

SOUTH WEST

DEVELOPMENT COMMISSION



ANNUAL REPORT 2000-2001

Regional Minister:
Hon Jim McGinty MLA
Attorney General; Minister for Justice and Legal Affairs;
Electoral Affairs; Peel and the South West

Accountable Authority:
South West Development Commission

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ANNUAL REPORT SUMMARY

This annual report provides a comprehensive analysis of the work undertaken by the South West Development Commission during 2000/2001.

Under the Act, the Commission's role is to foster the economic development of the South West Region of Western Australia.

We conduct this work through a variety of projects that are aimed at growing the region, whilst retaining the assets that make the South West the best place to live, work and invest.

The section 'Our Performance' details our work and our clients' assessment of that work. A summary of our financial performance is also provided in the section 'Financial Statements'.

Minister for Local Government and Regional Development

The Honourable Tom Stephens MLC

Minister for Housing and Works; Local Government
and Regional Development; the Kimberley, Pilbara
and Gascoyne

Sir,

In accordance with Section 66(1) of the Financial Administration and Audit Act 1985, we hereby submit for your information and presentation to Parliament, the Annual Report of the South West Development Commission, for the financial year ended 30 June 2001.

The Annual Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

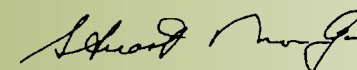
To fulfil the responsibilities required under Section 79(2) of the Financial Administration and Audit Act 1985, the South West Development Commission has complied with the following relevant written law:

Regional Development Commissions Act (1993)

Financial Administration and Audit Act (1985)

Public Sector Management Act (1994)

At the date of signing we are not aware of any circumstances which would render the particulars of this statement misleading or inaccurate.



STUART MORGAN AM
CHAIRMAN OF THE BOARD

24 August 2001



DON PUNCH
CHIEF EXECUTIVE OFFICER

24 August 2001

SOUTH WEST REGION ~ KEY FACTS

<p>The region faces the Indian and Southern Oceans in the South West corner of Western Australia and covers an area of 23 970 square kilometres.</p>
<p>Incorporates twelve local government areas: The City of Bunbury and the shires of Harvey, Dardanup, Capel, Busselton, Augusta-Margaret River, Nannup, Donnybrook-Balingup, Collie, Bridgetown-Greenbushes, Boyup Brook and Manjimup.</p>
<p>Has one of the fastest growing regional populations of Western Australia. The greatest growth is taking place in the Greater Bunbury area and the shires of Augusta-Margaret River and Busselton.</p>
<p>An estimated 126 900 people live in the South West Region.</p>
<p>Has the most diversified economy of all the State's nine regions. Activities include agriculture and horticulture; timber and forest products; mineral extraction, processing and manufacturing; retailing; tourism; construction; other manufacturing; service industries; fishing and aquaculture.</p>
<p>The South West's gross regional product grew to an estimated \$4.1 billion for 1999/2000.</p>
<p>The region's unemployment rate is consistently lower than Western Australia's overall unemployment rate.</p>
<p>The Port of Bunbury is the major export port of the South West Region. In 2000/2001, 11 million tonnes of trade passed through the Port, up from 10 million tonnes in 1999/2000 mainly due to an increase in alumina exports from the region.</p>

STATEMENT OF COMPLIANCE

<p>The South West Development Commission was established under the <i>Regional Development Commissions Act 1993</i>. As an agency of the State Government of Western Australia, the Commission is required to comply with a number of parliamentary acts in the course of its business.</p>
<p>COMPLIANCE WITH WRITTEN LAWS</p> <p>The South West Development Commission has complied with all relevant written laws including:</p> <ul style="list-style-type: none">• <i>Regional Development Commissions Act 1993</i>;• <i>Financial Administration and Audit Act 1985</i>;• <i>Public Sector Management Act 1994</i>;• <i>Equal Opportunities Act 1984</i>;• <i>Occupational Health, Safety and Welfare Act 1984</i>;• <i>State Supply Commission Act 1991</i>;• <i>Workers Compensation and Rehabilitation Act 1981</i>;• <i>Freedom of Information Act 1992</i>; and• <i>Disability Discrimination Act 1992</i>.
<p>ACCESS AND EQUITY</p> <p>The Commission has complied with the requirement to:</p> <ul style="list-style-type: none">• Develop and implement a Disability Services Plan (<i>Disability Services Act 1993</i>);• Report on initiatives as part of Government's <i>Two Year Plan for Women</i>; and• Report on initiatives as part of <i>Action - A State Government Plan for Young People 2000-2003</i>.
<p>PUBLIC SECTOR STANDARDS</p> <p>The Commission has developed policy, guidelines and processes to support compliance with public sector standards, including a code of conduct that is provided to all staff on the commencement of their employment and is readily accessible on the Commission's information network.</p> <p>Procedures designed to ensure compliance have also been put in place and regular internal assessments are undertaken as part of the Commission's internal audit program.</p> <p>No claims of breach of standards were made during the year in review.</p>

Section 1.

