



2020-21

ANNUAL REPORT

pdc.wa.gov.au

PILBARA DEVELOPMENT COMMISSION

Welcome to our 2020-21 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.

Online report

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

Accessibility

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 1800 THE PILBARA (1800 843 745) 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 1800 THE PILBARA (1800 843 745) or send us an email via fdc@fdc.wa.gov.au

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.

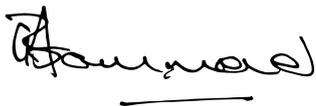
Statement of Compliance

For the year ended 30 June 2021

HON ALANNAH MACTIERNAN MLC
MINISTER FOR REGIONAL DEVELOPMENT

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Pilbara Development Commission for the reporting period ended 30 June 2021.

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



Mr Brendan Hammond
Chairperson
20 August, 2021



Mr Terry Hill
Chief Executive Officer
20 August, 2021



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.

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Overview

Message from our Chair

In a year of news headlines about COVID-19, the Pilbara often featured positively for its extraordinary economic performance. The region contributed nearly \$7.5 billion in State royalties in 2020, equivalent to 80 per cent of all State royalties and roughly a quarter of all State revenue.

Chair Brendan Hammond aboard
Sea Swift vessel, Dampier Port



The outlook is further economic growth. In June 2021, the Commission tracked more than 90 new projects under construction, planned or committed in the region over the next decade. Together, these are forecast to create 40,000 construction jobs and 12,000 in production.

The Commission's task, outlined in our [Strategic Plan](#), is to work with industry, government and the community to achieve lasting benefits from this next wave of investment by focusing on three areas: economic diversification, regional liveability and Aboriginal economic participation and prosperity, while working to our overarching value of organisational excellence.

The commencement of three direct sea freight services during the year between south-east Asia and the Pilbara has cut the time and cost of importing and exporting goods to the region and will help diversify the economy by providing new opportunities for businesses in our region and across the north-west.

The Pilbara's growing population combined with flow-on impacts of the pandemic to increase demand for housing and other services including early childhood education and care. The Commission supported the release of the State Government's regional land booster package to incentivise the development of residential and industrial lots and worked closely during the year with partners in government, industry and the community to develop effective solutions to housing and early learning demand.

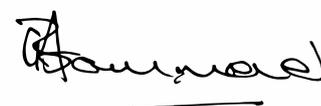
2020-21 was a year when the potential for future disruptors, including biological and security threats and the need to decarbonise, was brought into sharp focus. The Commission identified opportunities that these threats

create, including appetite for a more localised supply chain and manufacturing, and new energy industries including renewables and green hydrogen. The Pilbara has all the minerals (graphite, nickel, cobalt and lithium) required to manufacture batteries for electric cars, which currently account for less than one per cent of vehicles globally, but for which demand can be expected to grow significantly.

During the year, the Commission commenced the Pilbara Cultural Land Management Project – an innovative program that will support Pilbara native title holders to identify the cultural, environmental and economic potential of their native title rights as they fit alongside the key land tenures and land uses. This exciting initiative will empower Traditional Owners to unlock regional capital and create new opportunities on country.

As the Commission continues to pivot to address issues and new opportunities, I am grateful to the Commission staff and Chief Executive Officer Terry Hill who continue to be influential advocates for the Pilbara and to the Minister for Regional Development Hon. Alannah MacTiernan, MLC for her leadership in the sustainable social and economic advancement of our regions.

During 2020-21, we experienced no change in membership on the Commission's Board, with my term and that of Cr Gerry Parsons extended to 30 June 2021. Many thanks to all the Board members for their thoughtful contributions and advice this year. As we look forward to 2021-22, I am confident that the Pilbara will increase its appeal as a place to live, work, invest and raise a family and that the Commission will continue to play a powerful role as a catalyst for its development and growth.



Brendan Hammond | Chair

Foreword by the CEO

The year 2020-21 was heavily impacted by the COVID-19 pandemic.

I'm proud that Commission staff showed commitment and flexibility during the year, especially in the early phases of the pandemic, when collecting and reporting local intelligence was critical in the development of the State Government's response to the pandemic. Participating in the State-wide and regional response committees was also critical.

CEO Terry Hill in Paraburdoo

Despite the disruptions, we continued to work on delivering our Strategic Plan. With a small, dedicated team and many opportunities to influence development of the region, a strong focus is needed to ensure we continue to have impact. Our Plan recognises that the Pilbara is moving into a new phase of growth. While this may not be as rapid as the last extraordinary construction cycle, it has the potential to further transform the region in terms of population and economy.

Our aim is to achieve a smooth growth path with economic diversification not crowded out by inflated wages and property prices. This has seen us work closely with other State and local stakeholders to share data on growth scenarios which enable predictive planning and responsive actions. We will continue our work to support a more diversified economy, while recognising that major resources sector industries will continue to be the core economic drivers in the region.

The year 2020-21 saw the excellent work of our team in demonstrating the benefits and practical possibility of direct sea freight into the Pilbara from nearby Asia, translate into three regular sea freight services from Asia into the region. We continue to work with these services to connect freight opportunities to our local industry sectors. We worked with Informa to deliver the Pilbara Summit 2021, a sold-out event held in Perth, to bring our region to the city and reiterate the importance of our economic contribution to the State and the pipeline of future growth.

Other achievements include our extensive work with Aboriginal organisations and communities to progress a range of health and education programs and business development opportunities. This includes a speech and occupational therapy program in partnership with the Puntukurnu Aboriginal Medical Service, developing a residential facility in Newman for Martu students in partnership with the Western Desert Lands Aboriginal Corporation, working closely with the Murujuga Aboriginal Corporation to support the proposed Living Knowledge Centre and Tourism Precinct on the Burrup Peninsula and progressing the Pilbara Town Based Reserves project.

Two exciting new projects, one focussed on protecting and delivering better outcomes for the Aboriginal creative industry and one on cultural land management, were funded and commenced.

These were key priorities that came out of the Commission's Pilbara Creative and Cultural Strategic Plan that was informed by the 2018 Creative Industry and Cultural Forum in Newman.

We also transitioned the Port Hedland Spoilbank Marina and the voluntary buyback scheme and revitalisation of Port Hedland's West End, to the designated project lead which is the Pilbara Port Authority. The Commission remains engaged with both these projects through membership on a ministerial taskforce and steering group.

We continue to hold to our values in our operations and aim to be a partner of choice in regional development. I thank our stakeholders and partners for completing our annual performance survey and their input into our continuous improvement process.

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. I 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 work, live, invest and play.



Terry Hill | CEO

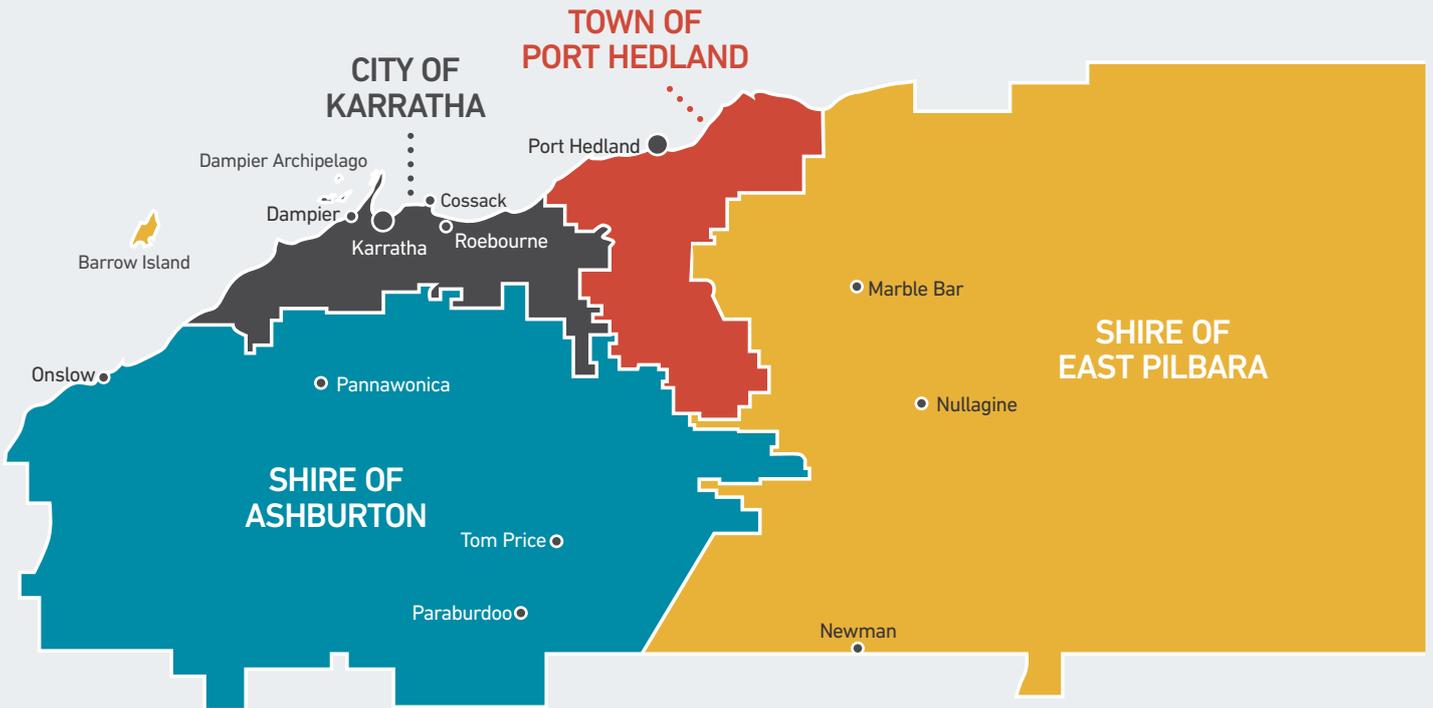
2020-21 Snapshot

The Pilbara

Pilbara population
62,840

2,900km
from Singapore

1,200km
from Perth



50,000+ years
of continuous occupation



\$57.3 billion
gross regional product

4 local
Government
Authorities

Aboriginal
population
14%

average age
32

contributed almost
\$7.5 billion
in royalties in 2020

The Commission


26,000km
 travelled by staff
 for meetings & events

114 
 grants administered


40 regional
 leadership
 steering groups
 and committees engaged in


16 projects
 with regional partners
progressed


11 Pilbara
 events
 sponsored

14 
 presentations
 given to forums
 & conferences

2020-21 Highlights


3 new direct
freight
 services commenced


4 agreements with
 filmmakers
 & Screenwest
 delivered regional spending & jobs


\$800,000
 in regional economic
 development grants
 allocated to 10 businesses
 Including \$269,800 awarded to
 4 Aboriginal-owned organisations



Scene from *Thalu*

\$143,310 secured for business case for an eco-resort at Millstream Chichester National Park

 **100** students enrolled in a university course at Pilbara Universities Centre in H1 2021

About us

Who we are

The Pilbara Development Commission (the Commission) is a statutory authority of the Western Australian State Government and is one of nine 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 who are overseen by a Board of management that includes community and local government representatives.

