 'Better Places' by supporting the economic and social development of the Pilbara.



Outcome-based management framework

Western Australia's public sector performance management framework is referred to as Outcome Based Management (OBM). The OBM is the formal mechanism for the Commission to monitor and report on our efficiency and effectiveness to Parliament and our stakeholders.

Since the Machinery of Government changes on 1 July 2017, the Commission's access to resources has been divided into those reported under Section 40 of the Financial Management Act 2006 (that is; funds allocated to cover the expenses and operations of the Board and Chief Executive Officer of the Commission including grants programs) and the Department of Primary Industries and Regional Development controlled budget covering the staff, assets and operations. These resources are provided for the day-to-day management of the Chief Executive Officer under agreement with the department Director General.

As a result of the Machinery of Government changes, the Department of Treasury advised the Commission no longer requires a Resource Agreement. To ensure compliance with Treasurer's Instructions 904 and 903(8), the Commission has maintained its key performance indicators (efficiency and effectiveness) to measure its performance and allow comparison with that of previous years. Readers should note this approach includes the contribution and hours worked of department employees based with the Commission as shown in the organisational chart.

The following table shows the key desired outcome we strive for and services we deliver in support of the government's goal:

Government goal	Better Places: A quality environment with liveable and affordable communities and vibrant regions.
Outcome	Enhancement of the Pilbara region's economic and social development
Services	<ol style="list-style-type: none"> 1. Facilitation, coordination and governance 2. Regional promotion and information services
Key effectiveness indicator	Extent of client satisfaction that the Commission makes a positive contribution to economic and social development of the Pilbara
Key efficiency indicator	Average operational costs per working hour

Changes to outcome-based management framework

The Commission's outcome-based management framework did not change during 2021-22.

Shared responsibilities with other agencies

The Commission did not share any responsibilities with other agencies in 2021-22

Agency performance

Performance against strategic goals

Strategic Goal 1:

Prosperous and diverse economy

The Pilbara economy is dominated by the resources sector, primarily iron ore and oil and gas, which provides thousands of jobs not only in the region, but across Australia. Our focus is on maximising the benefits from this thriving sector for the people who live and work in the region, while also unlocking new industry opportunities that support the long-term sustainability and diversity of the economy.

Crop trials at Karratha Station

The following section provides a summary of the key achievements from 2021-22 in pursuit of this strategic goal.

Diversifying the economy

Partnered with the Department of Jobs, Tourism, Science and Innovation to co-author a successful submission to the Commonwealth Government that led to a \$140 million investment in the Pilbara Hydrogen Hub, reaffirming the Pilbara's leading position within Australia's developing hydrogen energy industry. See [page 26 - 27](#) for more on this project.

Completed the Business Case for the Clean Energy Training and Research Institute facilities in Karratha and Port Hedland, as part of the Pilbara Hydrogen Hub. The institute aims to deliver essential training and research to support the establishment of a skilled workforce to support the clean energy industry in the Pilbara.

Continued to produce a range of reports and snapshots which highlight and promote the region. The Pilbara Housing and Land Snapshot continues to be the key report on the region's housing market, providing timely and trusted data to inform the market.

Delivered Round 4 of the State Government's Pilbara Regional Economic Development (RED) Grants Program. A total of \$707,000 was allocated to five local businesses for projects which are estimated to create 16 full-time and four part-time jobs during project development, and support more than 50 jobs ongoing.

Supported the development of the new Warlu Way tourism app which was launched by the Pilbara Tourism Association (PTA). Aimed at self-drive tourists, the app highlights the region's major tourist attractions and businesses. Further funding has been secured by the PTA to deliver training, tourism business development and a regional tourism conference.

To foster collaboration and information sharing within the tourism sector the Commission initiated quarterly meetings with all Regional Development Commissions, Tourism WA and DPIRD. This led to a partnership with the Gascoyne and Mid West Development Commissions and the securing of \$600,000 in funding from the State Government to deliver a project to address the deficiencies in the availability of timely tourism data in the regions. The project will identify tourist hot and cold spots based on visitor activity to determine demand for new or expanded tourism infrastructure in different parts of the regions.

Provided \$250,000 in funding to a Pilbara Aboriginal-owned enterprise to support the establishment of recreational marine charter tours in Onslow through the RED grants program.

Crop trials and soil testing continued as part of the Transforming Agriculture in the Pilbara project which aims to ground-proof soil and water resources for potential agriculture production in the region, including rockmelon and watermelon crops at a trial site at Karratha Station. The project is being delivered by DPIRD and is funded through the Commission.

Continued to work in partnership with the Organisation for Economic Co-operation and Development (OECD) on a Case Study of the Pilbara region, which will bring expertise in international policy making to inform on a number of the Pilbara's critical issues. The report is due for release at the OECD Mining in Regions conference, scheduled to be held in Karratha in June 2023.

Provided strategic advice and regional intelligence to government agencies to inform decision making in relation to new developments and land applications.

Supporting local businesses

Recognised and celebrated Pilbara small business achievers by sponsoring the Karratha, Port Hedland, Onslow and Newman Business Excellence Award programs, managed by the region's Chambers of Commerce.

The Onslow Business Support Program, supported by funding from the Commission, launched an online training portal to provide greater access to learning and development for Onslow small businesses.

Our Local Content Advisor engaged extensively with small businesses and major contractors to maximise local supplier, contractor and job opportunities in the Pilbara.

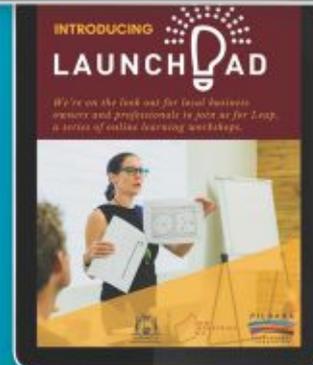
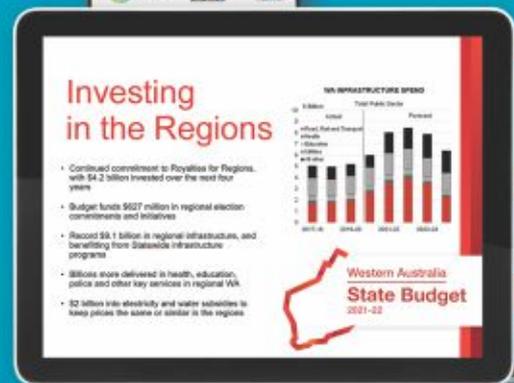
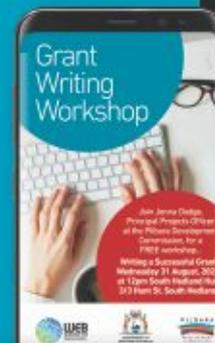
Provided \$150,000 in RED grant funding to support the delivery of three virtual reality civil and construction training modules in a purpose-built facility in Karratha to support the development of a local skilled workforce.

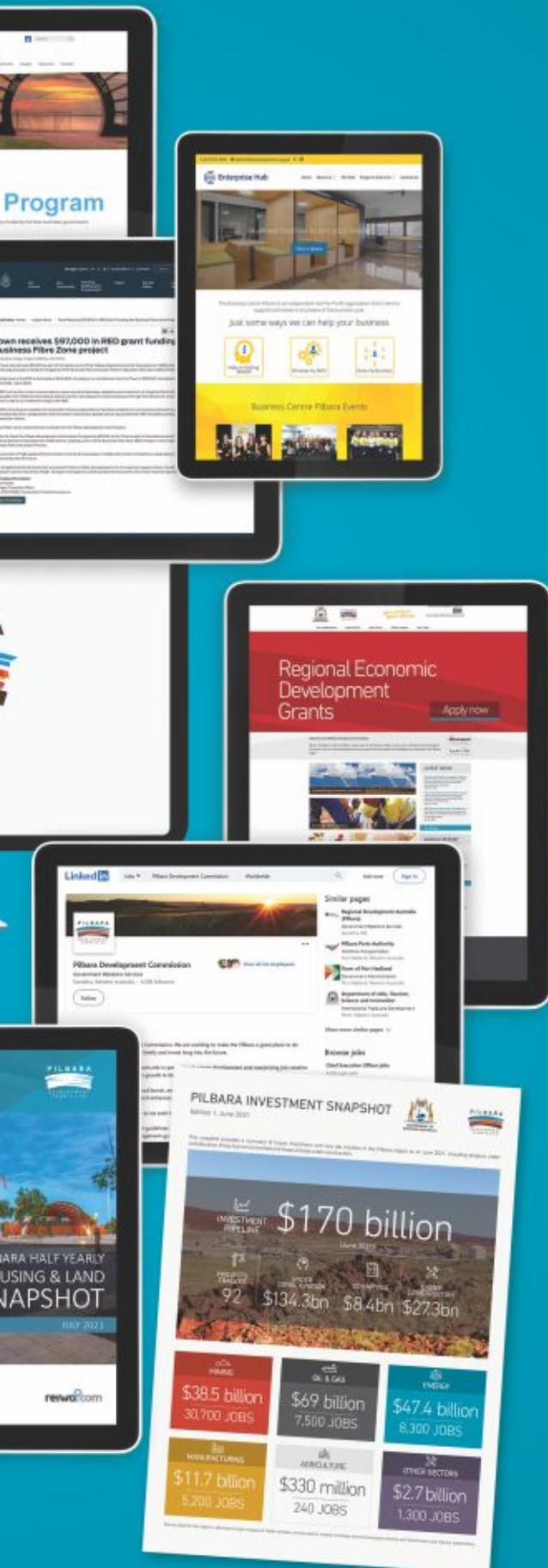
Supported an interactive online tool to assist Pilbara businesses to produce competitive tender submissions with \$100,000 in RED grant funding.