Our Organisation

The South West Development Commission was enacted in April 1994, under the *Regional Development Commissions Act 1993*, and is one of nine uniformly legislated agencies.

Under the Act the Commission is responsible for fostering the economic development of the South West Region of Western Australia.

OUR ORGANISATION

ESTABLISHMENT

The South West Development Commission was enacted in April 1994, under the *Regional Development Commissions Act 1993*, and is one of nine uniformly legislated agencies, each serving a different region of Western Australia. Our role under the Act is to foster the economic development of the South West Region.

The South West Region of Western Australia covers 12 local government areas. They are the City of Bunbury and the shires of Harvey, Collie, Dardanup, Capel, Donnybrook-Balingup, Bridgetown-Greenbushes, Boyup Brook, Manjimup, Nannup, Augusta-Margaret River and Busselton.

HISTORY

Prior to 1994, the South West Development Commission was known as the South West Development Authority. The Authority was established by its own act of parliament in 1984 to plan, coordinate and promote the economic and social development of the South West Region of Western Australia.

Achievements of the Authority ranged from the development of Bunbury as a regional centre through the Better Cities Project, the establishment of the Kemerton Industrial Park and the Bunbury Institute of Advanced Education (now Edith Cowan University South West Campus); through to the implementation of townscape projects in towns throughout the region and the initiation of numerous family services.

The South West Development Commission replaced the Authority with a charter more strongly focused on economic development.

The Commission continues the work of the Authority in seeking to maximise opportunities to enhance the growth of the South West Region through economic diversification and infrastructure development.

The South West Development Commission is a high profile organisation within the South West Region, which has strong alliances with all levels of government, business, industry and community organisations.

RESPONSIBLE MINISTER

During the year in review the South West Development Commission was responsible to the Minister for Regional Development, Hon Hendy Cowan MLA, and following the 2001 State election, the Minister for Local Government and Regional Development, Hon Tom Stephens MLC.

The Minister responsible for the South West Development Commission 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 Act. The Commission must give effect to such directions.