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](#), available on the Commission's website.

We work in collaboration with businesses, agencies, local government authorities and the community to achieve outcomes under these priority areas.

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'.



Night markets, Port Hedland



Newman

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

Our strategic goals

The Commission works to deliver the goals in its [Strategic Plan 2019-21](#) in the following ways:



Goal 1:**Prosperous and diverse economy**

Identify and drive new opportunities for value adding to major industries and provide appropriate support for major new businesses to establish

Work with the region's established industries and businesses to ensure they remain strong contributors

Provide appropriate support and attract investment to the region for new industries and businesses

Ensure that there is a pipeline of land and economic infrastructure to support growth and development

Focus on key factors that will drive down the cost of doing business in the Pilbara

Capture and support funding opportunities for projects which will support economic diversification of the region

Goal 2:**Regional liveability**

Support the delivery and access to appropriate level of service

Promote the Pilbara as an attractive place to live and work

Improve education outcomes and support life-long learning

Goal 3:**Aboriginal economic participation & prosperity**

Support Aboriginal economic development

Celebrate and promote the Pilbara's unique attributes and distinctiveness, particularly its rich history, diversity, Aboriginal heritage and culture

Goal 4:**Organisational excellence**

Be a trusted partner of choice for regional development

Encourage thought leadership and out of the box thinking

Collect, manage and communicate the best available information about the Pilbara and applying it in an evidence-based decision-making framework

Be an accessible organisation by ensuring effective communication between staff and stakeholders

Encourage modelling of supporting behaviours, actions and decisions that are aligned to our core values

Seek opportunities to enhance staff capacity and promote professional development

Ensure all staff are positioned to apply good governance practices
Meet the governance requirements of the Commission outlined in the RDC Act

Provide effective support to the Chair and Board

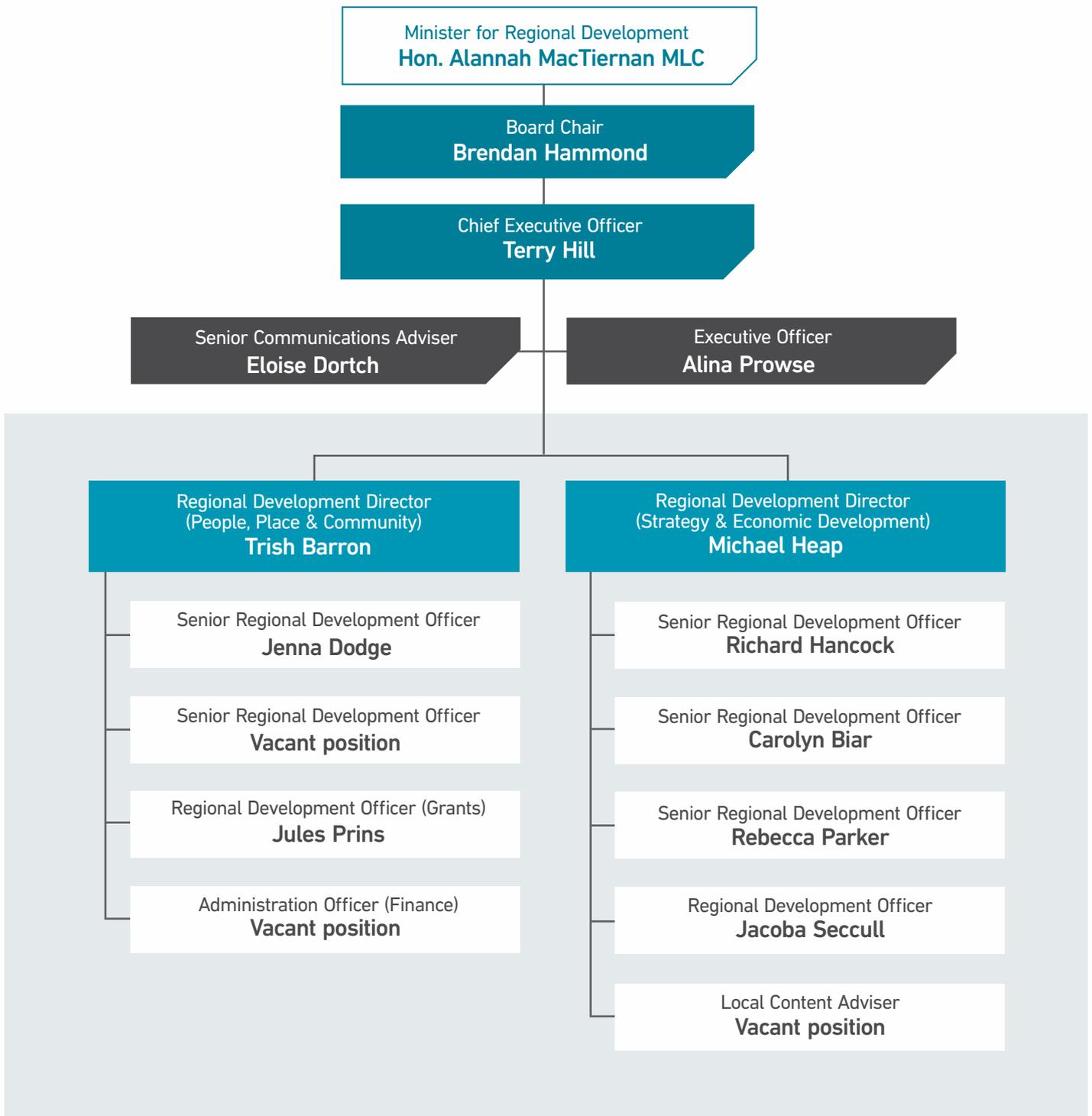
Manage government business in a timely and effective way

Our people

Board members visiting Martumili Arts in Newman.



Organisational chart as of 30 June 2021





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, ensuring the efficient and effective operation of the organisation. The Board meets 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 comprised of six members including community, local government and Ministerial appointments, and the Chief Executive Officer, who is a member of the Board by virtue of office. All Board members contribute skills, experience and local knowledge that benefit the Commission and the region.

One third of the Board (two members) are to be resident in the Pilbara region and nominated in accordance with the regulations; one third are to be members of the council of a local government in the Pilbara and are to be nominated by local governments in the region in accordance with the regulations; and two members are to be appointed at the Minister's discretion.

The Board's responsibilities are to:

- Set the overall strategic direction and goals of the Commission;
- Provide guidance on specific projects and initiatives;
- Formulate Commission policy;
- Review progress at regular intervals to ensure established goals are being achieved;
- Monitor Commission expenditure;
- Promote economic development;
- Represent the Commission at relevant meetings and functions; and
- Advocate for the Pilbara region.

The Board's strategic role of oversight, direction and advice is distinct from the role of the CEO, who is responsible for managing the day-to-day operations of the Commission.

Board activity in 2020-21

Six Board meetings took place in the year, in Tom Price, Port Hedland (twice), Karratha, Newman and as a video conference. While five meetings were planned originally, an out-of-session additional meeting was organised for the Board to consider recommendations for the third round of Regional Economic Development grants. The table below reports meeting attendance of each Board member during the reporting period, based on eligibility to attend.

Brendan Hammond	6/6	Marg Bertling	6/6
Tim Larkin	6/6	Brett Ellacott	6/6
Gerry Parsons	5/6	Terry Hill	6/6
Sara Slattery	3/6		

As much as possible, the Board meets in different towns across the Pilbara to enable its members to connect with local businesses and residents and provide members with insight into the issues facing the region and the priorities for regional development. To maximise this opportunity, the Commission partners with the local chambers of commerce to host business networking events. Due to pandemic restrictions, the Commission held just one business-before-hour event during the year, in Newman in June.

Commencement, extension or completion of terms during 2020-21

Brendan Hammond's and Gerry Parsons' terms were extended from 30 December 2020 by three months to 31 March 2021 and then by another three months to 30 June 2021.

Declarations of interest

The Board has a standing declaration of interest process included in the Board Charter. A standing agenda item at all meetings provides for the declaration and management of any potential conflicts of interest and a Board Members' Interest Register is maintained on an ongoing basis.

Independent external advice

Individual Board members have the right to seek independent professional advice on particular matters before the Board, subject to approval by the Chairperson, at the Commission's expense.

Applications to become a Board member

Calls for nominations to the Board are made through advertisements placed in relevant news outlets and letters to individual councillors, chambers of commerce and other regional organisations. They are also promoted on the Commission's LinkedIn. People may nominate themselves or others, and organisations may also nominate individuals. Terms of appointment are for up to three years.

Applications are retained until the specified application closing date and are reviewed by Commission CEO, who makes a recommendation to the Minister for Regional Development, Hon Alannah MacTiernan MLC. Minister MacTiernan makes the appointments, which require endorsement by Cabinet.

Our Board members



Brendan Hammond Chairperson

Ministerial appointment
Current term 2017 – 2021

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. Mr Hammond has a track record of working with regional communities, in Western Australia and around the world, to drive economic and social change. He is a partner in Centric Digital LLC (New York), the owner of Seymour Associates Pty Ltd, and contributes widely in the not-for-profit sector. In 2011, Mr Hammond was awarded the Western Australian Citizen of the Year award for his contribution to regional development



Terry Hill Chief Executive Officer

Ex officio

Terry Hill has been in his current position as Chief Executive Officer of the Pilbara Development Commission for over 6 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.



Geraldine (Gerry) Parsons

Local government appointment
Term 2016 - 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 and is secretary for the Catholic Church. She is an awarded Newman Volunteer of the Year and Newman International Women's Day recipient and is a Life Member of Newman Tee Ball and Junior Soccer associations. Cr Parson's key focus is sustainable growth of the Pilbara region and its towns, opening channels for their economic development and improved infrastructure.



Sara Slattery

Community appointment
Term 2019 – 2021

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.



Tim Larkin

Deputy Chair - Community appointment
Term 2020 - 2022

Tim Larkin is a senior executive with more than 30 years' experience working for leading multinational companies 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.

Our staff leadership team

The Commission has 13 staff led by the Chief Executive Officer, who is responsible to the Board Chair. Regional development staff are led by two Directors: one with a focus on Economic Development, Land & Infrastructure and the other with a focus on People, Place & Community. The Commission's Executive Officer and Senior Communications Adviser respond directly to the CEO.



Terry Hill

Chief Executive Officer

See profile on page 18



Trish Barron

Director Regional Development
(People, Community and Place)

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, Trish leads the People Place and Community team at the Commission. Trish is passionate about making the Pilbara a great place to live.



Michael Heap

Director Regional Development
(Economic Development,
Land & Infrastructure)

Mr Heap joined the Commission in April 2019 as Manager of Strategy & Knowledge and in May 2020 took over the role of Director Regional Development (Economic Development, Land & Infrastructure). Michael has a strong research and analytics background, joining the Commission from Bankwest, where he was the Manager for Market Insights. Outside of work Michael is a keen diver and enjoys travel.