Provided \$97,000 in RED grant funding to support the establishment of a Business Fibre Zone in Port Hedland to improve digital connectivity and capacity.

Completed the final evaluation report and funding acquittal for the Karratha Enterprise Hub project, a co-working and business innovation centre which has been used by 110 businesses since opening in 2019. See [page 29](#) for more on the project outcomes.

Attended two Pilbara Regional Innovation Network meetings, one in Port Hedland and one in Onslow, to meet with the Pilbara's Chambers of Commerce and Innovation Hubs to discuss collaboration opportunities to support Pilbara businesses and start-ups.





Attracting new investment

Partnered with Informa Australia on the Pilbara 2022 Summit, providing advice and input into the topics and focus areas of the conference, facilitating local connections, and maximising benefits to local businesses through contracting opportunities. The conference, which promotes the economic and investment opportunities of the Pilbara to a national audience, was held in the region for the first time since it was established five years ago with 600 delegates in attendance.

Hosted visits with international delegates and company executives including the US Consul, Korean green steel manufacturers and Indian renewable energy companies, to showcase the scale of economic activity in the region, existing infrastructure and community facilities to promote investment and business opportunities.

Partnered with the Karratha and Port Hedland Chambers of Commerce to host a State Budget briefing event in both towns to promote the State Government's investment commitments for 2022-23 in the Pilbara.

Produced an updated version of the Commission's corporate video which promotes the economic significance of the region and showcases new investment and business development opportunities. This video is used at events and stakeholder meetings and is available on our website.

Produced and distributed the half-yearly Housing and Land Snapshot which ensures up-to-date, reliable data on the region's property market is accessible to all stakeholders.

Project in Focus

A closer look at how we work to create a prosperous and diverse economy

Pilbara Hydrogen Hub

The Pilbara has long been recognised for its abundant natural resources and existing industrial infrastructure that make it an ideal location for large-scale hydrogen production.

 Strategic Goal 1

The production of renewable hydrogen in the Pilbara has the potential to significantly reduce the cost of doing business in the region and create a new energy export market, diversifying the economy and creating new jobs into the future.

In 2021-22, the Pilbara reaffirmed its competitive position within Australia's developing hydrogen energy industry. In November 2021, the State Government committed \$70 million in funding to support the Pilbara Hydrogen Hub, aimed at fast-tracking renewable hydrogen production and exports from Western Australia. In April 2022, the Commonwealth government committed matched funding for the project, making the Pilbara the first hydrogen hub in regional WA.

The project will establish a hydrogen and/or ammonia pipeline between Maitland and Burrup Strategic Industrial areas, a Clean Energy Training and Research Institute to develop the required skills for the emerging industry, port upgrades to enable the import of oversized renewable energy generation equipment like turbine towers and blades and a hub expansion study which will plan for future growth.



"I'm extremely proud of the work the Commission did alongside the Department of Jobs, Tourism, Science and Innovation, with support from Regional Development Australia Pilbara and the Pilbara Ports Authority to attract this investment commitment. This is a great example of inter-agency collaboration that will ensure the Pilbara seizes the opportunity to be an international leader in green energy production,"

Michael Heap, Regional Director,
Pilbara Development Commission

Following the funding announcement in April, the Commission has been leading the development of a Business Case for the Training Institute component of the Hydrogen Hub, with support from project partners, to finalise the State's contribution.

The Institute will focus on skills and training in areas relating to clean energy industries, including production, transportation, storage and export of renewable hydrogen and its carriers.

It will also enable sophisticated applied research and development activities, utilising the expertise of the region's existing workforce and through attraction of academics to use the state-of-the-art facilities.

We are continuing to support the development of all components of the Hydrogen Hub to maximise the benefits of the new industry to residents and businesses in the Pilbara.

This is an exciting time for the development of a new, renewable, green energy industry that will transform the Pilbara's economy and the Commission will continue to lead the charge.





Karratha Enterprise Hub

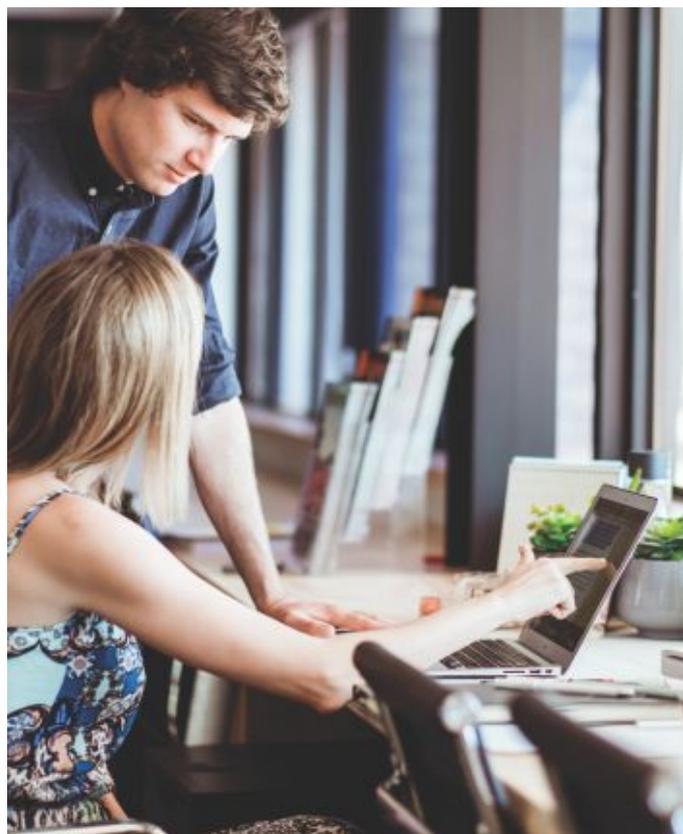
Looking back on our Impact

A closer look at how we work to create a prosperous and diverse economy

Karratha Enterprise Hub

Small business is the lifeblood of any economy. Developing a diverse and competitive small to medium business sector is crucial to achieving sustainable economic growth and providing a diversity of career choices and services for Pilbara residents.

 Strategic Goal 1



We worked closely with the Business Centre Pilbara in 2016 to secure funding from the State Government to establish a co-working and innovation hub in Karratha to deliver greater access to affordable office space and mentoring support to small businesses and start-ups. The project has now reached completion and the final acquittal and report was completed during 2021-22. This reporting process is an important step in evaluating the outcomes of the projects supported by the Commission.

The Karratha Enterprise Hub opened its doors in 2018 following the purchase and subsequent renovation and fit-out of the 18 Hedland Place property, which is located in the heart of Karratha's CBD.

The Hub offers co-working spaces, communal areas for networking and to encourage interaction between users, upgraded IT network and internet bandwidth, and individual offices available for local small businesses to lease at an affordable rate.

Since opening, the Hub has held more than 20 events for small business owners including pop-up markets, leadership workshops and accounting seminars. The events aim to bring small business owners together to learn, network and share experiences.

In March 2022, there were a total of 20 tenants located at the Hub, with a further 17 regularly using the facility on a casual basis. Since opening, more than 110 businesses have used the Enterprise Hub, ten of which are local Aboriginal businesses.

