

SOUTH WEST DEVELOPMENT COMMISSION

493. Hon NIGEL HALLETT to the Leader of the House representing the Minister for Peel and the South West:

Page 1200 of the budget papers, the balance sheet of the South West Development Commission, shows that the commission will be technically insolvent at 30 June 2007.

- (1) Can the minister please explain how the government can do business with an organisation that it knows will be insolvent?
- (2) What responsibilities does the government have in regard to its financial dealings with the South West Development Commission?

Hon KIM CHANCE replied:

I thank the honourable member for some notice of this question.

- (1) The total equity within the South West Development Commission varies according to the position of assets and liabilities at the reporting date. The commission carries a loan portfolio liability with the Western Australian Treasury Corporation that is fully funded by Treasury, and the annual appropriation is reflected in the budget papers under item 183, capital contribution, on page 1193. The loan liability does not impact on the normal annual appropriations to fund the activities of the commission.
- (2) The government provides an annual appropriation to the South West Development Commission through the normal budget process.