Performance Management Framework

The Commission's Performance Management Framework is consistent with the State Government's goal of regional prosperity.

Desired outcome

The Government's desired outcome from the Commission's activities is the enhancement of the Pilbara's economic and social development. The **key effectiveness indicator** for this outcome is the extent of client satisfaction that the Commission makes a positive contribution to economic and social development of the Pilbara, as measured by an annual stakeholder survey.

Services

The Commission achieves the Government's desired outcome by providing facilitation, coordination and governance; and regional promotion and information services, to improve conditions for businesses, community groups and people living and working in the Pilbara. The **key efficiency indicator** for these services is average operational costs per working hour.

Agency performance

Performance against strategic goals

Goal 1:

Prosperous and diverse economy

The Commission works to strengthen, grow and diversify the Pilbara's regional economy. In 2020-21, the Commission worked with the region's established industries and businesses through a challenging and ever-changing environment to position the Pilbara as the driving force of the State and national economies



YURI Green Ammonia Project funding announcement, Murujuga (Burrup Peninsula), January

The Commission continues to be influential in attracting investment to the region for new industries and businesses; facilitating a pipeline of land and economic infrastructure to support growth and development; leveraging industry and government funding for high quality projects; and delivering on transformative opportunities to drive down the cost of doing business in the region.

Achievements

Continued the Commission's influential role in the establishment of a direct maritime freight service connecting Asia to ports in the Pilbara.

The route has now seen three freight companies establish regular services between Singapore and Dampier/Port Hedland, with a fourth due to start soon. This is the culmination of work which began in 2018, when the Commission commissioned research on the feasibility of a direct service.

Strategically shared intelligence about the Pilbara and the critical role it plays in the State and national economies at forums and conferences including Developing Northern Australia, Hedland Economic and Resources Forum and the Pilbara Summit.

Advocated for the Pilbara and established the Commission as a trusted source of regional intelligence within Government during the COVID-19 pandemic, ensuring those who live and work in the region were given the best possible opportunity to economically prosper during this challenging period. **100 per cent of jobs lost during the pandemic have been recovered and the Pilbara now has a state-leading 2.4per cent unemployment rate.**

Delivered Round 3 of the State Government's Pilbara Regional Economic Development (RED) Grants Program. **A total of \$800,000 was allocated to 10 local businesses, bringing the program's total to 28 projects in the Pilbara receiving over \$2.3 million, across diverse industries including renewable energy, waste management, manufacturing, technical innovation and tourism.**

Partnered with the CRC for Transformations in Mining Economies to provide expertise into economic and social opportunities resulting from mine closure.

Increased the Pilbara local content mailing list to more than 280 local suppliers, which was critical in facilitating access to and awareness of opportunities for involvement in the Port Hedland Spoilbank Marina project – a project the Commission was instrumental in bringing to realisation.

Continued production of high-quality publications such as Housing & Land Summary, Economic Snapshot and the new Investment Snapshot.

These publications ensure up-to-date, reliable data on the region is accessible to all stakeholders. The Investment Snapshot, which debuted in 2021, showcases the pipeline of projects which are under consideration in the Pilbara and is designed to build awareness and provide confidence to investors and wider-Government in the future of the region and its economy.

Successfully outlined the case for investment in the Karratha-Tom Price Road.

State and Federal funding for Stage 4 was committed this year and the Commission has been highly involved in various aspects of planning for the project.

Secured a position for the Pilbara as one of Austmine's initial WA METS Digital Mining Export Hubs.

The virtual hub will enable the region to build export capacity, knowledge and opportunities between regional, remote and metropolitan small and medium sized enterprises.

Continued to advocate for the Pilbara's position at the head of the State's transition to a hydrogen economy.

This year saw the McGowan Government provide a \$2 million grant from its Renewable Hydrogen Fund for Yara Pilbara Fertiliser's job-creating YURI Green Ammonia Project on the Burrup Peninsula.

Pilbara RED Grants

The Regional Economic Development Grants (RED Grants) program is a State Government initiative that invests in local projects to stimulate economic growth and development in regional Western Australia. Delivered locally by the State's nine regional development commissions, funding is available for projects that promote local sustainable jobs, partnerships, productivity, skills and capability, as well as stimulate new investment and industry diversification.

Since April 2019, more than \$2.3 million has been allocated to Pilbara organisations across diverse industries to support 28 projects in renewable energy, waste management, manufacturing, technical innovation and tourism. Below is a snapshot showing a selection of RED projects delivering regional development outcomes in the Pilbara.

Opening of the Spinifex Hill Gallery & Project Space. Photo: FORM



Photo: Taryn Giles, courtesy of FORM.



Spinifex Hill Gallery & Project Space

Construction of the Spinifex Hill Studio Gallery and Project Space in South Hedland was completed in June 2021, with support from BHP, Lotterywest, FORM and a RED grant. Regional Development Minister Alannah MacTiernan MLC opened the building and a new exhibition at a launch attended by more 250 people.



Grand Central Training Facility

The Grand Central Training Facility in Karratha has capacity to train six chef apprentices at any one time and a coffee/wash area where training organisations can train front of house staff and conduct hospitality short courses, such as barista courses. Minister for Regional Development Alannah MacTiernan MLC met prospective trainees at the facility in November as final touches were being made to the building.



North West Recycling

North West Recycling owners Jake and Jodie Swaffer, pictured at their depot with staff and Commission CEO Terry Hill, are now collecting recyclable drink bottles and providing refunds in remote towns across the West Pilbara, with support from a Pilbara RED grant. The family business has employed three new staff members, one truck driver, one person living with a disability and a support worker and has delivered forklift and MR truck licence training to other employees.



7 Mile Composting Trial

City of Karratha Manager City Services Steve Wachter shows the end-product of the City's 7 Mile compost trial which received RED grant funding in 2019. The City produced 1,200 cubic metres of compost product suitable for use in its parks and gardens from the trial – thus diverting 500 tonnes of organic waste from landfill and avoiding the need to buy mulch from other regions.



Pilbara Dive & Tours

Pilbara Dive and Tours owner Natalie Callanan uses the trailer and equipment she purchased with support from a RED grant to transport equipment to dive sites and as a pop-up shop at local markets and events, as well intrastate to the Kimberley to deliver an annual Lake Argyle dive program.



Yirramagadu Crew

Ngarliyarndu Bindirri Aboriginal Corporation strives to deliver wellbeing and self-determination for all Aboriginal people associated with Roebourne. NBAC successfully applied for a RED grant to re-establish the Yirramagadu Crew employment agency and assistance program. During 2021, NBAC recruited the first intake of Yirramagadu Crew, including a supervisor, a project coordinator, nine yardmen and two Warrgamugardi Yirdiyabura program trainees.

Goal 1: Deliverables achieved

- ✓ Encouraged and supported major new renewable energy projects for the region
- ✓ Encouraged and supported value adding businesses and a diversified mining sector
- ✓ Identified and unlocked synergies in industry supply chains, creating regional hubs in the region
- ✓ Maintained strong partnerships with local chambers of commerce and industry and State-wide industry bodies
- ✓ Sponsored programs that celebrate and encourage entrepreneurship and business
- ✓ Supported Agriculture – Northern Beef Development, Transforming Agriculture in the Pilbara and WA Tropical Research Institute Aquaculture - Fresh oysters
- ✓ Supported tourism including projects to activate the region's national parks
- ✓ Promoted the region and its comparative advantages through publications, events etc
- ✓ Ensured that the local economy is monitored and planning is in place for growth
- ✓ Drove transformational initiatives through macroeconomic and freight aggregation studies and advocacy
- ✓ Facilitated a direct liner sea freight service into the region (Dampier) from a key Asian port
- ✓ Delivered Regional Economic Development Grants
- ✓ Supported Aboriginal groups to identify and apply for funding to support strategic projects
- ✓ Maintained strong working relationships with Developing Northern Australia (including Northern Australia)
- ✓ Infrastructure Facility, Cooperative Research Centre for Developing Northern Australia)
- ✓ Acted as a catalyst for linking industry and business projects to positively impact the regional economy
- ⚙️ Worked across government to develop a policy pathway for mine repurposing
- ⚙️ Worked with other government organisations to ensure industrial land is available for growth

✓ Completed Projects ⚙️ In Progress

Seaswift vessel unloading at Dampier Port

Project in focus: Direct sea freight

As part of the Commission's commitment to driving down the cost of doing business in the region, the cost of inbound freight was regularly identified as a key cost barrier for competitive operations for local businesses. The vast majority of freight entering the Pilbara from overseas is shipped in containers from Asian ports to Perth or Melbourne. From there it is de-stuffed, loaded onto pallets and then trucked back north to the Pilbara, a journey of some days.

Seeing a more efficient alternative, in 2018, the Commission, in partnership with the City of Karratha, prepared reports on the commercial and logistical viability of a direct sea freight service from Asia to Dampier or Port Hedland. The findings were extremely positive and projected a reduction of approximately 50 per cent in both shipping time and cost, based on these services obtaining just a 10 per cent market share of goods entering the region.

The Commission consistently promoted the findings of this work with the shipping industry and the local business community. Building local confidence in a potential new

"Direct freight services are here to stay. The operating landscape has already changed."

Captain Paul Toussaint-Jackson
General Manager, Trade Development, Seaswift

"Our Pilbara connection creates a more efficient supply chain by reducing costs and removing carbon emissions and many new customers are already enjoying the benefits being created. Our regular connection is also creating new export opportunities from the region by enabling access to additional markets with containerised sea-freight."

Darryl Evans, Business Development Manager
ANL CMA CGM

supply route was critical, as it would be the users of the service who would guarantee the future viability of the service.

The Commission was delighted to understand that the reports were the catalyst for shipping companies to begin planning and investing in a direct Asia to the Pilbara service. Within 24 months of the research work commencing, ANL became the first company to commence operations with a direct Singapore to Port Hedland sea freight service. Two other companies, SeaSwift and Bengal Tiger Line, joined them in early 2021 with services into Dampier. As the financial year drew to a close, a fourth company, Swire Shipping, was weeks away from landing its first vessel in Port Hedland.

This is an extraordinary result and a development which could be truly transformational for businesses in the region. While a reduction in import and freight costs will likely be the primary short-term benefit, these services also have the potential to open new export opportunities for local producers and manufacturers. The Commission is encouraged to learn that there are multiple Pilbara businesses already using the service to export large quantities of goods directly into foreign markets, all of which were simply not commercially viable prior to the service commencing.

The Commission is proud of its role in this transformational development for the region's economy and is eager to see where it leads.

Tongan dancers, 2021 NAIDOC Concert, Port Hedland. Photo: Amelia Blanco

Goal 2: Regional liveability

The Commission's vision for the Pilbara is for vibrant and inclusive cities and communities which offer quality services, affordable living, career choice and strong social connection that make the region an attractive place to live, work, invest and play.