A number of businesses based at the Hub have gone on to great success, including Cheeditha Energy, a 50 per cent owned Pilbara Aboriginal Business, which started in the co-working space and now permanently leases an office to accommodate its six employees.

The Karratha Enterprise Hub is a community asset, owned and managed by a not-for-profit, and will continue to provide support for those businesses looking to establish themselves or co-locate with other entrepreneurs.

Strategic Goal 2: Regional liveability

The Pilbara is a place that more people are choosing to call home, with its vibrant communities and attractive employment opportunities. Providing access to high quality education, health, housing and community facilities to support people of all ages and abilities is critical to continuing to attract and retain residents in the region. Our focus is on ensuring all residents have access to appropriate services and that the region continues to flourish as a vibrant and connected place that people choose to call home.



The following section provides a summary of the key achievements from 2021-22 in pursuit of this strategic goal.

Improving access to education

Worked in partnership with Jamukurnu – Yapalikurnu Aboriginal Corporation (formerly Western Desert Lands Aboriginal Corporation) and the Martu Schools Alliance to progress the establishment of a Martu Students Residential Facility in Newman. Comprising of three refurbished houses in Newman gifted by BHP, the facility has been established to improve access to secondary education and vocational programs for Martu students from remote communities. Refurbishments have been completed and a facility manager has been appointed. Two students from Jigalong have enrolled and will commence as boarders at the facility in July 2022, with additional students expected to apply later in the year.

Monitored and collected data and stakeholder feedback in relation to the shortage of childcare places in the Pilbara, including strategies to increase infrastructure and attract more early childhood educators to the region. Coordinated the Karratha Early Years Education Roundtable to identify partnership opportunities between industry, and state and local government stakeholders to address the shortage early childhood educators and childcare places.

Member of the Department of Training and Workforce Development's Pilbara Regional Coordinating Committees (Port Hedland and Karratha) and contributing to the delivery of the Pilbara Skills Summit Action Plan.

Provided four half-scholarships for Pilbara high school students to join the Youth Explorer Voyage on the Leeuwin to support leadership development of young people in the region.

Delivering health care closer to home

Member of the Pilbara Operational Area Support Group (OASG) established under the State Emergency Management Plan for COVID-19.

Continued delivery of the Jiji Program which aims to provide a holistic approach to supporting the developmental challenges of children in the remote communities in the Western Desert in partnership with the Puntukurnu Aboriginal Medical Service. An occupational therapist, based in Newman, has been appointed and is regularly travelling to the communities. Recruitment is being finalised to appoint a suitably qualified speech pathologist.

Creating vibrant communities

Continued to provide governance support and funding oversight for the construction of the Port Hedland Spoilbank Marina which, once complete, will transform Port Hedland's waterfront into an attractive and popular destination for locals and visitors. So far, 80 per cent of the contract spend has been with Pilbara or Aboriginal-owned businesses. Construction of the marina is on track to be completed in March 2024.

Administered the State Government's small grants program which comprised of 86 grants awarded to Pilbara community groups to support local artists, youth, cultural groups, sporting clubs and minor infrastructure upgrades to community facilities, totalling \$1.18 million.

Sponsored local art awards and festivals that promote the Pilbara including the Jury Art Prize, Cossack Art awards and the Pilbara Community Services Awards.

Promoting liveability

Produced two short videos promoting the liveability of the Pilbara featuring Onslow and Newman. The videos include interviews with residents and footage of the town facilities and surrounding natural landscape to promote the region as an attractive and enjoyable place to live. The videos have been used on social media, at events and conference and are available for the public to view on the Commission's YouTube channel.



"The Martu student residential facility will significantly support young Martu people to access a broader suite of secondary and vocational learning opportunities while staying connected with family - having the chance to walk in both worlds."

Hon Alannah MacTiernan MLC,
Minister for Regional Development

Project in Focus

A closer look at how we work to promote regional liveability

Martuku Jijiku Maya (Martu Students Residential Facility)

Secondary students living in remote Aboriginal communities in the western desert now have access to a residential hostel in Newman, allowing them the opportunity to improve access to education and further training whilst maintaining strong connections with family and to Country.

 Strategic Goal 2

Two Jigalong residents are preparing to commence at Newman Senior High School in July 2022 following the completion of refurbishments on three Newman properties to establish the Martu Student Residential Facility.

The houses, provided by BHP, have been renovated to make them suitable as a student boarding facility with discrete accommodation for male and female students separated by a centralised administration hub and meeting place.

The new facility enables students to live close to Country while providing greater access to secondary schooling and vocational programs. 54 Reasons (formerly Save the Children) has been engaged to manage the facility and support the students while they are living away from home.

The facility will operate as a pilot for three years to determine the demand for a larger purpose-built facility in Newman.

The Commission is committed to improving education outcomes and supporting life-long learning for residents in all communities across the region.

The completion of this project will open new pathways for students living in remote communities to maintain a strong connection to their families, Country, and culture, while also providing access to high quality education and training.

The project has been delivered through a partnership between the Pilbara Development Commission, Jamukurnu Yapalikurnu Aboriginal Corporation (JYAC) (formerly Western Desert Lands Aboriginal Corporation), the Martu Schools Alliance with the support of BHP.

"Martu children who want to keep going with their studies are now able to do that, staying close to family and Country and without having to go away to the city or other distant places."

Melvin Farmer,
Chairperson, JYAC

Strategic Goal 3:

Aboriginal economic participation and prosperity

The Commission recognises that more needs to be done to support the participation and empowerment of Aboriginal people in our regional economy. We are committed to maximising opportunities for Aboriginal-owned and led enterprise by delivering transformational projects with Traditional Owners in the region, building the capacity and capability of Aboriginal businesses and supporting economic development on Country.

The following section provides a summary of the key achievements from 2021-22 in pursuit of this strategic goal.

Entrepreneurship and enterprise

Pilbara Survey, a project partly funded by the Commission, culminated in a major Pilbara Aboriginal art exhibition titled *Tracks We Share: Contemporary Art of the Pilbara at the Art Gallery of Western Australia in March 2022*. The exhibition comprised 200 painting on canvas as well as carvings and artefacts, photography and audio-visual works from artists from across the region. The exhibition reached a national audience and will contribute to the growing reputation of the Pilbara's Aboriginal artists. Read more about this project on [page 36 - 37](#).

Art Clinic, part of the Pilbara Survey project, continued to support the skills development of Aboriginal artists and art centre staff in the Pilbara. Pilbara Survey aims to increase opportunities for artists to share their culture and generate an income.

Continued to support the delivery of the Aboriginal and Torres Strait Islander Product Development project, led by the Aboriginal Art Centre Hub of WA. The project is a significant cross-regional initiative to support product development for First Nations artists and art centres. Stage 1 and 2 of the project are now complete and Stage 3 (Key Messaging and Education, Supply Chain Combinations and Licensing and Contract Models) is underway.

Provided \$110,000 in funding to support the establishment of Australia's first Indigenous online streaming service, Indigiflix, based in the Pilbara. The service will give subscribers access to short films, documentaries, television series and music events.

Protecting and celebrating culture

Sponsored the 2022 Hedland NAIDOC Awards which recognise the fantastic contributions of inspiring Aboriginal and Torres Strait Islander people and their commitment to our community.

Delivering the Pilbara Town Based Reserves project

We continued to deliver the Pilbara Town Based Reserves project which aims to improve services and socio-economic outcomes for residents of five Town Based Reserves (TBRs) in the region. Of the five TBRs, one has been finalised, two are in Stage 2 of transition and wrap around support services, and two are in Stage 1 of resident consultation and transition planning.

Project in Focus

A closer look at how we work improve Aboriginal economic participation and prosperity

Tracks We Share: Contemporary Art of the Pilbara exhibition

In March 2022, five Pilbara art centres and three independent artists collaborated on a region-wide multi-year project mapping the historical context and development of Aboriginal art practice in the Pilbara. The project culminated in a breathtaking exhibition at the Art Gallery of Western Australia.

 Strategic Goal 3

In language

Translations of 'Tracks We Share'
in the four Aboriginal languages

'Yiwarra Kujungka Ngarranypuwa' (Martu)

'Minthu Ngaranana Gumala' (Ngarluma)

'Guma Yarragayi Marni-Narli' (Yindjibarndi)

'Kuma Milpaku' (Kariyarra)

“Coming together and putting all these artworks together is bringing us together and sharing the knowledge.”

Barngyi (Pansy) Cheedy,
Juluwarlu Art Group

“Increasingly, people are seeing the Pilbara as more than just the resources sector. The arts and culture sector in our region is thriving and Aboriginal artists are at the forefront of this growth which is being recognised at a national level.”

