

It's an honour to present the 2017-18 Annual Report, my first as Chairperson of the Pilbara Development Commission.

The Pilbara region is steeped in history that has shaped our nation, from ancient Aboriginal culture to the discovery of iron ore. When you speak to any West Australian about the Pilbara you will quickly unearth a unique story or connection they have to the region. Perhaps they moved to the Pilbara as a child in the 60's when towns like Newman and Tom Price were just being established, or they undertook their teaching internship at Port Hedland High School, or maybe they had a chance meeting with the infamous Red Dog. It's without a doubt the Pilbara has a far-reaching impact not only across WA, but Australia.

I'm proud to have a long history with the region and have enjoyed reconnecting with the red earth country over the last 12 months. During this time, I've been reminded of the tenacity of Pilbara communities and businesses, their resilience, and their contemporary approach to development. It's these characteristics that will serve us well in the pursuit of long term, sustainable economic growth.

The Pilbara has been an economic powerhouse for decades, providing jobs and wealth for all West Australians. With more than \$100 billion worth of projects either committed or under consideration in the region over the next ten years, the next wave of major investment is already on the horizon.

Despite the prosperity and strong outlook for the resources sector, the Pilbara faces the challenge of being the least economically diverse region in WA. The dominance of the mining and resources sector has delivered prosperity and wealth to the state, however it leaves the region vulnerable to cyclical changes in global demand for resources. Building diversity in the Pilbara's economy by capitalising on the region's natural advantages and adapting to global trends will ensure the Pilbara thrives in a sophisticated 21st century economy.

Considerable progress was made during the 2017-18 financial year to address this challenge by broadening the region's economic base. We're already well on our way to proving the viability of a commercial rock oyster industry with a trial off the Dampier coast underway, and the release of a study into the feasibility of large-scale solar has attracted international attention from potential energy developers.

Meanwhile, investments in critical community infrastructure, such as the Karratha Health Campus and Paraburdoo Community Hub, continue to make the Pilbara an attractive place to live and raise a family long into the future.

Ensuring all residents of the Pilbara benefit from the region's prosperity by improving Aboriginal participation in the economy is essential to the community's wellbeing. The Commission is leading a number of projects, such as the Roebourne Victoria Hotel redevelopment, that are creating real employment and business opportunities for local and Aboriginal people that will serve as a valuable legacy for generations to come.

While so much has been achieved for the region during the financial year, a lot of work and change has also been underway behind the scenes. In July 2017, staff working for the Commission amalgamated with the newly-formed Department of Primary Industries and Regional Development, combining to form a strong and united force in regional development for WA. I would like to recognise the contribution and continued dedication of staff working for the Commission, particularly during this time of change. In particular, the strength of leadership from Chief Executive Officer Terry Hill, for his unwavering advocacy and support for the Commission and for the region. The results of the annual stakeholder survey demonstrated an increase in stakeholder satisfaction this year which is a true reflection of the professionalism and hard work of our dedicated team.

I acknowledge and thank the Minister for Regional Development, the Hon. Alannah MacTiernan, who continues to be a strong advocate for regional development and supporter of the Commission and the future of the Pilbara region.

Three Board members left the Commission during the financial year, I acknowledge the work and efforts of Chris Adams, Owen Hightower and in particular, former Chairperson Chris Gilmour. I also thank my fellow Board members for their counsel, knowledge and input which is invaluable in guiding the strategic direction of the Commission.

The communities, the businesses, both big and small, the visitors who traverse the vast landscapes; these are the people that make the Pilbara the powerhouse region it is. I am excited and optimistic about the future ahead for the Pilbara. By acknowledging our strengths and harnessing innovative thinking I am confident we will continue to be a leading example of regional development in Western Australia.

Brendan Hammond | Chairperson

Performance Highlights

The Pilbara Development Commission led and invested in a number of projects and initiatives during 2017-18 that are contributing to the sustainable development of the Pilbara.

Driving Industry Development



Pre-feasibility study into exporting solar energy from the Pilbara to Southeast Asia via subsea cable released.