In 2020-21, the Commission continued to support the delivery and access to appropriate levels of services for all Pilbara residents with a strong focus on education, health, housing, early education and care and connectivity through modern infrastructure and innovative technologies; creating vibrant public places that enable social and cultural exchange and interaction; promoting the Pilbara as a region of choice; and leveraging government funding for high quality projects.

Achievements

Finalised the allocation of \$550,000 Pilbara Education Partnership funding to the Pilbara Universities Centre

to support the expansion of its services in Port Hedland with a focus on the CQU Residential Nursing program which attracts students from across the State.

Worked in partnership with the Western Desert Lands Aboriginal Corporation to secure \$4 million from the WA COVID Recovery Fund

to deliver the Martu Student Hostel in Newman which will allow Martu students from remote communities access to a broader choice of secondary curriculum for their future prosperity.

Advocated to State Government on the critical need and use of innovative solutions to address issues impacting the availability of early years education and care and affordable housing in the Pilbara region.

Participated on the State Governments Pilbara's COVID-19 Operational Area Support Group

making a significant contribution to the planning for the safety and wellbeing of the region's remote communities during the height of the pandemic.

Managed four Regional Outcome and Output (ROO) agreements including *Thalu, Sweet As, Aussie Gold Hunters and Shipwreck Hunters Australia*

as part of Screenwest's WA Screen Fund program which is designed to ensure regional investment, economic diversity and job creation and to increase the capacity of the regions to work with the film industry.

Sponsored local art awards and festivals that promote the Pilbara including Jury Art Award, Karijini Experience, Passion of the Pilbara and Cossack Art Awards as well as the Pilbara Community Services Awards.

Secured approvals for up to \$10 million from the Pilbara Town Based Reserves project

to commence the delivery of the Irrungadji and Parnpajinya Transitions plans including safe, supported accommodation and wraparound services to improve the wellbeing of the residents.



Student Rebakah Dye left, with Pilbara Universities Centre Nursing Support Officer Leticia Penipe

Goal 2: Deliverables achieved

- ✓ Facilitated and led meetings with senior State Government officers to plan infrastructure and services region
- ✓ Collaborated with local government and community stakeholders to promote and reposition perceptions of the Pilbara
- ✓ Supported events and projects that promote the region nationally and internationally
- ✓ Supported the development and success of Pilbara Universities Centre
- ✓ Progressed Martu student Hostel project which aims to increase school attendance of Martu secondary students

✓ Completed Projects

🌀 In Progress

Project in focus:

Pilbara Universities Centre

"We are growing and growing. We are likely to have over 200 students enrolled in a university course by the end of 2021. PUC will help any student who is pursuing tertiary education in the Pilbara, in order to address the inequities between pursuing in tertiary education in the Pilbara and studying at a tertiary level in the city."

Susan Grylls, Chief Executive Officer
Pilbara Universities Centre

The Pilbara Universities Centre (PUC) is a not-for-profit that was established in 2019 with support of the Federal and State governments and City of Karratha. With the nearest university to the Pilbara located around 1,600 kilometres away, PUC's mission is to promote and support tertiary education in the region to all residents irrespective of their age or background. It also provides opportunity for people to stay in the Pilbara longer without having to leave their families, friends, homes or jobs in the pursuit of a university qualification.

Through the Commission, the State Government provided a total of \$550,000 from the Pilbara Education Partnership Fund to assist in PUC's establishment and programs. This included \$300,000 in 2019-20 and a further \$250,000 in 2020-21.

The first tranche of funding contributed towards the fit-out of PUC's purpose-built campus on Level 1 of the Quarter HQ building in central Karratha, completed in June 2020. The funding delivered in 2020-21 supported the expansion of PUC's Port Hedland study hub. A new, part-time study hub co-ordinator was employed to provide face-to-face academic, pastoral and administrative support to Port

Hedland based students and a new Port Hedland based nursing academic was engaged to co-deliver PUC's rapidly growing residential nursing program.

PUC's Port Hedland-based students and coordinator are located at The WEB Business Hub, which was established in 2019 with State Government and industry funding. The residential nursing program is a partnership between the PUC and CQ University and is delivered in study blocks of three days each at multiple periods during Semester 1 and Semester 2 of the university year. Students stay at the Mirnutharntu Maya accommodation in South Hedland and study at the accredited nursing education facilities at North Regional TAFE's Pundulmurra campus.

PUC student numbers are rapidly growing: between January to June 2021, PUC supported approximately 100 students enrolled in a university course, and another 30 students in a range of tertiary education and outreach programs. As of June 2021, 13 per cent of PUC's students are Aboriginal.

"Studying at the PUC gives me a sense of direction for my future and it allows me to give myself a clear headspace to make a clear and concise judgment for my career. The staff are hardworking and ensure that the students that come through the centre are well supported and that their needs are met."

Shaquille Tucker-Love, Student
Pilbara Universities Centre



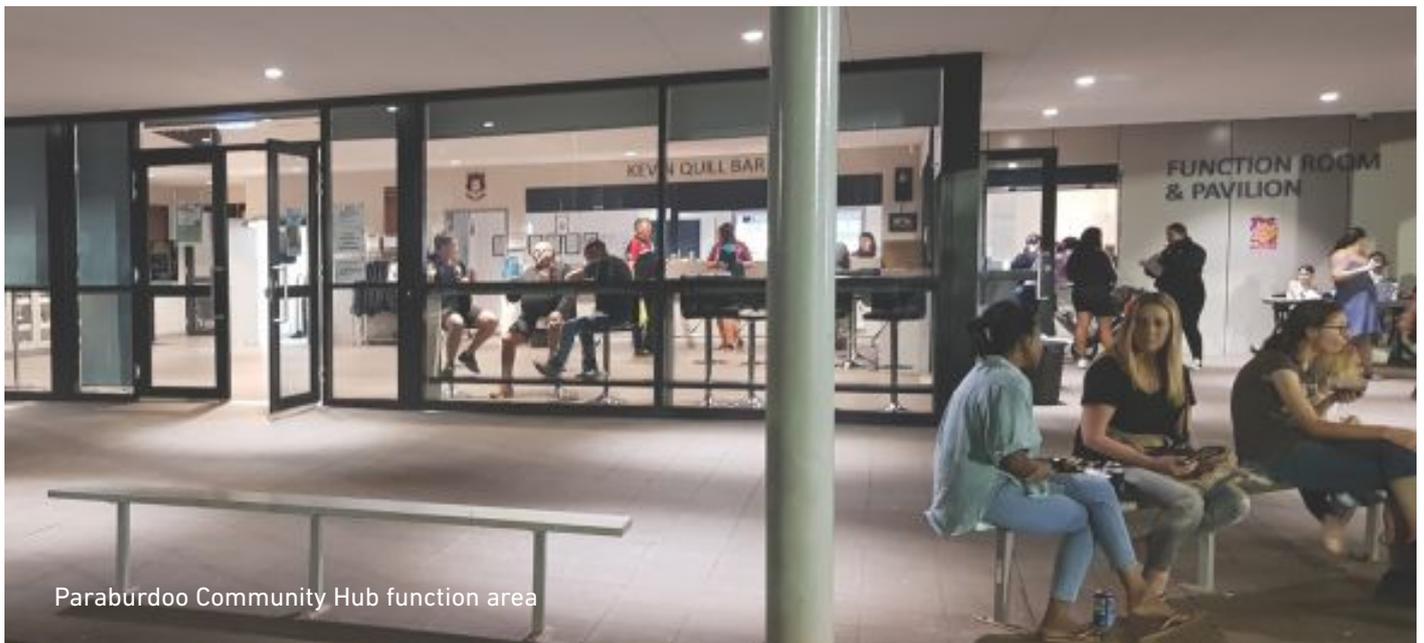
Paraburdoo Community Hub pool

Progress update: Paraburdoo Community Hub

“The new facility is great – it’s better than most gyms in Perth. We have all the equipment needed in a great new facility. It definitely helps to make a better quality of life living remotely.”

Michael Rennard
Paraburdoo resident

The Paraburdoo Community Hub, which received \$5 million in funding from the State Government via the Pilbara Development Commission and a further \$10.7 million from the Shire of Ashburton and Rio Tinto, formally opened in June 2019 and featured in the Commission’s 2018-19 annual report as an example of the agency’s role in improving regional liveability.



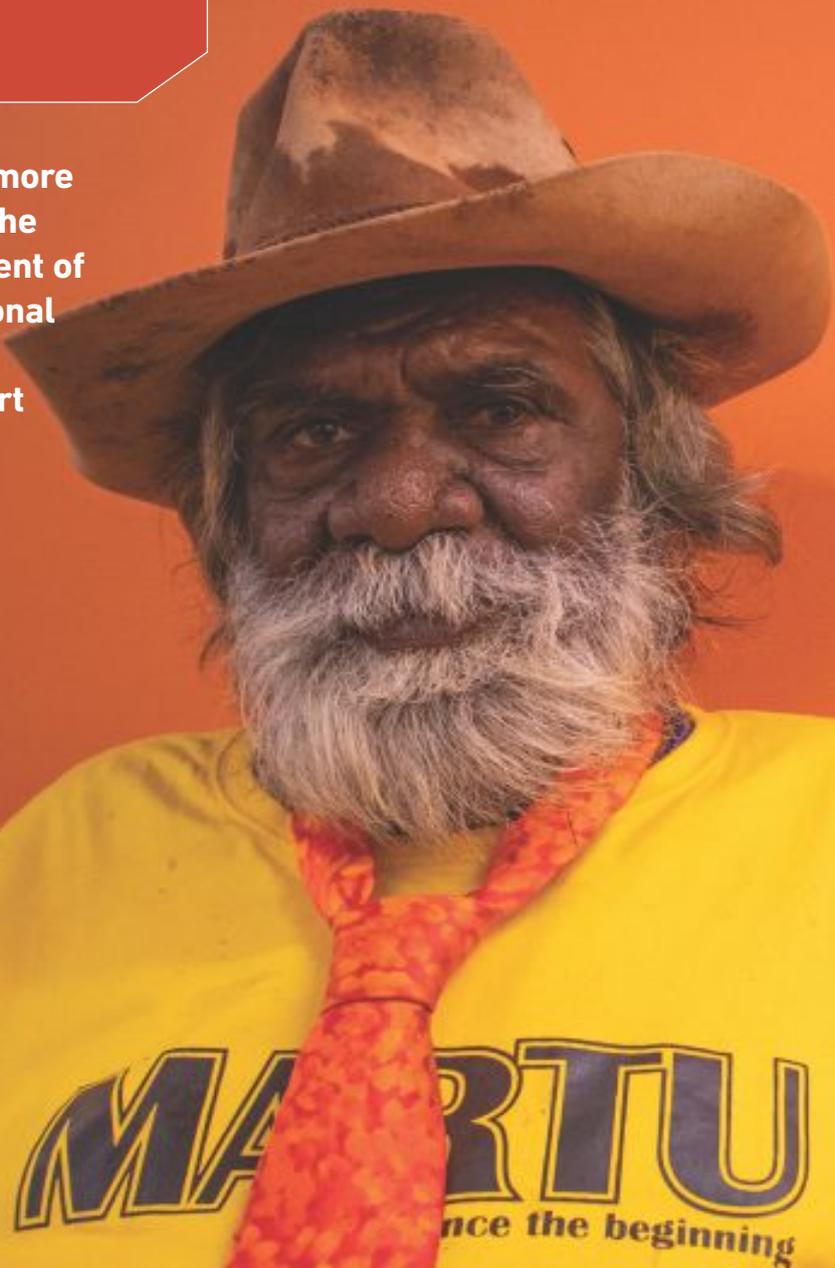
Paraburdoo Community Hub function area

Nearly two years on, in May 2021, the Commission dropped in on the Hub to check on its progress – finding that it is a valued asset for the people of the small west Pilbara town. The facility’s air-conditioned indoor multipurpose centre is regularly used for basketball; Aussie hoops; special events including Rio Tinto Family Day; netball; indoor soccer, social sports nights, indoor fitness, youth group and by Paraburdoo Primary School two to three times a week.