Terry Hill, Chief Executive Officer
Pilbara Development Commission

Tracks We Share: Contemporary Art of the Pilbara brings together more than 70 artists and over 200 artworks. The core of the exhibition is a spectacular selection of stunning acrylic paintings for which the region's art movement is primarily known, accompanied by works on paper, installations, film, animation, photographs, sculptures, and carvings.

The extraordinary body of work featured the most exciting contemporary art coming out of the region while paying homage to the legacy that has informed it, placing a spotlight on the immense cultural and stylistic diversity of Pilbara Aboriginal artists.

The project is part of delivering the Pilbara Creative and Cultural Strategy, an initiative of the Pilbara Development Commission following its Creative and Cultural Forum held in 2018, with support from government and industry stakeholders.

It is widely recognised that art centres across the Pilbara are simultaneously experiencing growing artist numbers and increased investment in arts infrastructure. This project provided an important vehicle for the region's art centres to collaborate, share resources, and work together to showcase the depth of diversity and extraordinary talent of the Pilbara's Aboriginal artists.

Aboriginal artists have been at the heart of the Pilbara's creative and cultural sector. This practice has grown into a significant industry, generating income for artists and art workers, creating economic opportunities for regional and remote communities, and helping to maintain, strengthen and share Aboriginal culture. The creative and cultural sector remains an important part of the Pilbara economy and a major focus of the Commission.

Coinciding with Tracks We Share, the Pilbara hosted a group of national collectors, curators, and journalists to further promote the profile of the region and Pilbara Aboriginal art centres.

Tracks We Share is a collaboration between the Western Australian non-profit arts and cultural organisations FORM; the Art Gallery of Western Australia; Aboriginal art centres Cheeditha Art Group, Juluwarlu Art Group, Martumili Artists, Spinifex Hill Studio, and Yinjaa-Barni Art; and independent artists Katie West, Curtis Taylor and Jill Churnside.

Tracks We Share was made possible with support from the Pilbara Development Commission, the State Government's Regional Exhibition Touring Boost, BHP, Woodside Energy, Town of Port Hedland, City of Karratha, Lotterywest, and the Australia Council for the Arts.

Key outcomes

- 76 participating artists
- increased artwork sales
- diversified income streams for Aboriginal art centres
- more opportunities for Pilbara Aboriginal artists to share their culture through art



Looking back on our Impact

A closer look at how we work to improve Aboriginal economic participation and prosperity

Yirramagardu Crew (Y-Crew)

Roebourne's YCrew are breaking down barriers to employment for local Aboriginal people, empowering them with training, skills, and hands on experience to create a pathway to employment.

 Strategic Goal 3

With support from a Regional Economic Development (RED) Grant in 2020, Ngarliyarndu Bindirri Aboriginal Corporation (NBAC), who runs the YCrew project, was able to purchase vehicles, a trailer and gardening equipment to enable participants to run yard clean ups for the sick and elderly in the community, as well as make improvements at the new NBAC premises in Roebourne.

NBAC is Roebourne's oldest community organisation and is 100 percent Aboriginal-owned and operated. The organisation is guided by Elders from several language groups and aims to empower Aboriginal people through employment, training, and by improving overall health and wellbeing.

YCrew is an engagement program that aims to support unemployed Aboriginal people to overcome barriers to employment such as health and low self-esteem and become work ready. It's a program that is designed by Aboriginal people, for Aboriginal people and empowers them to work for dignity and pride.

The YCrew project is nearing completion with three full time staff employed and 11 YCrew participants. Seven participants have successfully completed their Gaining Access to Training and Employment certificate and six participants have transitioned from the YCrew program to full time employment.

"The RED grant has allowed us to increase the capacity of our YCrew from four to eleven, at a time which is even more important than ever in the Pilbara. We are privileged through this program to watch how our YCrew participants have turned their lives around and moved from welfare dependency to employment and financial independence."

David Walker, Senior Ngarluma Elder and Chairperson of NBAC

Strategic Goal 4: Organisational excellence

The Commission's fourth strategic goal of organisational excellence covers how it engages with stakeholders, maintains and develops skilled and capable staff, and meets governance and business objectives



The following section provides a summary of the key achievements from 2021-22 in pursuit of this strategic goal.

Communicating with stakeholders

Commission representatives gave numerous presentations on the regional economy and future opportunities at forums, conferences and senior leadership meetings including the Pilbara Summit, Developing Northern Australia Conference and the Port Hedland Housing Summit.

We provided a total of \$52,500 in sponsorship to ten regional events and initiatives aligned with the Commission's strategic goals.

We continued to use LinkedIn to communicate to stakeholders locally and around Australia with more than 110 new posts published to our page. Our LinkedIn audience is now more than 4,400 followers, with more than 900 new followers in the last 12 months.

An annual survey of the Commission's stakeholders conducted by telephone by an independent market researcher in May 2022 found that of 99 stakeholders who completed the survey, 100 per cent agreed the Commission makes a positive contribution to the economic and social development of the Pilbara. See [page 44](#) for more results from our survey.

Operating with excellence

The Commission held a strategic planning day in 2021-22. These annual whole of staff meetings provide an opportunity to reflect on our achievements, share regional intelligence and evaluate the priorities of the coming 12 months.

We supported a variety of professional development and training opportunities for staff during the year including project management, 4WD training and financial literacy.

Board papers and minutes were prepared in a timely manner and process and recommendations of the Board were achieved in accordance with the Regional Development

Commissions Act. Briefing notes, parliamentary question responses and other ministerial requests were submitted on time.

No complaints were received during the reporting period.

A strong voice for the Pilbara

We play an important advocacy and facilitation role to promote the economic and social development of the region. As part of this role, we are invited to participate as a member of several advisory or stakeholder reference groups.

Our contributions to these groups include collecting and sharing regional intelligence, highlighting State Government objectives and policies, and connecting funding and partnership opportunities to progress projects and ideas. Some of the advisory groups we participated in this year include:

- Department of Training and Workforce Development's Pilbara Regional Coordinating Committees (Port Hedland and Karratha)
- Hedland Collective
- Pilbara Hydrogen Technology Cluster
- Martu School Alliance
- Murujuga Tourism Advisory Group
- Newman Futures
- Newman Health Service Project Working Group and Arts Advisory Working Group
- Northern Beef Development Reference Group
- North-West Aboriginal Housing Fund
- Pilbara Regional Innovation Network
- Pilbara District Leadership Group
- Port Hedland Cross-Government Senior Officers and Communications working groups
- Port Hedland Spoilbank Marina Taskforce, Art Advisory Group and Communications Group
- Port Hedland Voluntary Buy-Back Scheme
- Woodside, BHP and other resource sector community reference groups
- WA Country Health Service Pilbara Operations Area Support Group

Significant issues impacting the agency

Current and emerging issues and trends

Despite the ongoing challenges of skilled labour shortages, extended travel restrictions, accommodation access and affordability issues and the rising cost of goods and services the Pilbara continued to weather the storm and perform as the engine room of the State and national economy.

The Pilbara's economy continued to grow over the last 12 months, contributing 15 per cent of WA's total economic output, and almost a quarter of state revenue through royalties. Gross regional product in 2021 was \$71 billion, a 14 per cent increase on the previous year and double that of 2017.

The total value of resource sales rose significantly in 2021-22, breaking the \$140 billion sales mark for the first time in history. An increased iron ore price and record-breaking throughput drove the result, helped along by oil and gas, which benefitted from high global prices, and gold, where sales increased by 21 per cent.

Iron ore and oil and gas will remain the primary resources of our region for decades to come, however, the Pilbara has valuable deposits of critical minerals needed for the green energy industry such as lithium, manganese and vanadium and activity in this space continues to ramp up.

Economic growth is set to continue with at least \$150 billion worth of projects under consideration, committed or under construction in the region. This investment pipeline is forecast to create more than 40,000 new jobs during construction and 12,000 ongoing operational roles.

The potential for mega-scale green energy developments in the Pilbara is becoming a reality. Major international energy company BP recently took a significant stake in the Asian Renewable Energy Hub, located east of Port Hedland, and the State and Commonwealth Government committed a total of \$140 million to develop the Pilbara Hydrogen Hub. These projects will add to the ongoing activities of companies such as Yara, Engie, and Fortescue Future Industries in this space. Our focus is to support the progress of these and other clean energy projects in the region, to maximise opportunities for Pilbara businesses and communities, and for First Nations people.