Business case finalised for Living Knowledge Centre in Murujuga National Park



Pilbara's first creative and cultural forum launched.



Two beef infrastructure studies completed to support the growth of cattle production in the Pilbara.

Applications reached final stages of review for Millstream-Chichester National Park eco-tourism development through Tourism WA's Naturebank program.



Pilbara Rock Oyster Research and Development project established, and grow-out trials underway in Dampier.



Community and Economic Infrastructure



The Pilbara's first business innovation centre opened its doors in Newman.

Revised detailed design completed for Port Hedland Spoilbank Marina project.



Upgrade to Red Dog visitor information bay in Dampier completed.

Construction commenced on business innovation hubs in Port Hedland and Karratha.



Pilbara Underground Power Project reached completion in Onslow and remaining suburbs in Karratha on schedule, marking the completion of phase two of project.

Major refurbishment and new gardens completed at Yaandina Home and Community Care Centre in Roebourne.



East Pilbara Arts Centre wins National Architecture Award for public architecture.



Port Hedland Netball Pavilion redevelopment completed.

8,000

State Government building assets across the Pilbara were reviewed.

Newman Day Centre reopened its doors following a major refurbishment, enabling the Centre to providing critical health support to those most vulnerable in the community.

Red Earth Arts Precinct completed, giving Karratha a theatre for the first time since 2011.

Community Development



Aboriginal training and employment model developed for Roebourne Victoria Hotel redevelopment project to maximise local engagement.

\$7 million
State Government funding secured for education initiatives to boost student attendance and interest in school, and drive better outcomes for Aboriginal students.

Consultation undertaken with all Pilbara Town Based Reserve community and key stakeholders, and community transition plans are now in development.

Construction commenced on Paraburdoo Community Hub.

First Community Transition Plan completed under Pilbara Town Based Reserves project.

Community Investment

61 projects
shared more than
\$1.2 million
in funding through the State Government's Local Projects, Local Jobs program.

12 active projects under the Pilbara Regional Grants Scheme projects, with six reaching completion during 2016-17.

35 projects active under the Pilbara Community Chest Fund, with 24 reaching completion during 2016-17.



9 events
supported through corporate sponsorship program.

Creating Transformational Partnerships



Pilbara Regional Innovation Partnership established to identify and develop projects for funding through the State Government's New Industries Fund.

Annual survey shows
92%
of stakeholders agree the Commission is effective in meeting its objectives.

Second New Pilbara Economic Development Conference held in Perth to promote new emerging industries and investment opportunities in the region.

Commission's LinkedIn audience doubled.

Supported the Pilbara Regional Council to deliver the 2018 Pilbara Kimberley Forum.

Partnership facilitation lead to magnesium proof of site pilot plant in Karratha.

Business After Hours networking events hosted in Newman, Port Hedland and Karratha.

New partnership established with REIWA to provide data for bi-annual residential property reports.

Operational Structure

The Pilbara Development Commission is working to make the Pilbara a great place to do business, build a career, raise a family and invest long into the future. The Commission provides the regional link between government policy and planning, and regional aspirations and needs.

To achieve the organisation's mission to be the catalyst for regional development and growth, the Commission works towards four strategic goals which underpin all decision-making and provide the basis for evaluating the organisation's effectiveness. The four strategic goals are:

1. A prosperous and diverse economy
2. Vibrant and sustainable communities
3. Transformational partnerships
4. Skilled and capable people

To enable effective delivery against these strategic goals, the Commission operates with two directorates, supported by the Office of the CEO.

Economic Development, Land & Infrastructure

The Economic Development, Land and Infrastructure directorate is responsible for placing the Pilbara in the best possible position to capitalise on opportunities to attract new industries that will diversify the region's economy. A key part of enabling this diversification is ensuring access to essential economic infrastructure and development-ready land.