Meanwhile the Hub’s impressive gym gets 24/7 year-around use by residents, the function room provides a social centre on football nights and the outdoor, unheated pool, is used for swim clubs and general recreation throughout the warmer months.

Goal 3: Aboriginal economic participation and prosperity

The Commission recognises more needs to be done to support the participation and empowerment of Aboriginal people in the regional economy. In particular, the Commission is keen to support Aboriginal-owned and led enterprise.



Martu leader Muuki Taylor models a tie he designed in collaboration with One of Twelve and Martumili Artists.

During 2020-21, the Commission strived to support Aboriginal economic development through delivering transformational projects with Aboriginal groups; driving new approaches to Aboriginal employment; providing support to build capacity of Aboriginal businesses and organisations; and partnering with stakeholders to deliver the Pilbara Creative and Cultural Strategy.

Achievements

Worked in partnership with stakeholders

including Aboriginal organisations and prescribed body corporates (PBCs) to secure funding to progress the delivery of the Commission's [Pilbara Creative and Cultural Strategy](#) including:

- Pilbara Cultural Land Management Project to support native title holders to identify the cultural, environmental and economic potential of their native title rights – as they fit alongside the key land tenures and land uses already in place on their country, empowering Traditional Owners to take the lead in keeping their country, culture and people strong;
- Pilbara Survey which is strengthening Aboriginal art centres, artists and cultural heritage to position the Pilbara's status within the Aboriginal art market to maximise the social and economic benefits for Aboriginal people; and
- Product Development and Licencing, a cross regional project in partnership with Kimberley and Goldfield Esperance Development Commissions, art centres and other key stakeholders, capitalising on a national focus on the ethical production, promotion and sale of Aboriginal and Torres State Islander art and craft that will create new business and income streams for artists, art centres and their communities.

Continued to provide advocacy and advice to Murujuga Aboriginal Corporation (MAC) and the State Government regarding the development of MACs Living Knowledge Centre and Tourism Precinct on the Burrup Peninsula.

Helped Yindjibarndi Aboriginal Corporation secure regional development leverage funding

to develop a business case for an Aboriginal-owned eco resort and cultural tourism facility at Thaawuthunnganha (West Palm Pool) in Millstream-Chichester National Park.

Supported Cheeditha, Juluwarlu, Wangaba Roebourne and Yinjaa-Barni art groups, Woodside Energy and City of Karratha to hold their second Roebourne Christmas Art Sale in Karratha.

Four of 10 Regional Economic Development grants announced in Round 3 of the Pilbara 'RED' grants program in November were awarded to Aboriginal-owned organisations.

Including Ngarliyarndu Bindirri Aboriginal Corporation, for Yirramagardu Crew (\$62,826); Marlpa Waste Logistics for Community Cyclone Recovery (\$57,000); Karriyarra Aboriginal Corporation for Recycling mining conveyor belts (\$50,000); and Ngurra Kujungka for Martu Recreation Officer and training program (\$100,000).

On-site planning for the eco-resort at Millstream, in June

Goal 3: Deliverables achieved

- ✓ Supported delivery of the Pilbara Creative and Cultural Strategy
- ✓ Continued to progress the Pilbara Town Based Reserves Project
- ✓ Progressed Regional New Industries Fund project with partners funded to deliver improved economic outcomes from protected Indigenous intellectual property
- 🌀 Delivered transformational projects with Aboriginal groups

✓ Completed Projects 🌀 In Progress

"Palm Pool is a special place where our people have long visited to camp, conduct our activities and spend time with family. This is an opportunity to grow the Yindjibarndi people's capacity and support our pathway to self-determination. With this project, we see an even greater role for our established Yindjibarndi Rangers in ensuring safety of tourists as well as seeing that our country is cared for. We also see opportunities in this project for our people at all ages – jobs for the young people and sharing the knowledge of our Elders."

Michael Woodley, Chief Executive Officer
Yindjibarndi Aboriginal Corporation

Project in focus: Eco-resort at Thaawuthunnganha (West Palm Pool)

Located about 100km inland from Karratha on the Manuwarra (Red Dog) Highway, Millstream-Chichester National Park, famous for its picturesque mountains and large permanent freshwater pools, is a highly significant area for the Yindjibarndi people, who were granted exclusive native title over a large area of land at Millstream in 2017. The park also forms an important tourism link between Murujuga National Park on the Burrup Peninsula and the iconic Karijini National Park in the inland Pilbara.

Recognising an opportunity to diversify the regional economy and support tourism and new jobs in the region, the Commission first provided \$247,000 for studies to enable the development of an ecotourism precinct in Millstream-Chichester National Park under the State Government's Naturebank program, in 2011. Initial studies focussed on sites near Python Pool, however, the area's topography and potential for flooding proved these to be unsuitable.

With the agreement of relevant government authorities, further investigations occurred at Palm Pool, nearer to Millstream Homestead and the park's main camping and day visit areas. On completion of these studies, a call for expressions of interest was

issued through the Naturebank program. Yindjibarndi Aboriginal Corporation (YAC) successfully secured the option to plan a retreat at the site, signing a lease with Department of Biodiversity, Conservation and Attractions (DBCA) in early 2020.

Commenting on the lease-signing, YAC stated its intention that the eco-resort would provide new on-country employment opportunities for Yindjibarndi people and provide the basis for them to share and educate national and international visitors about Yindjibarndi culture.

In late 2020, the Commission secured \$144,310 in regional development funding to support planning and cost estimates to inform the business case for YAC's proposed eco retreat, with a co-contribution provided by the Indigenous Land and Sea Corporation (ILSC).

The Commission continues to support creation of the eco-resort forming part of the steering group with YAC members, ILSC, DBCA and consultants. In early June, the project steering group and Yindjibarndi people held an on-site planning day by Palm Pool after which, YAC Chief Executive Officer Michael Woodley advised that the location being considered for the resort was Thaawuthunnganha, or West Palm Pool.

"These new facilities, in the heart of the Pilbara, will attract people from all over, and help support local business and job creation."

Alannah MacTiernan MLC
Minister for Regional Development

Project in focus:
Thalu

"*Thalu* was created from the ground up in Roebourne: from the initial development workshop with the kids and community, to the casting, to all the locations and filming, the editing, and even the theme song was written, performed and recorded here. It just shows what can happen in a small town like Ngarluma Ngurra when everyone comes together."

Tyson Mowarin, Producer and Director
Weerianna Street Media

Thalu cast: Wade, Jakeile, Logan. Photo courtesy of Weerianna Street Media

The Western Australian Screen Fund (WASF) provides production funding to encourage regional film industry activity, build local capacity, and contribute to the liveability and vibrancy of WA regional communities.

The Commission's role is to work with Screenwest and Departments of Local Government, Sport and Cultural Industries and Primary Industries and Regional Development to achieve these outcomes from the fund, via Regional Outcome and Output (ROO) agreements formed with production companies making films or series in the Pilbara.

Thalu, a children's mini-series production shot in and around Roebourne, was produced by Roebourne locals Tyson Mowarin and Robyn Marais of Weerianna Street Media in association with Bernadette O'Mahony from the ACT. It also received principal investment funding from Screen Australia and further support from NITV, the ABC and the Australian Children's Television Foundation.

Energetic, inventive, and funny, the series follows a group of Pilbara Aboriginal children who undertake a journey to save their country from the threat of a mysterious dust cloud and its inhabitants. The cast featured well-known Aboriginal actors as well as newcomers, including both children and Elders from Roebourne.

Weaving Roebourne community stories and Ngarluma culture into a classic heroes' journey shot around Roebourne, the series, aired in August 2020, provides national audiences an upbeat, delightful and authentic taste of the Pilbara and its people.

Thalu achieved significant regional development targets, including local employment, capacity building and empowerment.

"At a time when there are concerns that Australian-made drama, children's content and Indigenous stories on our televisions are vulnerable, *Thalu* provides a roadmap for children's TV that works respectfully and inclusively with community from the ground up, offers training opportunities for local talent, and empowers Indigenous kids with their 'own little dreaming!'"

Teresa San - Writer
ABC Digital Arts

Thalu regional development outcomes

Regional spend	\$1.7 million
Six-hour drama workshops run for Roebourne primary school age students	2
FTE employment – actors /cast:	
• Main cast from Roebourne & Wickham	7
• Support cast from Roebourne	15
• Support cast from Port Hedland	2
Employment – Pilbara residents:	
• Full time	12
• Part time	1
• Casual	3
Aboriginal employment:	
• Full time	6
• Part time	2
• Casual	18
Overnight stays in the region:	
• Visitor nights	2,643
• Expenditure	\$312,124

Goal 4: Organisational excellence



Night Markets, Port Hedland



Commission staff strategic planning day in December

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.

Achievements

Knowledge and information services: the Commission led, engaged or contributed to more than 40 regional working groups and advisory committees during the year.

Commission representatives gave around 40 presentations on the regional economy and future opportunities at forums, conferences and senior leadership meetings and published six reports and snapshots highlighting sought-after regional data.

Stakeholder engagement: the Commission delivered a total \$55,500 in sponsorship to 11 regional events and initiatives aligned with the Commission's strategic goals.

The Commission recorded approximately 14,000 visitors to its website, issued nine media releases, and posted 100 updates to LinkedIn, acquiring 3,500 followers by 30 June.

An annual survey of the Commission's stakeholders conducted by telephone by an independent market researcher between 26 April to 7 May 2021 found that of 101 stakeholders who completed the survey, **98% agreed the Commission makes a positive contribution to the economic and social development of the Pilbara.**

The Commission held two strategic planning days and supported a variety of professional development opportunities for staff during the year. As of June, nearly all staff had updated their MyPlan and completed a Code of Conduct discussion.