There has been a renewed focus on the economic opportunities in land rehabilitation and land use, particularly for Traditional Owner groups, created by the impending closure of mine sites in the region. The Cooperative Research Centre for Transformation in Mining Economics has established a hub in the Pilbara, one of seven hubs in Australia, to enable a regional approach to investment, research and planning for mine site closures.

Tourism continues to grow, with the number of visitors to the region's primary National Park – Karijini, estimated to have more than doubled in the last 12 months compared to two years ago. Completion of Stage 4 of the Manuwarra Red Dog Highway, connecting Karratha to Tom Price, is expected to further increase visitation. However, infrastructure and workforce constraints are limiting the opportunity to capture the economic potential of this sector.

The cost of housing in the Pilbara continued to rise, with median property prices up 25 per cent in December 2021

compared to the 12 months prior and is the highest median sale price since late-2015. Median rental prices have also increased by more than \$100 per week to \$633 in the last 12 months. The increasing cost is impacting on businesses, many of which provide housing or a subsidy to attract and retain staff.

High demand for building trades and materials across Western Australia is limiting the construction of new housing stock and continues to drive up the prices in the region. An average 4 x 2 dwelling in Karratha or Port Hedland costs approximately 60 per cent more to build compared to metro WA.

Unemployment in the Pilbara was 1.8 per cent (December 2021), the lowest it's been in almost ten years. More than 1,400 jobs in the Pilbara were listed on Seek in June 2022, the highest number of job listings in the region since 2014. Of these listings, 63 per cent were in the sectors of Mining, Resources and Energy; Trades Services; and Transport and Logistics. More than 60 per cent of listings advertised a salary of more than \$100,000 per annum. While the high salaries are an incentive that brings workers to the region, it makes it difficult for small local businesses, such as hairdressers and retail shops, to attract and retain staff where wages are unable to compete.

The Pilbara is currently home to 63,164 people, a population increase of 2.6 per cent between 2016 and 2021. People who identify as Aboriginal or Torres Strait Islander origin make up 13.5 per cent of the region's total population.

Changes in written law

There were no changes in any written law that affected the Commission during the financial year.

Likely developments and forecast results of operations

We are finalising our 2022-24 Strategic Plan which will define our strategic goals for the future, what we will do to achieve them and how we will monitor and report on our progress.

Recruitment for current vacant positions is well underway and we expect to have a full complement of staff going into the second half of 2022.

We expect to meet key performance indicators, legislative, government policy, budgetary requirements and audit requirements.

2022 Stakeholder Survey Results

The following table highlights our stakeholder survey results against 11 key performance indicators, and a comparison to previous two years' results.

Performance indicator	2020	2021	2022	% change from 2021
The Pilbara Development Commission makes a positive contribution to economic and social development of the Pilbara	97%	98%	100%	↑ 2%
The Pilbara Development Commission's support to industry and enterprise makes a positive contribution to regional development	97%	98%	99%	↑ 1%
Pilbara Development Commission staff provide professional, timely and helpful services	95%	97%	99%	↑ 2%
I am aware and informed of the projects and activities being undertaken by the Commission that aim to develop and broaden the economic base of the region	81%	90%	98%	↑ 8%
I understand the role and purpose of the Pilbara Development Commission	98%	100%	100%	No change
The Pilbara Development Commission demonstrates excellence in its decisions, behaviours and actions	96%	97%	99%	↑ 2%
The Pilbara Development Commission acts ethically, honestly and with transparency	98%	99%	100%	↑ 1%
The Pilbara Development Commission staff are positive and supportive of stakeholders and the community	98%	99%	100%	↑ 1%
The Pilbara Development Commission connects and collaborates with stakeholders to inform strategic decision making	94%	95%	98%	↑ 3%
The Pilbara Development Commission inspires, leads and delivers outcomes that make a difference for the region	95%	96%	94%	↓ 2%
The Pilbara Development Commission with its focus on regional development, makes a positive contribution to economic and social development of the Pilbara.	96%	98%	100%	↑ 2%

Financial targets summary

Each year, we are required to meet a number of targets set by the State Government. These targets relate to Government-desired outcomes, services to be delivered and performance targets to be achieved. The agreement is a way for the State Government to monitor the operational performance of the Commission.

Actual results against budget targets

	2021-22 Target (\$000)	2021-22 Actual (\$000)	Variation (\$000)
Total cost of services	4,848	3,305	-1,543 ⁽¹⁾
Net cost of services	4,848	3,299	-1,549 ⁽²⁾
Total equity	671	748	77 ⁽³⁾
Net increase / (decrease) in cash held	-242	-68	174 ⁽⁴⁾
Approved salary expense level	232	234	2
Agreed borrowing limit (where applicable)	-	-	-

Explanation of variations:

- (1) Total cost of services is lower than the budget estimate by \$1,543k mainly due to reduced expenditure in Northern Native Seeds Initiative and other various projects as a result of delays in their commencement, and their budgets have been carried over to 2022-23. Staff vacancy is also a contributing factor for the variance.
- (2) Refer to explanation for Total cost of services above.
- (3) The variance of \$77k in Total equity is due to the total assets balance being higher than anticipated by \$112k, and the total liabilities balance being \$59k over the forecast target.
- (4) The \$174k variance in cash held for the period is mainly due to lower than anticipated payments relating to reason given under TCOS above.

Working cash targets

	2021-22 Target (\$000)	2021-22 Actual (\$000)	Variation (\$000)
Agreed working cash limit (at Budget)	45	45	N/A
Agreed working cash limit (at Actuals)	28	666	638 ⁽⁵⁾

Explanation of variations:

- (5) Variation is due to brought forward cash balances of which is planned to be spent in 2022-26 financial years.

Summary of Key Performance Indicators

Indicator	Measure	2021-22 Target	2021-22 Actual	Variation
Key effectiveness indicator	Client satisfaction that the Pilbara Development Commission is effective in meeting its service objectives, as measured by an annual stakeholder survey conducted by an independent market researcher.	92%	100%	8%
Key efficiency indicator	Average operational cost per hour	\$209	\$181	\$28

More detailed information on the Commission's 2021-22 Key Performance Indicator results and how the Commission supports the Government Goals please refer to [page 66](#).

Disclosures and legal compliance

Certification of Financial Statements

For the reporting period ended 30 June 2022

The accompanying financial statements of the Pilbara Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2022 and the financial position as at 30 June 2022.

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



Carolyn Gibbon
Chief Finance Officer
6 September 2022



Trish Barron
A/Chief Executive Officer
6 September 2022



Tim Larkin
Chair
6 September 2022

Financial statements

Table of contents

Financial Statements

Statement of Comprehensive Income	48
Statement of Financial Position	49
Statement of Changes in Equity	50
Statement of Cash Flows	51

Notes to the financial statements

1. Basis of Preparation	52
2. Use of Our Funding	53
2.1. (a) Employee benefits expenses	53
2.1. (b) Employee related provisions	54
2.2. Grants and Subsidies	55
2.3. Other expenditure	55
3. Our Funding Sources	56
3.1. Income from State Government	56
3.2. Other income	56
4. Key Assets	57
4.1. Plant and equipment	57
4.1.1. Depreciation and impairment	57
4.2. Right-of-use assets	58
5. Other Assets and Liabilities	59
5.1. Receivables	59
5.2. Amounts receivable for services (Holding Account)	59
5.3. Payables	60
6. Financing	60
6.1. Lease Liabilities	60
6.2. Finance costs	61
6.3. Cash and Cash Equivalents	61
6.4. Capital Commitments	61
7. Financial instruments and Contingencies	61
7.1. Financial Instruments	62
7.2. Contingent assets and liabilities	62
8. Other Disclosures	62
8.1. Events occurring after the end of the reporting period	62
8.2. Initial application of Australian Accounting Standards	62
8.3. Key management personnel	63
8.4. Related party transactions	63
8.5. Related bodies	64
8.6. Affiliated bodies	64
8.7. Special purpose accounts	64
8.8. Remuneration of auditors	64
8.9. Equity	64
8.10. Supplementary financial information	64
8.11. Explanatory statement	64

Statement of Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1(a)	352	307
Supplies and services	2.3	2,859	3,005
Depreciation and amortisation expense	4.1, 4.2	77	77
Finance costs	6.2	1	2
Grants and subsidies	2.2	-	55
Other expenses	2.3	16	13
Total cost of services		<u>3,305</u>	<u>3,459</u>
Income			
Other income	3.2	6	15
Total income		<u>6</u>	<u>15</u>
NET COST OF SERVICES		<u>3,299</u>	<u>3,444</u>
Income from State Government			
Income from other public sector entities	3.1	471	478
Resources received	3.1	2,690	2,808
Total income from State Government		<u>3,161</u>	<u>3,286</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		<u>(138)</u>	<u>(158)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		<u>(138)</u>	<u>(158)</u>