OBJECTS AND POWERS

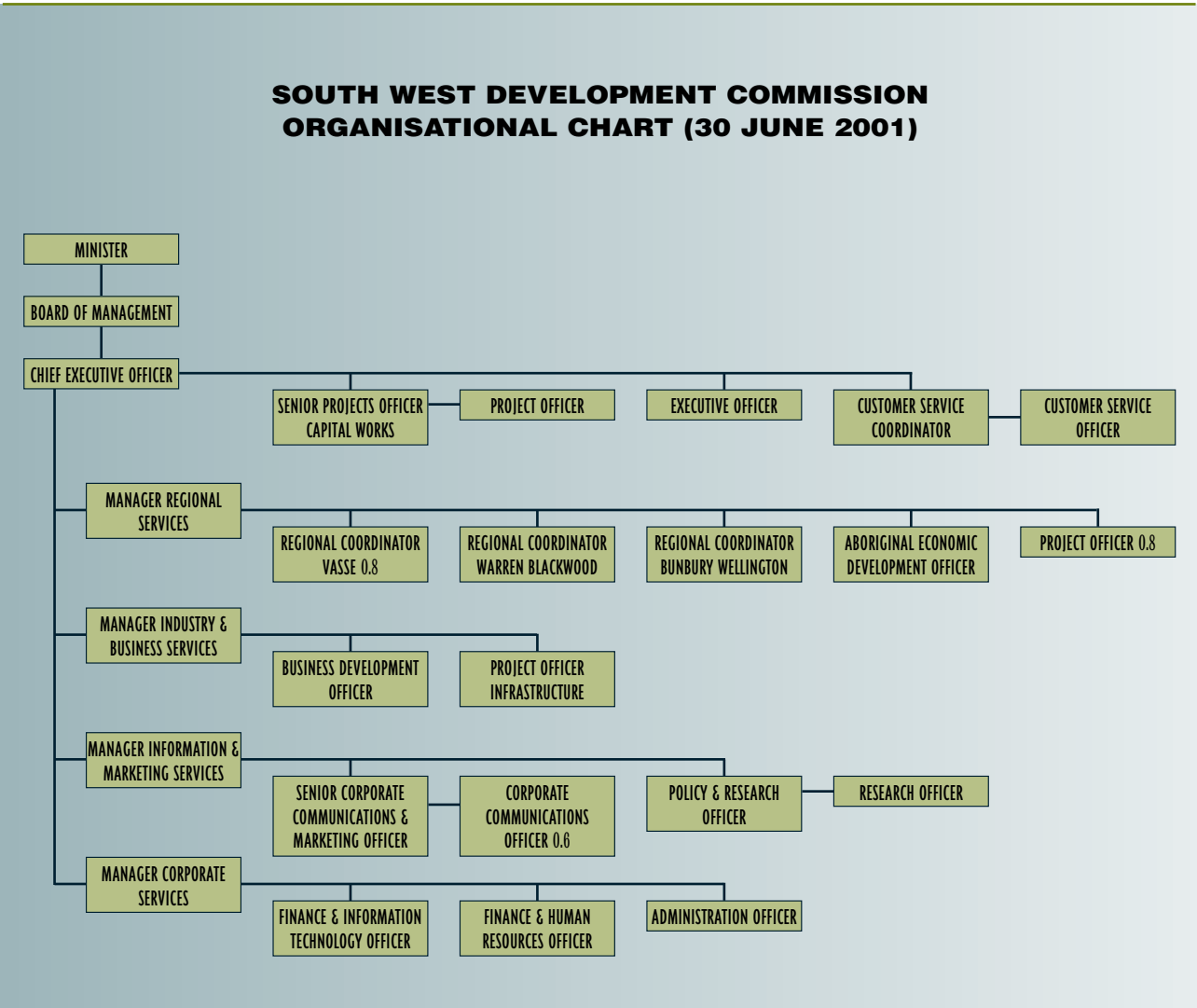
Under the Regional Development Commissions Act 1993, the objects of the Commission are to:

- Maximise job creation and improve career opportunities in the region;
- Develop and broaden the economic base of the region;
- Identify infrastructure services to promote economic and social development in the region;
- Provide information and advice to promote business development throughout the region;
- Seek 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
- Generally take steps to encourage, promote, facilitate and monitor the economic development of the region.

For the purposes of achieving those objects, the Commission is to:

- Promote the region;
- Facilitate coordination between relevant statutory bodies and State government agencies;

OUR ORGANISATION



- Cooperate with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community throughout the region;
- Identify the opportunities for investment in the region and encourage that investment;
- Identify the infrastructure needs of the region and encourage the provision of that infrastructure in the region; and
- Cooperate with departments of the Public Service of the State and the Commonwealth and other agencies, instrumentalities and statutory bodies of the State and the Commonwealth and local government authorities, in order to promote equitable delivery of services throughout the region.

STRUCTURE

- The Commission's structure is based on five areas of operation.
1. Executive Services - manages the organisation, and capital works projects.
 2. Regional Services - assists communities to grow and diversify their economic base.
 3. Industry and Business Services - assists business and industry to locate to and expand in the region.
 4. Information and Marketing Services - promotes the region and provides information for regional decision-making.
 5. Corporate Services - is the administrative arm of the Commission.

Section 2.

Our Region

The South West Region faces the Indian and Southern Oceans in the beautiful South West corner of Western Australia.

The South West has the most diverse regional economy of the State. Latest estimates value the region's gross regional product at \$4.1 billion.