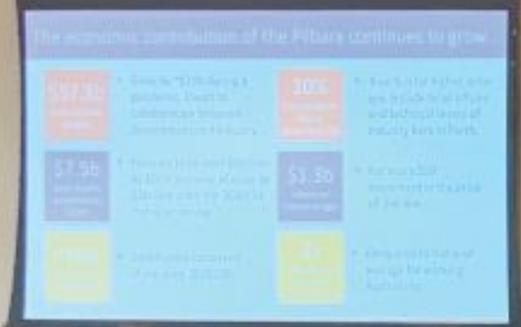
The Commission achieved its governance targets, including no major risks in the Officer of the Auditor-General audit; internal audit risks mitigated. Board papers and minutes were prepared in a timely manner and process and recommendations of the Board were achieved in accordance with the RDC Act. Briefing notes, parliamentary question responses and other ministerial requests were submitted on time.

The Commission also took steps to update a range of policies and procedures including updating its Freedom of Information Statement and Public Interest Disclosure information and releasing its Multicultural Plan. A clear [complaints procedure](#) was provided on the Commission's website. No complaints were received.

Commission CEO Terry Hill addressing Pilbara Summit 2021

“Staff are proactive and willing to give time to stakeholders.”

Comment about the Commission made by respondents to the 2021 stakeholder survey



“Their reports are useful and their knowledge of who is who, and who they can leverage in the community is helpful.”

Comment about the Commission made by respondents to the 2021 stakeholder survey

Goal 4:

2020-21 Participation & engagement

Wanggalili Project Steering Committee

Western Australian Tropical Research Institute (WATARI) Project Steering Committee

Port Hedland Spoilbank Marina Taskforce

Northern Beef Development Reference Group

Developing Northern Australia WA Sub Committee and Program Advisory Committee

Transforming Agriculture in the Pilbara (TAP) Project Steering Committee

Hedland Collective

North-West Aboriginal Housing Fund

Murujuga Rock Art Stakeholder Reference Group

Pilbara District Leadership Group

Newman Futures

CRC for Transformations in Mining Economies

WA Country Health Service Pilbara Operations Area Support Group

REcov19ER Regional COVID 19 Emergency Response Working Group

Martu School Alliance

Woodside, BHP and other resource sector community reference groups

Regional Development Commission Tourism, Data and Communications groups

Tourism Infrastructure Working Group

Pilbara Regional Innovation Network

Pilbara Tourism Roundtable

Port Hedland Industry Council Community Industry Forum

Spoilbank Marina Taskforce, Arts Advisory and Communications working groups

Port Hedland CCI Economic Development Strategy Steering Group

Port Hedland Cross-Government Senior Officers and Communications working groups

Port Hedland Voluntary Buy-Back Scheme

Murujuga Tourism Advisory Group

Millstream-Chichester Eco Retreat Business Case Development Group

Karratha Small Business Working Group

Karratha Hydrogen Technology Cluster

KDCCI Quarterly Business Roundtable

Newman Health Service Project Working Group and Arts Advisory Working Party

“They support the establishment of projects through funding, and I am particularly grateful that they support projects that are outside of the square.”

Comment about the Commission made by respondents to the **2021 stakeholder survey**

“They understand the value of mining and at same time are aware of long-term needs beyond mining.”

Comment about the Commission made by respondents to the **2021 stakeholder survey**

“Staff are very cooperative, and they can walk in both worlds, both community and Government.”

Comment about the Commission made by respondents to the **2021 stakeholder survey**

The Commission worked with partners during the year to build the Martu Student Hostel in Newman

2020-21 annual stakeholder survey results

Performance indicator	2019	2020	2021	% change from 2020
The Pilbara Development Commission makes a positive contribution to economic and social development of the Pilbara	94%	97%	98%	Δ1%
The Pilbara Development Commission's support to industry and enterprise makes a positive contribution to regional development	90%	97%	98%	Δ1%
Pilbara Development Commission staff provide professional, timely and helpful services	93%	95%	97%	Δ2%
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	80%	81%	90%	Δ9%
I understand the role and purpose of the Pilbara Development Commission	94%	98%	100%	Δ2%
The Pilbara Development Commission demonstrates excellence in its decisions, behaviours and actions	88%	96%	97%	Δ1%
The Pilbara Development Commission acts ethically, honestly and with transparency	92%	98%	99%	Δ1%
The Pilbara Development Commission staff are positive and supportive of stakeholders and the community	95%	98%	99%	Δ1%
The Pilbara Development Commission connects and collaborates with stakeholders to inform strategic decision making	91%	94%	95%	Δ1%
The Pilbara Development Commission inspires, leads and delivers outcomes that make a difference for the region	89%	95%	96%	Δ1%
The Pilbara Development Commission with its focus on regional development, makes a positive contribution to economic and social development of the Pilbara (new statement in 2020)	NA	96%	98%	Δ2%

Training

Number of staff who participated

Professional development	6
Project management	3
Middle manager training	6

"In my role with the Commission I love that I can bring life to data and statistics, giving them more value and real life meaning, as well as collaborate with government and industry stakeholders to better our region's future."

Jacoba Seccull, Regional Development Officer
Pilbara Development Commission

Staff profile:

Jacoba Seccull Regional Development Officer

Joining the Commission in May 2020 from the City of Karratha, where she worked in the City's economic development team, Regional Development Officer Jacoba Seccull works with the Commission's Directors to collect and analyse data, respond to stakeholders and recommend strategic actions on a range of issues, including housing, early childhood education and business development.

With oversight provided by Director Michael Heap, Ms Seccull is the researcher behind the Commission's extremely popular Pilbara Investment Snapshot and Pilbara Economic Snapshot series, as well as the Commission's sought-after Housing and Land and Commercial Property Summaries, all of which are available to the public on the Commission's [website](#).

During 2020-21, Ms Seccull also worked closely with Director Trish Barron on exploring solutions to early childhood education and care shortages in the Pilbara, including facilitating workshops and interviews with local providers. She also took advantage of professional development opportunities at the Commission, including undertaking courses in project management and through AIM WA.

In December, the Commission supported Ms Seccull's appointment to the Young Professionals Committee for the [Institute of Public Administration Australia WA](#), which is focused on supporting and empowering young professionals and facilitating events where they can connect and share knowledge with other each other and senior leaders in the public sector.



Jacoba Seccull

Goal 4: Deliverables achieved

- ✔ Effectively communicated the Commission's role
- ✔ Supported opportunities that align with regional priorities
- ✔ Published housing, land, investment and economic output summaries and snapshots
- ✔ Worked with innovation hubs and linked cross-regional and inter-regional initiatives
- ✔ Provided timely and relevant information to stakeholders
- ✔ Applied successfully for regional development funding to support transformational projects
- ✔ Most staff have updated their MyPlan including Code of Conduct discussion
- ✔ Organisational values reviewed and discussed at staff planning days and meetings
- ✔ Professional development opportunities supported
- ✔ Annual audits and report completed
- ✔ Board meetings held regularly with timely, topical and concise papers
- ✔ Ministerial requests met on time and accurately
- ✔ Led and participated in committees and taskforces as required
- ✔ Provided support for ministerial events and visits

✔ Completed Projects ⚙️ In Progress

“They help us Indigenous people liaise directly with the higher levels of government so the real decision makers understand our issues.”

Comment about the Commission made by respondents to the 2021 stakeholder survey

Summary of key performance indicators

Outcome: The enhancement of the Pilbara region's economic and social development.

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.



Key Efficiency Indicator:

Average operational costs per hour.



Significant issues impacting the agency

Current and emerging issues and trends

The start of the 2020-21 financial year saw WA emerging from COVID-19 related restrictions. The hard border with other States remained in place for the first half of the year, until November saw residents from States and Territories deemed 'very low risk' being able to enter Western Australia without undertaking quarantine. Border rules continued to change depending on circumstances and except for restrictions on international travel and a handful of short lockdowns, as of 30 June, life in WA has slowly returned to a new normal.

Increased demand from China for iron ore, where construction is being used as a primary economic stimulus, and ongoing supply issues in Brazil have seen records for the State's biggest export broken. Gold, seen as a safe-haven investment in uncertain times, has also seen significant increase in activity throughout the region. Effective collaboration between Government and industry has enabled the resources sector to maintain operations and take advantage of these conditions. Given mining's dominant role in WA, this activity has resulted in a jobs boon which has flowed all the way through the economy.

The future of the region looks bright, with investment in new and expansion projects in the Pilbara showing little sign of decreasing. More than \$170 billion worth of projects are either under construction, committed and under consideration for commencement in the next decade. These

projects include major investments in new iron ore mines and gas fields, but significantly also include investments in new industries such as renewable hydrogen for export, chemical manufacturing, and mining of other critical and rare earth minerals.

It is with this knowledge that the Pilbara is set for a critical time in its history. Diversification of the economy will be vital to securing a prosperous future for the Pilbara and WA. Tourism visitation continues to grow in the region as record numbers of travellers are making their way around WA, due to international border restrictions preventing residents holidaying overseas. Agriculture and aquaculture sectors both have significant opportunity for growth to capitalise on the Pilbara's natural assets. Arts and culture and mine repurposing are also emerging as key growth sectors for the region.

However, the next decade will not be without challenges. The cost of accommodation in the Pilbara is rising and is forcing lower paid workers to consider the economic viability of remaining in the region. With the resources industry able to absorb higher costs due to large revenues and economies of scale, it is the emerging industries and community services which will be hit first and hit hardest.

Skills shortages will continue to adversely impact the region. More than 1,500 jobs are currently advertised in the

Pilbara, the highest number since 2014. With candidate availability at the lowest level on record, the ability to fill these critical roles will not be an easy task. The fight for skilled workers may force wages upwards, along with the cost of living. Upskilling and training of our existing workforce as well as accessing new labour pools will be critical to the region's growth.

Further development of the Pilbara's economy will also be underpinned by the region's ability to attract new businesses and investors to the region. Projects aimed at reducing the cost of doing business – particularly logistics and energy – will have significant benefits for Pilbara. Establishing a strong freight network will ensure the Pilbara's businesses and communities have reliable and affordable access to goods and services and will underpin the capacity to move goods and services efficiently into and around the region.

The WA Regional Freight Transport Plan identified the completion of the Karratha-Tom Price Road as the top road infrastructure priority for the Pilbara. The Commission is pleased to see that Stage 3 of the road is now complete, and the Federal Government has committed to complete Stage 4 of the road, with construction to commence in 2021. The Commission is also excited to see that three shipping companies have now established direct sea freight routes between Singapore and Port

Hedland/Dampier, with a fourth company soon to begin their service.

A consistent and reliable energy supply is integral to regional areas, and investment in technology improvements such as microgrids, energy storage and renewable energy means it is becoming easier for remote and off-grid operations to look after their own energy needs. This change will drastically reduce the cost of doing business in more remote areas of the Pilbara and open new opportunities for diversification.

The Pilbara was identified by the International Energy Agency as one of the top six locations in the world for developing large-scale renewable energy projects. Developing a large-scale renewable energy industry would not only create new regional employment but has the potential to dramatically reduce the cost of power, creating a major competitive advantage for the region in attracting new projects and businesses.