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

Statement of Financial Position

As at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6.3	666	739
Restricted cash and cash equivalents	6.3	313	308
Receivables	5.1	2	17
Total Current Assets		981	1,064
Non-Current Assets			
Restricted cash and cash equivalents	6.3	8	8
Amounts receivable for services	5.2	48	48
Plant and equipment	4.1	-	1
Right-of-use assets	4.2	16	28
Total Non-Current Assets		72	85
TOTAL ASSETS		1,053	1,149
LIABILITIES			
Current Liabilities			
Payables	5.3	48	68
Lease liabilities	6.1	6	16
Employee related provisions	2.1(b)	202	130
Total Current Liabilities		256	214
Non-Current Liabilities			
Lease liabilities	6.1	13	13
Total Non-Current Liabilities		13	13
TOTAL LIABILITIES		269	227
NET ASSETS		784	922
EQUITY			
Contributed equity	8.9	353	353
Accumulated surplus/(deficit)		431	569
TOTAL EQUITY		784	922

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 2022

	Notes	Contributed equity \$'000	Accumulated surplus \$'000	Total equity \$'000
Balance at 1 July 2020		353	727	1,080
Surplus/(deficit)		-	(158)	(158)
Total comprehensive income for the period		-	(158)	(158)
Balance at 30 June 2021	8.9	<u>353</u>	<u>569</u>	<u>922</u>
Balance at 1 July 2021		353	569	922
Surplus/(deficit)		-	(138)	(138)
Total comprehensive income for the period		-	(138)	(138)
Balance at 30 June 2022	8.9	<u>353</u>	<u>431</u>	<u>784</u>

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 2022

	Notes	2022 \$'000	2021 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Funds from other public sector entities		471	478
Net cash provided by State Government		<u>471</u>	<u>478</u>
<i>Utilised as follows:</i>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(233)	(290)
Supplies and services		(232)	(159)
Finance costs		(1)	(2)
Grants and subsidies		-	(55)
GST payments on purchases		(14)	(16)
Other payments		(16)	(16)
Receipts			
GST receipts on sales		-	6
GST receipts from taxation authority		21	9
Other receipts		10	61
Net cash used in operating activities		<u>(465)</u>	<u>(462)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(74)	(75)
Net cash used in financing activities		<u>(74)</u>	<u>(75)</u>
Net decrease in cash and cash equivalents		(68)	(59)
Cash and cash equivalents at the beginning of the period		1,055	1,114
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.3	<u>987</u>	<u>1,055</u>

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

Notes to the financial statements

1. Basis of Preparation

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

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

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 6 September 2022.

Statement of compliance

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

- 1 The *Financial Management Act 2006* (FMA)
- 2 The Treasurer's Instructions (TIs)
- 3 Australian Accounting Standards (AASs) – Simplified Disclosures
- 4 Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

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

Basis of preparation

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

Accounting of Goods and Services Tax (GST)

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

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

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

Contributed Equity

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

Comparative information

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

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

Notes to the financial statements

Judgements and estimates

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

2. Use of Our Funding

Expenses incurred in the delivery of services

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

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

2.1. (a) Employee benefits expenses

	2022	2021
	\$'000	\$'000
Employee benefits	322	276
Superannuation - defined contribution plans	30	31
Total employee benefits expenses	352	307
Add: AASB 16 Non-monetary benefits	77	78
Net employee benefits	429	385

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

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

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

2.1. (b) Employee related provisions

	2022	2021
	\$'000	\$'000
Current		
<u>Employee benefits provisions</u>		
Annual leave	56	33
Long service leave	140	92
Deferred salary scheme	3	3
	<u>199</u>	<u>128</u>
<u>Other provisions</u>		
Employment on-costs	3	2
Total current employee related provisions	202	130
Total employee related provisions	202	130

Notes to the financial statements

2.1 (b) Employee related provisions (continued)

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

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

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

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

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

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

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

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

	2022	2021
	\$'000	\$'000
<u>Employment on cost provision</u>		
Carrying amount at start of period	2	2
Additional/(reversals of) provisions recognised	1	-
Carrying amount at end of period	3	2

Key sources of estimation uncertainty- long service leave

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

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

- expected future salary rates
- discount rates
- employee retention rates; and
- expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

Notes to the financial statements

2.2. Grants and Subsidies

	2022 \$'000	2021 \$'000
Non Public organisations	-	55

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

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

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

2.3. Other expenditure

	2022 \$'000	2021 \$'000
Supplies and services		
Board fees	85	94
Consultants and contractors	7	12
Consumables	29	34
Travel	40	52
Other	8	5
Resources provided free of charge by DPIRD ^(a)	2,690	2,808
Total supplies and services expense	2,859	3,005
Other expenses		
Audit fees	-	12
Building and infrastructure maintenance	2	3
Other expenses	2	(2)
Total other expenses	16	13
Total other expenditure	2,875	3,018

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

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

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

Notes to the financial statements

3. Our Funding Sources

How we obtain our funding

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

	Notes
Income from State Government	3.1
Other income	3.2

3.1. Income from State Government

	2022	2021
	\$'000	\$'000
Income received from other public sector entities during the period:		
- Department of Primary Industries and Regional Development - operational funding	<u>471</u>	<u>478</u>
Total grants and subsidies	<u>471</u>	<u>478</u>
Resources received from other public sector entities during the period:		
- Services received free of charge ^(a)	<u>2,690</u>	<u>2,808</u>
Total resources received	<u>2,690</u>	<u>2,808</u>
Total income from State Government	<u><u>3,161</u></u>	<u><u>3,286</u></u>

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

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

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

3.2. Other income

	2022	2021
	\$'000	\$'000
Other sundry income	6	7
Return of unspent grant monies	-	8
Total other income	<u><u>6</u></u>	<u><u>15</u></u>

Notes to the financial statements

4. Key Assets

Assets the Commission utilises for economic benefit or service potential

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

	Notes
Plant and equipment	4.1
Right-of-use assets	4.2

4.1. Plant and equipment

Year ended 30 June 2022	Computer Hardware \$'000	Plant and equipment \$'000	Total \$'000
1 July 2021			
Gross carrying amount	37	22	59
Accumulated depreciation	(37)	(21)	(58)
Carrying amount at start of period	<u>-</u>	<u>1</u>	<u>1</u>
Depreciation	-	(1)	(1)
Carrying amount at 30 June 2022	<u>-</u>	<u>-</u>	<u>-</u>
Gross carrying amount	37	21	58
Accumulated depreciation	(37)	(21)	(58)

Initial recognition

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

Subsequent measurement

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

4.1.1. Depreciation and impairment

Depreciation	2022 \$'000	2021 \$'000
Plant and equipment	<u>1</u>	<u>1</u>
Total depreciation for the period	<u><u>1</u></u>	<u><u>1</u></u>

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

Finite useful lives

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

Notes to the financial statements

4.1.1 Depreciation and impairment (continued)

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

- Plant and equipment 10 to 15 years
- Computer hardware 5 years

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

Impairment

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

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

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

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

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

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

4.2. Right-of-use assets

	2022 \$'000	2021 \$'000
Buildings	4	4
Vehicles	12	24
Net carrying amount	16	28

Additions to right-of-use assets during the 2022 financial year were \$64,310 (2021: \$36,000).

The Commission has leases for vehicles and residential housing.

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

Initial recognition

At the commencement date of the lease, the Commission recognises right-of-use assets and a corresponding lease liability for most leases. The right-of-use assets are measured at cost comprising of:

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

Notes to the financial statements

4.2 Right-of-use assets (continued)

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

Subsequent Measurement

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

Depreciation and impairment of right-of-use assets

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

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

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1.

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

	2022 \$'000	2021 \$'000
Residential accommodation	64	64
Vehicles	12	12
Total right-of-use asset depreciation	76	76
Lease interest expense (included in Finance Cost)	1	2

The total cash outflow for leases in 2022 was \$77,000 (2021: \$78,000).