People, Place & Community

The People, Place and Community directorate is responsible for ensuring communities in the Pilbara have access to a high level of education, health and recreational facilities and services. Delivering a level of amenity that attracts and retains residents and builds healthy communities continues to improve the liveability of the region. The directorate also manages a number of small grant programs.

Office of the CEO

The Office of the CEO function of the Commission supports the overall strategic direction and effective management of the organisation including finance, governance and communication.

Values

The Commission is a values-driven organisation, which promotes a positive working environment making the organisation a great partner to work with. The overarching value of excellence drives a culture of continuous improvement and leadership with 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

Enabling legislation

The Commission was established under the Regional Development Commissions Act 1993, 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 Act established Regional Development Commissions in each of Western Australia's nine regions to coordinate and promote economic development to maximise prosperity and wellbeing for the regions, and for Western Australia.

The objectives of the Commission under the 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
- taking steps to encourage, promote, facilitate and monitor the economic development in the region

Responsible 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.

Organisational structure

Mission

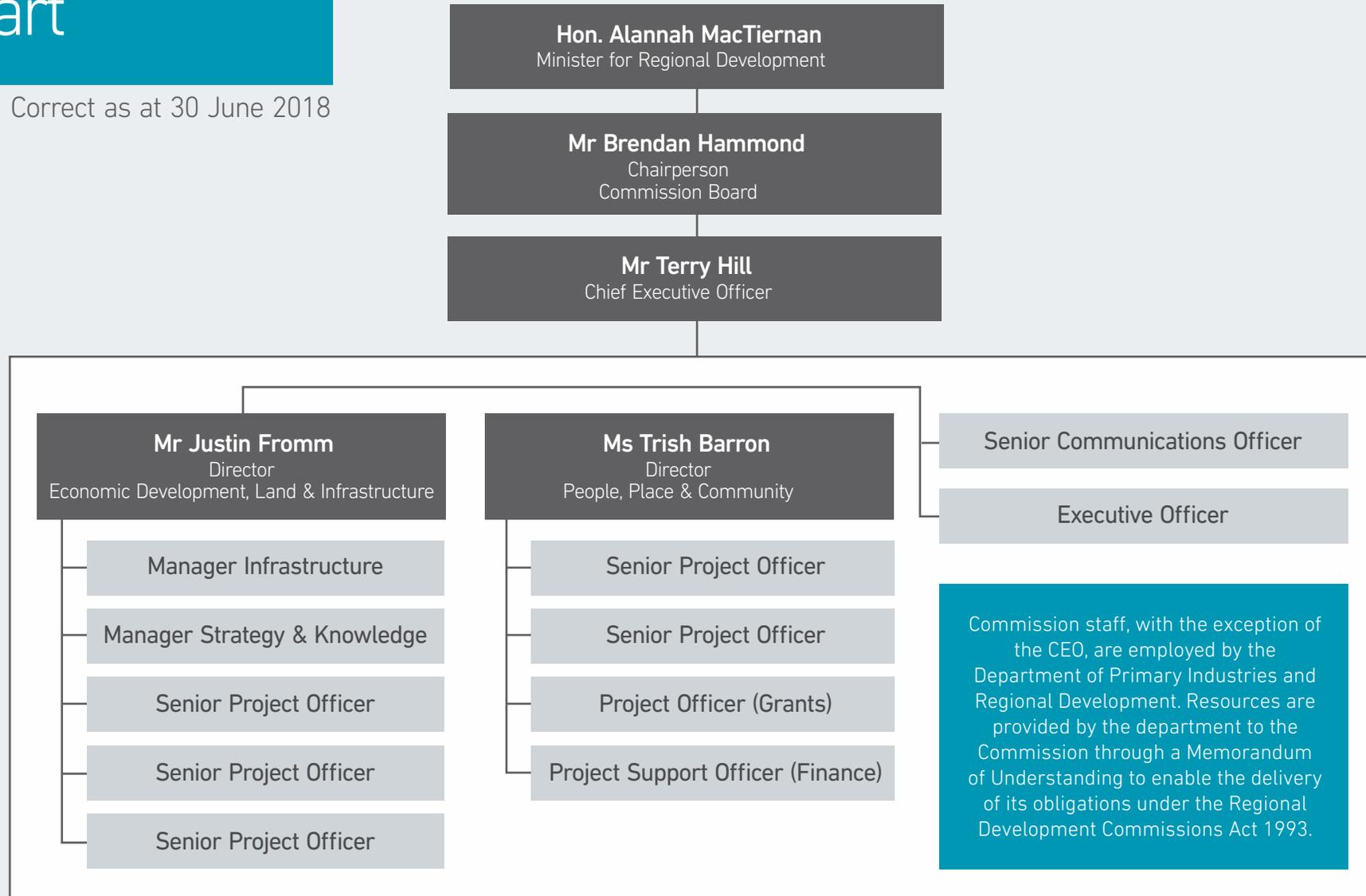
To be the catalyst for development and growth in the Pilbara.