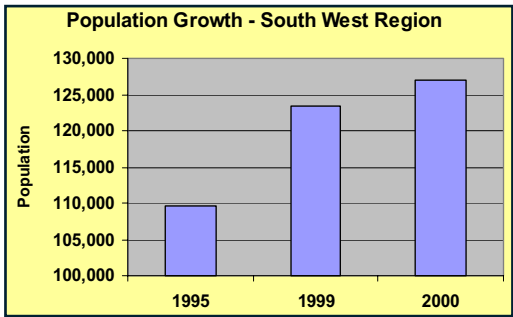


OUR REGION

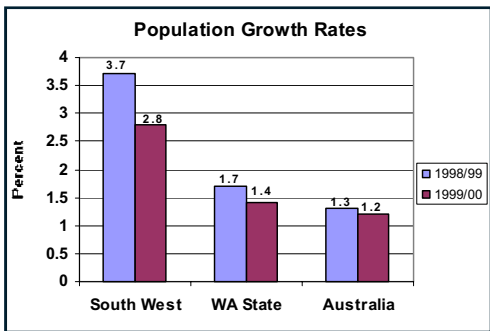
The South West Region of Western Australia is a diverse and dynamic region. Located in the South West corner of the State, the region faces the Indian and Southern Oceans and covers an area of 23 970 square kilometres.

The South West has a typically Mediterranean climate with dry summer months and generally high rainfall during winter. The region draws more intrastate, interstate and international visitors than any other region outside Perth.

Approximately a quarter of Western Australians who live outside the metropolitan area live in the South West. The region boasts a population of 126 900 people and has a growth rate well over twice that of the national average. The region's population is predicted to grow to 142 200 by 2006 and 157 300 by 2011.



Source: ABS, Estimated Resident Population, 1995-2000.

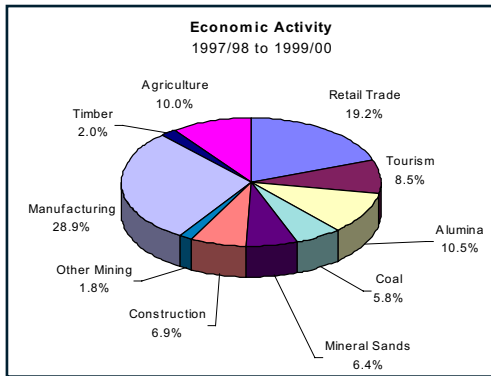


Source: ABS, Estimated Resident Population, 1998-2000.

The South West Region covers 12 local government areas, the City of Bunbury and the shires of Harvey, Collie, Dardanup, Capel, Busselton, Augusta-Margaret River, Nannup, Manjimup, Bridgetown-Greenbushes, Boyup Brook and Donnybrook-Balingup.

Principal urban centres are Greater Bunbury, Busselton, Collie and Manjimup. The City of Bunbury is the administrative, commercial, educational and cultural centre of the region and home to the Port of Bunbury. The Port handles more than 11 million tonnes of cargo annually, the main exports being alumina, woodchips and mineral sands.

The South West has a broad economic base covering agriculture; forestry; mineral extraction, processing and manufacturing; fishing; tourism; retailing and other manufacturing.



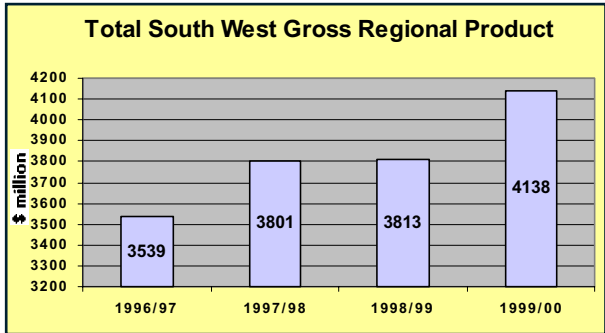
Source: Department of Commerce and Trade, 2001.

SOUTH WEST KEY ECONOMIC INDICATORS	
Agricultural Production	\$ 467 million
Mineral Extraction and Processing	\$1,121 million
- Total Coal Production	\$ 272 million
- Total Alumina Production	\$ 507 million
- Total Mineral Sands Production	\$ 244 million
Mineral Manufacturing	\$ 278 million
Unprocessed Forestry Products (value)	\$ 87 million
Forestry Products (ex-mill value)	\$ 378 million
Viticulture (value of wine grapes at farm gate)	\$ 30 million
Tourism	\$ 545 million
Retail Turnover	\$ 966 million
Total Trade through Bunbury Port	11 million tonnes

Note: Above indicators are based on the latest annual data available.

OUR REGION

The South West's gross regional product is estimated at \$4.1 billion (1999/2000).



Source: Department of Commerce and Trade, 2000.

HOW WE OPERATE IN THE REGION

Twenty-five members of staff work on a full time or part time basis to develop the South West Region of Western Australia. The majority of staff members are based at the Commission's Bunbury office. Staff members also travel widely throughout the region to ensure an accessible presence.