5. Other Assets and Liabilities

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

	Note
Receivables	5.1
Amounts receivable for services	5.2
Payables	5.3

5.1. Receivables

	2022 \$'000	2021 \$'000
Trade receivables	1	5
GST receivable	1	12
Total current receivables	2	17

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

5.2. Amounts receivable for services (Holding Account)

	2022 \$'000	2021 \$'000
Non-current balance at end of period	48	48

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

Notes to the financial statements

5.2 Amounts receivable for services (Holding Account) (continued)

Amounts receivable for services are financial assets at amortised cost, and are not considered impaired (i.e. there is no expected credit loss of the Holding Account).

5.3 Payables

	2022 \$'000	2021 \$'000
Trade payables	-	62
Other payables	48	3
Accrued salaries	-	3
Total current payables	48	68

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

6. Financing

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

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

6.1 Lease Liabilities

	2022 \$'000	2021 \$'000
Current	6	16
Non-current	13	13
	19	29

At the commencement date of the lease, the Commission recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Commission uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Commission as part of the present value calculation of lease liability include:

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

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

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

Notes to the financial statements

6.1 Lease Liabilities (continued)

Subsequent measurement

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

This section should be read in conjunction with note 4.3 Right-of-use assets.

6.2. Finance costs

	2022 \$'000	2021 \$'000
Lease interest expense	<u>1</u>	<u>2</u>

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

6.3. Cash and Cash Equivalents

	2022 \$'000	2021 \$'000
Non-restricted cash and cash equivalents	<u>666</u>	<u>739</u>
<i>Royalties for Regions Fund Projects Restricted cash</i>		
Regional Grant Scheme	302	297
Local Projects Local Jobs 2016-17	7	7
Community Chest Grants Scheme	4	4
Current restricted cash and cash equivalents	<u>313</u>	<u>308</u>
Non-current restricted cash and cash equivalents		
Accrued salaries suspense account ^(a)	<u>8</u>	<u>8</u>
Total cash and cash equivalents at end of period	<u>987</u>	<u>1,055</u>

(a) Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years. This account is classified as non-current for 10 out of 11 years.

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

6.4. Capital Commitments

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

7. Financial instruments and Contingencies

	Note
Financial instruments	7.1
Contingent assets and contingent liabilities	7.2

Notes to the financial statements

7.1. Financial Instruments

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

	2022 \$'000	2021 \$'000
<u>Financial assets</u>		
Cash and cash equivalents	987	1,055
Financial assets at amortised cost ^(a)	49	53
Total financial assets	1,036	1,108
<u>Financial liabilities</u>		
Financial liabilities at amortised cost ^(b)	67	97
Total financial liabilities	67	97

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

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

7.2. Contingent assets and liabilities

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

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

There were no contingent assets or liabilities which would affect the Commission at the end of June 2022 (2021: None).

8. Other Disclosures

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

	Note
Events occurring after the end of the reporting period	8.1
Correction of period errors/changes in accounting policies	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Remuneration of auditors	8.8
Equity	8.9
Supplementary financial information	8.10
Explanatory statement	8.11

8.1. Events occurring after the end of the reporting period

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

8.2. Initial application of Australian Accounting Standards

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

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

Notes to the financial statements

8.2 Initial application of Australian Accounting Standards (continued)

- AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021

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

8.3. Key management personnel

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

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

Compensation band (\$)	2022	2021
Compensation of members of the accountable authority		
70,001 - 80,000	-	1
40,000 - 50,000	1	
30,000 - 40,000	1	
10,001 - 20,000	-	1
0 - 10,000	5	4
Compensation of senior officers (\$)		
290,001 - 300,000	-	1
190,001 - 200,000	1	-
180,001 - 190,000	1	1
170,001 - 180,000	1	1
	2022	2021
	\$'000	\$'000
Short-term employee benefits	608	652
Post-employment benefits	51	58
Other long-term benefits	49	56
Total compensation for members of the accountable authority and senior officers	708	766

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

8.4. Related party transactions

The Commission is a wholly owned and controlled entity of the State of Western Australia.

Related parties of the Commission include:

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

Material transactions with other related entities

Outside of normal citizen type transactions with the Commission there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

Notes to the financial statements

8.5. Related bodies

The Commission had no related bodies during the reporting period.

8.6. Affiliated bodies

The Commission had no affiliated bodies during the reporting period.

8.7. Special purpose accounts

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

8.8. Remuneration of auditors

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

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

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

8.9. Equity

	2022 \$'000	2021 \$'000
<u>Contributed equity</u>		
Balance at start and end of year	353	353
<i>Contributions by owners</i>		
Capital appropriation	-	-
Balance at end of period	353	353

8.10. Supplementary financial information

(a) Write-offs

There were no write-offs during the financial year.

(b) Losses through theft, defaults and other causes

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

(c) Gift of public property

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

8.11. Explanatory statement

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

Certification of key performance

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Pilbara Development Commission's performance, and fairly represent the performance of the Commission for the reporting period ended 30 June 2022.



Tim Larkin
Chair
26 August 2022



Trish Barron
A/Chief Executive Officer
26 August 2022

Detailed information in support of key performance indicators

For the year ended 30 June 2022

Relationship to Government goals

The Government's desired outcome from the activities of the Pilbara Development Commission is the enhancement of the Pilbara's economic and social development. The Commission achieves this outcome by providing a coordination and facilitation function to deliver beneficial outcomes to business, community groups and to people living and working in the Pilbara region.

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

Government goal	Desired outcome	Services
<p>WA Jobs Plan: local manufacturing and production, creating Western Australian jobs and training for the jobs of the future</p> <p>and</p> <p>Growing our communities: protecting our environment with thriving suburbs and regions</p>	<p>Enhancement of the Pilbara Region's economic and social development</p>	<p>1. Facilitation, Coordination and Governance</p> <p>2. Regional Promotion and Information Services</p>

Key effectiveness indicators

The key effectiveness indicator measures the extent to which performance contributes to improved client satisfaction.

The Commission's effectiveness in achieving its government desired outcome is measured by undertaking an annual survey of key clients and stakeholders. This survey is conducted by an independent market researcher. 119 stakeholders were identified, comprising of Local, State and Commonwealth agencies, as well as private entities and non-government agencies. A total of 99 completed surveys were obtained from this client contact list (a response rate of 83%), giving a maximum standard error ratio of +/-5% at the 95% confidence level.

The primary objective of the research was to obtain information from clients and stakeholders to provide a measure as to whether the Commission has met its primary goal, around the following key areas:

- The Pilbara Development Commission with its focus on regional development, makes a positive contribution to economic and social development of the Pilbara

The Commission will continue to work towards achieving its targets. A comparison with previous years is summarised in the following table.

Key effectiveness indicator	Actual 2019	Actual 2020	Actual 2021	Target 2022	Actual 2022
Client satisfaction that the Pilbara Development Commission is effective in meeting its service objectives.	92%	96%	98%	92%	100%

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 operational cost for each of the two service areas, including an allocation of general costs and overheads.

Service 1 – Facilitation, Coordination and Governance

Service Description: Facilitate high level stakeholder group discussion through the Pilbara Dialogue including requirements and strategies for the future development of the region. Coordinate liaison and collaboration between State Government agencies. Develop, implement and review good governance models, particularly in the area of grants management and effective agency operation.

Key efficiency indicator	Actual 2019	Actual 2020	Actual 2021	Target ² 2022	Actual 2022
Average operational costs ¹ (Excluding Grants) per Working hour	\$190	\$178	\$180	\$209	\$181

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

Note 2: The target cost per hour is an estimated figure based on budgeted expenditure and staffing levels.

The variance of \$28 between target and actual (target 20% above actual) is mainly due to:

- COVID-19 related impacts which caused interruptions to planned project delivery and expenditure during the reporting period.
- Staff vacancies existing during the year. Commission staff hours were 7% lower than target resulting in decrease in expenditure through the salary cap and overall travel and expenses.

Service 2 – Regional Promotion and Information Services

Service Description: Provide and regularly update a range of relevant planning and community information to facilitate and support the sustainable economic and social development of the region.

Key Efficiency Indicator	Actual 2019	Actual 2020	Actual 2021	Target ² 2022	Actual 2022
Average operational costs ¹ (Excluding Grants) per Working hour	\$127	\$119	\$120	\$209	\$121

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

Note 2: The target cost per hour is an estimated figure based on budgeted expenditure and staffing levels.

The variance of \$88 between target and actual (target 46% above actual) is mainly due to:

- COVID-19 related impacts which caused interruptions to planned project delivery and expenditure during the reporting period.
- Staff vacancies existing during the year. Commission staff hours were 7% lower than target resulting in decrease in expenditure through the salary cap and overall travel and expenses.