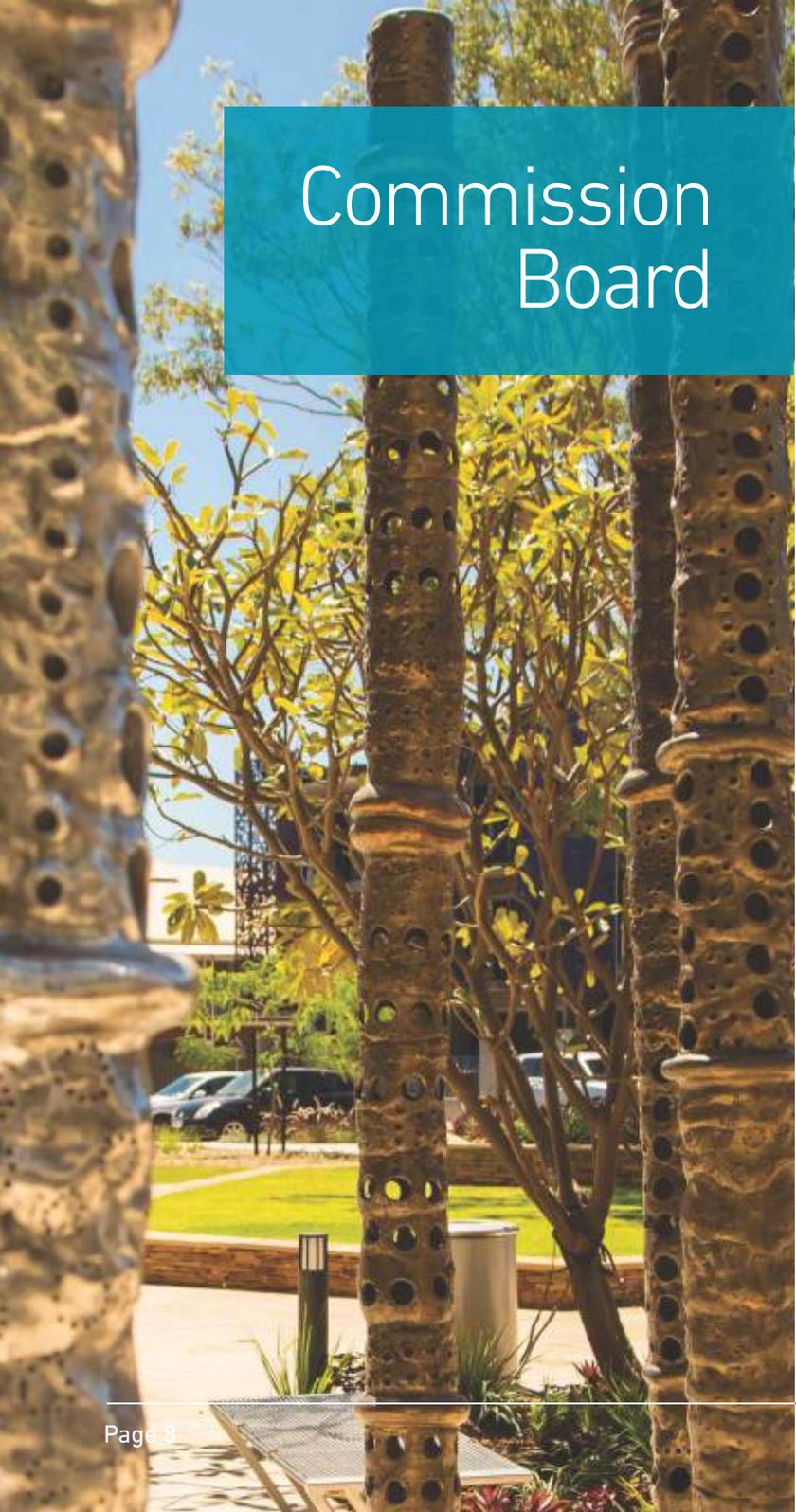
Vision

To be a progressive agency leading the development of the Pilbara.

Organisational Chart

Correct as at 30 June 2018





Commission Board

Responsible to the Minister for Regional Development, 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 seven 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.

A total of six meetings were held in 2017-18. The table below reports meeting attendance of each Board member during the reporting period, based on eligibility to attend.

Brendan Hammond	3/4	Jeton Ahmedi	4/6
Chris Cottier	5/6	Owen Hightower	4/6
Geraldine Parsons	6/6	Chris Adams	2/2
Alan Eggleston	5/6	Chris Gilmour	2/2
Julie Arif	5/6	Terry Hill	6/6

During 2017-18, Board meetings were held in Newman, Karratha, Perth and Port Hedland. Meeting in the region enables members to connect with local businesses and residents, providing members with valuable insight into the challenges and issues facing the region, and the priorities for regional development.

To maximise this opportunity, the Commission partnered with the Chambers of Commerce in Newman, Karratha and Port Hedland to host Business After Hours networking events where the Board had the opportunity to present the current activities and priorities of the Commission and network with businesses. This strategy aligns with the Commission's strategic objective to be accessible and visible in the region.

The following Board members resigned, or their term expired in 2017-18:

- Mr Chris Gilmour
- Mr Chris Adams
- Mr Owen Hightower

On 29 August 2017, amendments were made to the Regional Development Commissions Act stating the Board is required to have six (formerly nine) appointed members, comprising of two community, two local government and two Ministerial appointments. The Commission reached this revised appointment number in April 2018 through natural attrition. The number of appointed members does not include the Chief Executive Officer who is a member of the Board by virtue of office.