Access to land, for both residential and industrial uses, will continue to underpin the region's ability to grow. Many of the region's infrastructure assets are fragmented and/or in private ownership while much of the region's land is subject to native title. The future development of the Pilbara will hinge on the ability of Government, industry and Traditional Owner groups to work collaboratively for shared gain.

Economic trends

The new financial year saw the Australian economy go into recession for the first time in nearly 30 years, with the country's Gross Domestic Product (GDP) falling 7 per cent in the June quarter. A strong recovery in the past twelve months has seen the country pull out of recession, with GDP growth of 1.1 per cent in the year to March 2021.

Despite the conditions faced by businesses over the past 12 months, WA's unemployment rate has reached record lows. In March 2021, the unemployment rate of 4.8 per cent was the lowest of all the States and the lowest unemployment rate in WA since December 2013. The Pilbara's contribution to this recovery cannot be overstated, as it continues to be an economic powerhouse for the State and national economies.

The Pilbara region's Gross Regional Product (GRP) of \$57.3 billion as at June 2021 represents a more than 20 per cent increase over the past 12 months and the Pilbara now accounts for more than 40 per cent of regional WA's total GRP. Unemployment in the Pilbara is around 2.4 per cent, the lowest in the State and 100 per cent of jobs lost due to previous COVID-19 restrictions have now been recovered.

The more than \$170 billion worth of projects either committed or under consideration for the Pilbara over the next ten years could together create more than 40,000 construction jobs and a further 12,000 new operational roles.

Social trends

Over the past 10 years there has been significant government and private investment in transforming the Pilbara's key regional communities into liveable cities and towns with improved access to quality health and education services as well as modern community amenity.

As a result more and more people are choosing to call the Pilbara home with a 16 per cent growth in population from 2008 to 2020. At the same time a shift in demographics has seen young people making up an increasing portion of

the region's population. More than 60,000 people now call the Pilbara home and on the surface the region is prosperous and wealthy with a low unemployment rate and high income.

The renewed growth in the economy is creating a higher demand for early years education and care, particularly to support women returning to the workforce and is affecting the social and economic equilibrium of the region. Over the next few years significant work will need to be undertaken to address some of the key issues including access to affordable housing, workforce and skills development and the high cost of living.

In addition, greater emphasis will be needed on improving socioeconomic outcomes for the Pilbara's Aboriginal communities who make up around 14 per cent of the region's population. A number of State and Federal Government policies aimed at supporting better outcomes for Aboriginal people are gaining traction in the Pilbara, with a strong focus on improvements in business development, skills and training and employment outcomes.

However, the 2020 Closing the Gap progress report identifies that a number of key targets are not on track across the country including improvements in reading, writing and numeracy, school attendance, employment rates and life expectancy. These are relevant to the Pilbara and particularly the region's remote and very remote communities.

The Commission is continuing to work with Aboriginal people in the region with a focus on improving the Closing the Gap results in education and employment, and to ensure that they achieve the same level of access to health and human services to support improved wellbeing and quality of life.

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

The Commission is looking forward to 2021-22 after realigning priorities and resources in the past year to strongly contribute to the COVID-19 response and then the development and delivery of COVID recovery initiatives.

The Commission will continue to focus on its Strategic Plan. It is a plan that is focussed on meeting the Commission's statutory objectives, delivering government priorities and further progressing the community and economic development of the region. We look forward to working with the Commission Board and to their contribution in shaping our direction.

To deliver we will work with our Minister and regional stakeholders, and focus on:

Reducing the cost of doing business in the region;

Attracting and providing support to new businesses looking to set up in the region;

Providing current and relevant information on the regional economy;

Working to further diversify the regional economy;

Implementation of the fourth round of Regional Economic Development grants;

Continued Aboriginal advancement, especially working with Traditional Owners to build capacity and increase local Aboriginal employment in all sectors, including Government;

Delivery of initiatives in our Creative and Cultural Strategy;

Delivering the Town Based Reserves Project;

Delivering the Martu student hostel in Newman; and

Better utilisation of the conservation estate for regional interpretation and visitation.

The Commission looks forward to having a full complement of talented staff early in the year, and we look forward to applying their skills and passion for regional development to delivering on our focus areas. Our annual survey of stakeholders showed that our reputation remains very positive with stakeholders and partners, which will underpin us meeting the objectives and requirements of the RDC Act.

The Commission expects to meet its key performance indicators, legislative, government policy, budgetary requirements and audit requirements.

Disclosures and legal compliance

Auditor General Report



Auditor General

INDEPENDENT AUDITOR'S OPINION

2021

Pilbara Development Commission

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

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

the Statement of Financial Position at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended

Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Pilbara Development Commission for the year ended 30 June 2021 and the financial position at the end of that period

in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

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

I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Board for the financial statements

The Board is responsible for:

keeping proper accounts

preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions

such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for:

assessing the entity's ability to continue as a going concern

disclosing, as applicable, matters related to going concern

using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Pilbara Development Commission. The controls exercised by the Commission are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Pilbara Development Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2021.

The Board's responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Pilbara Development Commission for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Pilbara Development Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2021.

The Board's responsibilities for the key performance indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control it determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality control relating to the reports on controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

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

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

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

This auditor's report relates to the financial statements, controls and key performance indicators of the Pilbara Development Commission for the year ended 30 June 2021 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.



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

Certification of Financial Statements

For the reporting period ended 30 June 2021

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 2021 and the financial position as at 30 June 2021.

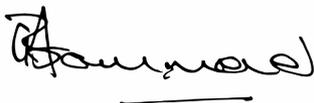
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Carolyn Gibbon
Chief Finance Officer
30 August 2021



Terry Hill
Chief Executive Officer
30 August 2021



Brendan Hammond
Chairman of the Board
30 August 2021

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Statement of Comprehensive Income

For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1(a)	307	302
Supplies and services	2.3	3,002	2,910
Depreciation and amortisation expense	4.1, 4.2, 4.3	77	72
Finance costs	6.2	2	2
Grants and subsidies	2.2	55	-
Other expenses	2.3	16	52
Total cost of services		3,459	3,338
Income			
Other income	3.2	15	150
Total income		15	150
NET COST OF SERVICES		3,444	3,188
Income from State Government			
Income from other public sector entities	3.1	478	266
Resources received	3.1	2,808	2,756
Total income from State Government		3,286	3,022
SURPLUS/(DEFICIT) FOR THE PERIOD		(158)	(166)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(158)	(166)

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

Statement of Financial Position

As at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6.3	739	801
Restricted cash and cash equivalents	6.3	308	305
Receivables	5.1	17	57
Other current assets	5.3	-	1
Total Current Assets		1,064	1,164
Non-Current Assets			
Restricted cash and cash equivalents	6.3	8	8
Amounts receivable for services	5.2	48	48
Property, plant and equipment	4.1	1	2
Intangible assets	4.2	-	-
Right-of-use assets	4.3	28	67
Total Non-Current Assets		85	125
TOTAL ASSETS		1,149	1,289
LIABILITIES			
Current Liabilities			
Payables	5.4	68	26
Lease liabilities	6.1	16	63
Employee related provisions	2.1(b)	130	116
Total Current Liabilities		214	205
Non-Current Liabilities			
Lease liabilities	6.1	13	4
Total Non-Current Liabilities		13	4
TOTAL LIABILITIES		227	209
NET ASSETS		922	1,080
EQUITY			
Contributed equity	8.9	353	353
Accumulated surplus/(deficit)		569	727
TOTAL EQUITY		922	1,080

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

Statement of Changes in Equity

For the year ended 30 June 2021

	Notes	Contributed equity \$'000	Accumulated surplus \$'000	Total equity \$'000
Balance at 1 July 2019		353	893	1,246
Deficit		-	(166)	(166)
Total comprehensive income for the period		-	(166)	(166)
Balance at 30 June 2020	8.9	353	727	1,080
Balance at 1 July 2020		353	727	1,080
Deficit		-	(158)	(158)
Total comprehensive income for the period		-	(158)	(158)
Balance at 30 June 2021	8.9	353	569	922

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

Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Funds from other public sector entities		478	266
Net cash provided by State Government		<u>478</u>	<u>266</u>
<i>Utilised as follows:</i>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(290)	(282)
Supplies and services		(159)	(211)
Finance costs		(2)	-
Grants and subsidies		(55)	-
GST payments on purchases		(16)	(42)
Other payments		(16)	(42)
Receipts			
GST receipts on sales		6	43
GST receipts from taxation authority		9	3
Other receipts		61	126
Net cash used in operating activities		<u>(462)</u>	<u>(405)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(75)	(72)
Net cash used in financing activities		<u>(75)</u>	<u>(72)</u>
Net decrease in cash and cash equivalents		(59)	(211)
Cash and cash equivalents at the beginning of the period		1,114	1,325
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.3	<u>1,055</u>	<u>1,114</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 30 August 2021.

Statement of compliance

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

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

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

Basis of preparation

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

Judgements and estimates

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

Comparative figures

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

Contributed equity

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

2. Use of Our Funding

Expenses incurred in the delivery of services

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

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

Notes to the financial statements

2.1. (a) Employee benefits expenses

	2021 \$'000	2020 \$'000
Employee benefits	276	274
Superannuation - defined contribution plans	31	28
Total employee benefits expenses	307	302
Add: AASB 16 Non-monetary benefits	78	72
Net employee benefits	385	374

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

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

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

2.1. (b) Employee related provisions

	2021 \$'000	2020 \$'000
Current		
<u>Employee benefits provisions</u>		
Annual leave	33	25
Long service leave	92	86
Deferred salary scheme	3	3
	<u>128</u>	<u>114</u>
<u>Other provisions</u>		
Employment on-costs	2	2
Total current employee related provisions	130	116
Total employee related provisions	130	116

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.

Notes to the financial statements

Employment on-costs are included as part of 'other expenses, Note 2.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Commission's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2021 \$'000	2020 \$'000
Employment on cost provision		
Carrying amount at start of period	2	1
Additional/(reversals of) provisions recognised	-	1
Carrying amount at end of period	<u>2</u>	<u>2</u>

Key sources of estimation uncertainty- long service leave

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

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

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

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

2.2. Grants and Subsidies

	2021 \$'000	2020 \$'000
Non Public organisations	<u>55</u>	<u>-</u>

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

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

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

2.3. Other expenditure

	2021 \$'000	2020 \$'000
Supplies and services		
Board fees	94	70
Consultants and contractors	12	18
Consumables	34	7
Travel	52	48
Other	2	11
Resources provided free of charge by DPIRD ^(a)	2,808	2,756
Total supplies and services expense	<u>3,002</u>	<u>2,910</u>
Other expenses		
Audit fees	12	25
Building and infrastructure maintenance	3	-
Donations and sponsorships	-	11
Other expenses	1	16
Total other expenses	<u>16</u>	<u>52</u>
Total other expenditure	<u>3,018</u>	<u>2,962</u>

Notes to the financial statements

- (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.