Governance

Key legislation impacting on the Commission

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

- *Regional Development Commissions Act 1993;*
- *Auditor General Act 2006;*
- *Disability Services Act 1993;*
- *Equal Opportunity Act 1984;*
- *Financial Management Act 2006;*
- *Freedom of Information Act 1992;*
- *Industrial Relations Act 1979;*
- *Minimum Conditions of Employment Act 1993;*
- *Occupational Safety and Health Act 1984;*
- *Public Sector Management Act 1994;*
- *Salaries and Allowances Act 1975;*
- *State Records Act 2000; and*
- *State Supply Commission Act 1991.*

Shared responsibilities with other agencies

The Commission did not share any responsibilities with other agencies in 2021-22.

Ministerial directions

No Ministerial directives were received during the financial year.

Other financial disclosures

Pricing policies of services provided

The Commission does not charge for its services, brochures and publications.

Capital works

Capital projects incomplete

The Commission did not have any incomplete capital works projects at the end of 2021-22.

Capital projects complete

The Commission did not complete any capital works projects during 2021-22.

Employment and industrial relations

Due to the 2017 Machinery of Government changes, the Chief Executive Officer is the only employee of the Commission.

Staff profile

Positions	As at 30 June 2022	As at 30 June 2022
Full-time permanent	1	1
Full-time contract	0	0
Part-time measured on an FTE basis	0	0
On secondment	0	0
Temporary	0	0
TOTAL	1	1

Governance Disclosures

Board remuneration

Pilbara Development Commission Board 2021-22				
Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair/ Deputy Chair	Tim Larkin	Annual & per Meeting	12 months	\$37,334.28
Chair	Brendan Hammond	Annual	6 months	\$32,848.62
Board Member	Sara Slattery	Per meeting	12 months	\$622.00
Board Member	Marg Bertling	Per meeting	12 months	\$4,135.00
Board Member	Brett Ellacott	Per meeting	12 months	\$5,966.00
Board Member	Wendy McWhirter-Brooks	Per meeting	12 months	\$2,672.00
Board Member	Geraldine Parsons	Per meeting	3 months	\$1,244.00
CEO	Terry Hill	N/A	12 months	-
TOTAL				\$70,613

2021-22 Board meetings

As much as possible, the Board meets in different towns across the Pilbara to enable its members to connect with local stakeholders to gain an insight into the issues facing the region and the priorities for regional development. Five Board meetings were held in 2021-22, in Onslow, Karratha (twice), Port Hedland and virtually via video conference.

The table below reports the meeting attendance of each Board member during the reporting period, based on eligibility to attend.

Brendan Hammond	3/3	Brett Ellacott	5/5
Tim Larkin	5/5	Wendy McWhirter-Brooks	2/2
Gerry Parsons	1/1	Terry Hill	3/3
Sara Slattery	3/5	Trish Barron (as A/CEO)	1/1
Marg Bertling	5/5	Michael Heap (as A/CEO)	1/1

Workers' compensation

There have been no workers' compensation claims during the reporting period.

Unauthorised use of credit cards

The Chief Executive Officer of the Commission holds a corporate credit card where their functions warrant usage of this facility. No unauthorised use of this facility was recorded in the financial year.

	2021-22 \$
Personal use expenditure for the reporting period	Nil
Personal use expenditure settled by the due date (within 5 working days)	Nil
Personal use expenditure settled after the period (after 5 working days)	Nil
Personal use expenditure outstanding at balance date	Nil

Government policy requirements

Occupational safety, health and injury management

The Commission acknowledges its responsibilities under the *Occupational Safety and Health Act 1984* to provide and maintain a safe and healthy environment and exercise a duty of care to ensure employees, clients and visitors to the Commission's workplaces, as far as practical, are not exposed to hazards. The Commission's record of performance against annual performance data requirements are tabled as follows.

Measure	Actual results		Results against target
	2020-21	2021-22	Target
Number of fatalities	0	0	0
Lost time injury and/or disease incidence rate	0	0	0 or 10% reduction
Lost time injury and/or disease severity rate	0	0	0 or 10% reduction
Percentage of injured workers returned to work:			
(i) within 13 weeks	n/a	n/a	Greater than or equal to 80%
(ii) within 26 weeks	n/a	n/a	
Percentage of managers trained in occupational safety, health and injury management responsibilities	0%	0%	Greater than or equal to 80%

Due to the 2017 Machinery of Government changes, the Chief Executive Officer is the only employee of the Commission. Resources, including staff, are provided by the Department of Primary Industries and Regional Development to enable the Commission to meet its legislative objectives. As such the current number of managers employed by the Commission who are trained in occupational safety, health and injury management is nil.

WA Multicultural Policy Framework

The Commission developed a three-year Multicultural Plan in February 2021 to support the implementation of the Western Australian Multicultural Policy Framework, which puts into practice the state government's commitment to multiculturalism.

Our plan's priorities are:

- Harmonious and inclusive communities
- Culturally responsive policies, programs and services
- Economic, social, cultural, civic and political participation

We uphold recognition, respect and celebration of multicultural communities and their cultures in a number of ways, including:

- Actively engaging our staff to improve their understanding of the needs of people from diverse cultural backgrounds. In this reporting period, Commission Board members completed an on-country Cultural Induction with Murujuga.
- Providing financial assistance to the Hedland NAIDOC Awards – an Awards program that helps to build mutual understanding and respect between cultures.
- Providing financial assistance through our Grants programs to Weerianna Street Media to develop an Aboriginal-only content online streaming service and the Hedland Filipino Australian Society and Karratha Filipino Sports Community Club.
- The Commission is committed to providing goods, services, facilities and employment opportunities that meet the different needs and aspirations of the multicultural communities within the Pilbara. The Commission's Local Content Advisor enhanced and promoted the WA Aboriginal Business Register during the reporting period.

Other legal requirements

Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the Electoral Act 1907, the Commission incurred \$6,117.80 expenditure in advertising, market research, polling, direct mail and media advertising.

Expenditure	Organisation	Amount	Total
Advertising	N/A		Nil
Market research	Advantage Communications & Marketing Pty Ltd		\$4,936.00
Polling	N/A		Nil
Direct mail	N/A		Nil
Media advertising	The West Australian		\$1,181.80
TOTAL			\$6,117.80

Disability access and inclusion plan outcomes

The aim of Disability Access and Inclusion Plans (DAIP) is to make a positive difference to the lives of people with disabilities, their families and carers by focussing efforts to improve access to services, information and facilities. The 'Commissions DAIP provides an important mechanism for monitoring and evaluating its services to help ensure that it meets the accessibility needs of people with disabilities, their families and carers. As part of the DAIP, an annual action plan is developed with strategies to maximise accessibility. Specific strategies related to the DAIP outcomes continue to be implemented on an ongoing basis and are subject to review.

Compliance with public sector standards and ethical codes

The Commission is listed as a statutory authority on Schedule 1 of the *Financial Management Act 2006* and is subject to the provisions of the *Public Sector Management Act 1994*. The *Public Sector Management Act 1994*, the Western Australian Public Sector Code of Ethics and the Public Sector Commission's Good Governance for Western Australia Public Sector Boards and Committees inform the Commission's governance.

The Commission operates to a Code of Conduct which identifies personal integrity, relationships with others and accountability as the three guiding principles in accordance with the *Public Sector Management Act 1994*. The Code of Conduct also includes specific standards that Commission employees adhere to, ensuring best practice conduct and integrity. The Code of Conduct forms part of the Commission's induction program for new staff and is also regularly discussed at staff meetings to ensure all staff remain conversant with policy and requirements.

The Pilbara Development Commission has had no (nil) compliance issues during the financial year regarding the Public Sector Standards, the WA Code of Ethics or its internal Code of Conduct.

Recordkeeping plans

The Commission's Record Keeping Plan was endorsed by the *State Records Office in 2017*, as required under section 19 of the *State Records Act (2000)*. The plan, in the form of a manual, is designed to provide staff working for the Commission with a guide to the organisation's policies, procedures and standards for handling public records. All staff are aware they have a responsibility to create and maintain public records in a manner which not only complies with legislative requirement, but allows for quick and easy location, identification and retrieval of such documents or electronic data.



Scan the QR code to visit our LinkedIn page or visit
<https://www.linkedin.com/company/pilbara-development-commission>

Tel: 1800 THE PILBARA (+61) 1800 843 745
pdc@pdc.wa.gov.au | www.pdc.wa.gov.au