Board Profiles



Mr Brendan Hammond
Chairperson
Ministerial appointment
Current term 2017 – 2020

A skilled executive and senior leader, Brendan has more than 22 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 contiguous experience as a board Chairperson of listed businesses and government trading enterprises, including Horizon Power and the Dampier Port Authority. Brendan has a proven 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 International, the owner of Seymour Associates Pty Ltd, and contributes widely in the not-for-profit sector through a number of roles. In 2011, Brendan was awarded the Western Australian Citizen of the Year award for his contribution to regional development.



Mr Chris Cottier
Deputy Chairman
Community appointment
Current term 2014 – 2017

Mr Cottier has worked in various state and federal government roles across the South West, Kimberley and Pilbara and is currently BHP's Corporate Affairs Manager for the Pilbara. Mr Cottier is the current Chairperson of the North West Chamber of Minerals and Energy Committee and is an industry representative on the Hedland Senior High School Board.



Mr Terry Hill
Chief Executive Officer
Ex officio

Prior to taking up his current position as Chief Executive Officer of the Pilbara Development Commission, Mr Hill was an Executive Director at the Department of Agriculture and Food, working with the irrigated agriculture sector. Mr Hill has held a number of senior roles in the Western Australian 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.



Cr Jeton (Jay) Ahmedi

Local government appointment
Current term 2016 - 2019

Cr Ahmedi was appointed as Shire of East Pilbara Councillor (South Ward) for a four-year term. He is passionate about supporting his local community and plays an active role as Justice of the Peace and holds various volunteer positions for local junior sporting associations.