3. Our Funding Sources

How we obtain our funding

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

	Notes
Income from State Government	3.1
Other income	3.2

3.1. Income from State Government

	2021 \$'000	2020 \$'000
Income received from other public sector entities during the period:		
- Department of Primary Industries and Regional Development - operational funding	478	266
Total grants and subsidies	478	266
Resources received from other public sector entities during the period:		
- Services received free of charge ^(a)	2,808	2,756
Total resources received	2,808	2,756
Total income from State Government	3,286	3,022

- (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

	2021 \$'000	2020 \$'000
Other sundry income	7	-
Return of unspent grant monies	8	150
Total other income	15	150

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
Property, plant and equipment	4.1
Intangibles	4.2
Right-of-use assets	4.3

4.1. Property, plant and equipment

Year ended 30 June 2021	Computer Hardware \$'000	Plant and equipment \$'000	Total \$'000
1 July 2020			
Gross carrying amount	38	22	60
Accumulated depreciation	(38)	(20)	(58)
Carrying amount at start of period	-	2	2
Depreciation	-	(1)	(1)
Carrying amount at 30 June 2021	-	1	1
Gross carrying amount	37	21	58
Accumulated depreciation	(37)	(21)	(58)

Initial recognition

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

Subsequent measurement

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

4.1.1 Depreciation and impairment

Depreciation	2021 \$'000	2020 \$'000
Plant and equipment	1	1
Total depreciation for the period	1	1

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

Finite useful lives

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

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

Notes to the financial statements

Impairment

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

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

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. Intangible assets

Year ended 30 June 2021	Computer software \$'000	Total \$'000
1 July 2020		
Gross carrying amount	6	6
Accumulated amortisation	(6)	(6)
Carrying amount at start and end of period	<u>-</u>	<u>-</u>

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets at a minimum of \$5,000 that comply with the recognition criteria as per AASB 138.57 (as noted above) are capitalised. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

4.2.1 Amortisation and impairment

	2021 \$'000	2020 \$'000
Website	-	1
Total amortisation for the period	<u>-</u>	<u>1</u>

As at 30 June 2021 there were no Indications of impairment to intangible assets.

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

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Commission have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

Notes to the financial statements

The estimated useful lives for each class of intangible asset are:

- Software (not integral to the operation of related hardware) 3 to 5 years
- Website costs 3 to 5 years

Impairment of intangible assets

Intangible assets with finite useful lives are tested for Impairment annually or when an Indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1.

4.3. Right-of-use assets

	2021 \$'000	2020 \$'000
Buildings	4	67
Vehicles	24	-
Net carrying amount	<u>28</u>	<u>67</u>

Additions to right-of-use assets during the 2021 financial year were \$36,000 (2020: \$67,000).

Initial recognition

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

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

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

Subsequent Measurement

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

Depreciation and impairment of right-of-use assets

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

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

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

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

	2021 \$'000	2020 \$'000
Residential accommodation	64	63
Vehicles	12	7
Total right-of-use asset depreciation	<u>76</u>	<u>70</u>
Lease interest expense (included in Finance Cost)	2	2

The total cash outflow for leases in 2021 was \$78,000 (2020: \$70,000).

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

The Commission has leases for vehicles and residential accommodations.

The Commission has also entered into 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.

Notes to the financial statements

The Commission recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

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

5. Other Assets and Liabilities

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

	Note
Receivables	5.1
Amounts receivable for services	5.2
Other assets	5.3
Payables	5.4

5.1. Receivables

	2021 \$'000	2020 \$'000
Trade receivables	5	53
GST receivable	12	4
Total current receivables	17	57

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)

	2021 \$'000	2020 \$'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.

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

5.3. Other assets

	2021 \$'000	2020 \$'000
Prepayments	-	1
Total current other assets	-	1

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.4. Payables

	2021 \$'000	2020 \$'000
Trade payables	62	20
Other payables	3	4
Accrued expenses	-	2
Accrued salaries	3	-
Total current payables	68	26

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

Notes to the financial statements

6. Financing

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

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

6.1. Lease Liabilities

	2021	2020
	\$'000	\$'000
Current	16	63
Non-current	13	4
	<u>29</u>	<u>67</u>

Initial measurement

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

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

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

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

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

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

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

Subsequent measurement

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

6.2. Finance costs

	2021	2020
	\$'000	\$'000
Lease interest expense	<u>2</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.

Notes to the financial statements

6.3. Cash and Cash Equivalents

	2021 \$'000	2020 \$'000
Non-restricted cash and cash equivalents	<u>739</u>	<u>801</u>
Royalties for Regions Fund Projects Restricted cash		
Regional Grant Scheme	297	297
Local Projects Local Jobs 2016-17	7	4
Community Chest Grants Scheme	<u>4</u>	<u>4</u>
Current restricted cash and cash equivalents	<u>308</u>	<u>305</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>1,055</u>	<u>1,114</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

7.1. Financial Instruments

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

	2021 \$'000	2020 \$'000
<u>Financial assets</u>		
Cash and cash equivalents	1,055	1,114
Financial assets at amortised cost ^(a)	<u>53</u>	<u>101</u>
Total financial assets	<u>1,108</u>	<u>1,215</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost ^(b)	<u>97</u>	<u>93</u>
Total financial liabilities	<u>97</u>	<u>93</u>

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

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

7.2. Contingent assets and liabilities

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

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

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

Notes to the financial statements

8. Other Disclosures

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

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

8.1. Events occurring after the end of the reporting period

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

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

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

AASB 1059 Service Concession Arrangements: Grantors

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

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

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

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

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

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

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

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

AASB 2020-4 COVID-19-Related Rent Concessions

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

Notes to the financial statements

8.3. Key management personnel

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

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

Compensation band (\$)	2021	2020
Compensation of members of the accountable authority		
70,001 - 80,000	1	1
10,001 - 20,000	1	-
0 - 10,000	4	2
Compensation of senior officers (\$)		
340,001 - 350,000	-	1
290,001 - 300,000	1	-
190,001 - 200,000	-	1
180,001 - 190,000	1	-
170,001 - 180,000	1	-
120,001 - 130,000	-	1
	2021	2020
	\$'000	\$'000
Short-term employee benefits	652	653
Post-employment benefits	58	50
Other long-term benefits	56	50
Total compensation for members of the accountable authority and senior officers	766	753

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

8.4. Related party transactions

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

Related parties of the Commission include:

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

Material transactions with other related entities

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

8.5. Related bodies

The Commission had no related bodies during the reporting period.

8.6. Affiliated bodies

The Commission had no affiliated bodies during the reporting period.

Notes to the financial statements

8.7. Special purpose accounts

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

8.8. Remuneration of auditors

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

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

8.9. Equity

	2021 \$'000	2020 \$'000
<u>Contributed equity</u>		
Balance at start and end of year	<u>353</u>	<u>353</u>

8.10. Supplementary financial information

(a) Write-offs

There were no write-offs during the financial year.

(b) Losses through theft, defaults and other causes

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

(c) Gift of public property

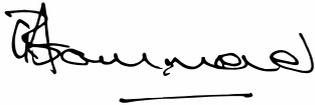
There were no gifts of public property during the financial year.

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 2021.



Brendan Hammond
Chairman
30 August 2021



Terry Hill
Chief Executive Officer
30 August 2021

Detailed information in support of key performance indicators

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. 116 stakeholders were identified, comprising of Local, State and Commonwealth agencies, as well as private entities and non-government agencies. A total of 101 completed surveys were obtained from this client contact list (a response rate of 87%), 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 2018	Actual 2019	Actual 2020	Target 2021	Actual 2021
Client satisfaction that the Pilbara Development Commission is effective in meeting its service objectives.	92%	92%	96%	92%	98%

Key efficiency indicators

The key efficiency performance indicator measures 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 2018	Actual 2019	Actual 2020	Target ² 2021	Actual 2021
Average operational costs ¹ (Excluding Grants) per Working hour	\$150	\$190	\$178	\$183	\$180

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 \$3 between target and actual is mainly due to:

- Target net cost of services being 9% above actual as a result of budgeted depreciation being overstated increasing target average cost per hour, and
- The commission actual hours were 4% lower than target mostly as a result of vacancies existing during the year.

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 2018	Actual 2019	Actual 2020	Target ² 2021	Actual 2021
Average operational costs ¹ (Excluding Grants) per Working hour	\$100	\$127	\$119	\$122	\$120

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 \$2 between target and actual is mainly due to:

- Target net cost of services being 9% above actual as a result of budgeted depreciation being overstated increasing target average cost per hour, and
- The commission actual hours were 4% lower than target mostly as a result of vacancies existing during the year.

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;

Disability Services Act 1993;

Financial Management Act 2006;

Industrial Relations Act 1979;

Occupational Safety and Health Act 1984;

Salaries and Allowances Act 1975;

State Supply Commission Act 1991.

Auditor General Act 2006;

Equal Opportunity Act 1984;

Freedom of Information Act 1992;

Minimum Conditions of Employment Act 1993;

Public Sector Management Act 1994;

State Records Act 2000;

Shared responsibilities with other agencies

The Commission did not share any responsibilities with other agencies in 2020-21.

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

The Commission did not have any incomplete capital projects at the end of the reporting period, nor did the Commission complete any capital projects during the reporting period.

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 2020	As at 30 June 2021
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

Workers' compensation

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

Contracts with senior officers

As at the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Pilbara Development Commission other than normal contracts of employment of service.

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.

2020-21 \$

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

Board remuneration

Pilbara Development Commission Board 2020-21

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Brendan Hammond	Annual	12 months	\$63,000
Deputy Chair	Tim Larkin	Annual & per meeting	12 month	\$5,539.84/annum & \$6,833
Board Member	Geraldine Parsons	Per meeting	12 months	\$4,135
Board Member	Sara Slattery	Per meeting	12 months	\$2,050
Board Member	Marg Bertling	Per meeting	12 month	\$4,135
Board Member	Brett Ellacott	Per meeting	12 month	\$6,623
CEO	Terry Hill	N/A	12 months	-
TOTAL				\$70,613

Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the Commission incurred no expenditure in advertising, market research, polling, direct mail and media advertising.

Expenditure	Total
Advertising	Nil
Market research	Nil
Polling	Nil
Direct mail	Nil
Media advertising	Nil
TOTAL	Nil

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 Commission's 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. The Commission will review the efficiency and effectiveness of its record keeping system in 2021-22.

Multicultural plan

In February, the Board approved the Commission's [Multicultural Plan 2021-24](#), which was developed in compliance with the Western Australian Multicultural Policy Framework. The plan is available with other corporate documents on the Commission's website.

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
	2019-20	2019-20	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 OS&H responsibilities is nil.

Government building training policy

The Commission has a commitment to the Government Building Training Policy. The Commission was not responsible for building construction or maintenance of a greater duration than three months and greater value than \$2 million.



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

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