Cr Julie Arif

Local government appointment
Current term 2016 - 2019

Cr Arif is a long-term Port Hedland resident and local historian with experience in local government and regional development. Cr Arif worked in education for 22 years and is an active member of the community. She is involved with Soroptimists International, the Port Hedland Historical Society and Care for Hedland Environmental Group.



Dr Alan Eggleston

Ministerial appointment
Current term 2015 - 2018

Dr Eggleston moved to Port Hedland in 1974 establishing a private medical practice in South Hedland in 1976. Dr Eggleston was Mayor of Port Hedland before entering the Australian Senate in 1996 where he served three six-year terms. While in the Senate he participated in a number of Senate Committees and was a member of the Abbott government's Joint Select Committee on Northern Australia.



Cr Geraldine (Gerry) Parsons

Local government appointment
Current term 2016 - 2019

Cr Parsons has resided in Newman since 2000 and has served as a Councillor for the Shire of East Pilbara since 2011. Cr Parsons currently sits on the Newman Chamber of Commerce and Industry, Newman Turf Club, Newman Recreation Centre Management Committee, Newman Junior Football Council, Newman Senior High School P&C and is the secretary for the Catholic Church. She has been awarded Newman Volunteer of the Year, Newman International Women's Day recipient and is a Life Member of the Newman Tee Ball and Junior Soccer Associations. Her key focus is on sustainable growth of the Pilbara region and towns opening channels for economic development and improved infrastructure.

Board Profiles

Served on the Board in 2017-18



Mr Chris Gilmour
Chairperson
Ministerial appointment
Resigned August 2017

Mr Gilmour was appointed as Chairman of the Pilbara Development Commission on 13 October 2014. Mr Gilmour has previously held directorships at the Great Southern Development Commission and Cape Riche 1010 Committee, was Chairman of Wellstead Landcare Group, a Founding Director of the Rural Business Development Corporation, and is a graduate of the Australian Institute of Company Directors. In addition to his role with the Commission, he is also a Founding Member of Western Australian No-Till Farming Association and a Justice of the Peace.



Mr Chris Adams
Ministerial appointment
Term expired October 2017

Mr Adams has held senior executive and Chief Executive Officer roles within local government in Victoria and the Kimberley region of Western Australia and is currently the Chief Executive Officer of the City of Karratha. Previously Mr Adams was the General Manager of the Pilbara Cities Office, where he was tasked with leading the WA State Government's planned transformation of the Pilbara region from major mining powerhouse to a sustainable, attractive, diverse – yet still economically strong – region.



Mr Owen Hightower
Community appointment
Resigned April 2018

Mr Hightower is an experienced town planner, and small business owner with experience in both regional and metropolitan local governments. Formerly the Vice President of the Port Hedland Chamber of Commerce, Mr Hightower is currently a member of the Regional Development Australia Pilbara committee, and Director of RFF Australia.



Key legislation impacting on the Pilbara Development Commission

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

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

Performance Management Framework

As a Statutory Authority, the Commission has legal responsibilities in accordance with the Western Australian Regional Development Commissions Act 1993 (the Act) and operates in compliance with State Government policies.

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 high level of 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.

Outcome-Based Management Framework

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

The following table illustrates the services delivered to meet the corresponding government-desired goal.

Government goal	Stronger focus on the regions: greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.
Desired outcome	Enhancement of the Pilbara region's economic and social development
Service	1. Facilitation, coordination and governance 2. Regional promotion and information services
Efficiency indicator	Average operational costs (excluding grants) per working hour
Effectiveness indicator	Customers satisfied that the Commission is effective in meeting its service objectives

The results of the Commission's contribution to the economic and social development of the Pilbara, and the service efficiency indicators, are included in the Agency Performance section of the report.

Changes to Outcome-Based Management Framework

The Commission's Outcome-Based Management Framework did not change during 2017-18.

Shared responsibilities with other agencies

The Commission did not share any responsibilities with other agencies in 2017-18.