Three staff members are employed as regional coordinators and service the Bunbury-Wellington, Warren-Blackwood and Vasse subregions. Our coordinators provide a primary link to the Commission's services.

We also work in partnership with the region's local governments, State and Commonwealth government agencies, community organisations, and business and industry.

During the course of the year in review, growing uncertainty about the future of industries in the Warren-Blackwood subregion and coal mining in Collie, has led to renewed emphasis on the inland areas. For more information please turn to 'Our Performance'.

The Commission aims to be a responsive government agency, which is accessible throughout the South West Region. For information on how to contact the Commission, please refer to our details at the beginning of this annual report.

Section 3.

Our Role

VISION - To lead the development of the South West as a globally competitive region.

MISSION - To develop the region's economy and enhance those qualities, which make the South West the best place in which to live, work and invest.

OUR ROLE

WHO WE ARE

The South West Development Commission is a State Government funded agency, created by the *Regional Development Commissions Act 1993*. Under the Act the Commission's role is to foster the economic development of the South West Region of Western Australia.

WHAT WE DO

The Commission is a dynamic agency that aims to make a significant impact on a wide range of development issues in the region. We do this by working in partnership with other State and Commonwealth government agencies, local governments, industry, business and community groups. Our underpinning philosophy is to always seek to add value to our input of funds and staff resources into projects in the region. The projects and issues on which we work are diverse and reflect the South West community's needs and aspirations.

OUR ROLE

- We work to help business and industry establish and grow, and are committed to maximising local jobs;
- We work to support the development of communities and small towns;
- We identify gaps in government services and infrastructure, and strive to fill the gaps identified; and
- We promote the lifestyle and the unique qualities the South West Region of Western Australia has to offer, and provide information for regional decision-making.

SERVICE DELIVERY

We deliver our services through three program areas: Regional Services, Industry and Business Services, and Information and Marketing Services. The Commission also undertakes capital works programs on behalf of the State Government and is supported in its work by Corporate Services, the administrative arm of the Commission.

HELPING INDUSTRY AND BUSINESS

We seek to ensure that across the region our businesses operate in a healthy economic environment, have the capacity to withstand change and maximise opportunities for growth.

Industry and Business Services consolidates the Commission's business and industry support activities creating a climate to attract investment and once attracted, to provide a personalised service to enable business to negotiate Commonwealth, State and local government requirements.

SUSTAINING AND DEVELOPING COMMUNITIES

Regional Services works with communities to initiate and develop projects that accelerate economic development and diversification. We are committed to improving government services in the South West Region; encouraging communities to identify their needs and then assisting them address those needs.

INFORMING THE COMMUNITY

Information and Marketing Services promotes the region with the aim of attracting visitors, new residents and investors. We also provide information about the region to our customers and facilitate regional decision-making.

The Commission's role hasn't changed since the last reporting period.

OUR ROLE

CORPORATE OBJECTIVES

CORPORATE VISION

To lead the development of the South West as a globally competitive region.

CORPORATE MISSION

To develop the region's economy and enhance those qualities, which make the South West the best place in which to live, work and invest.

CORPORATE VALUES

Leadership - we will provide leadership to the region that is inspiring, motivating and relevant.

Professional Behaviour - we will act at all times with honesty, integrity and fairness, recognising the importance of being open and accountable for our actions.

Balanced Development - we will take a well planned, considered approach to our projects to ensure that the qualities of the region are enhanced for the future.

Excellence of Service - we aim to be global leaders in the area of regional development, with highly skilled personnel and a responsive attitude to our clients and stakeholders.

STRATEGIC SUMMARY

The South West Development Commission developed its 2000-2005 Strategic Plan in 1999, with an agenda to broaden the economic base of the region's inland communities and at the same time to assist Bunbury make the transition to a more global city. Balanced development throughout the South West is a key consideration to ensure the qualities that make the South West unique are preserved, and in undertaking this task staff committed themselves to a high degree of professionalism and excellence of service.

During the year in review our focus was on changes brought about by the Regional Forest Agreement and the 'Protecting Our Old Growth Forest' Policy, deregulation of the dairy industry, reducing employment in the coal mining and power generation industry, and the finalisation of works as part of the Bunbury Harbour City scheme.

A wide range of projects and services were developed during the year in review to assist the region with managing change and to take advantage of new and emerging opportunities. The changing industry profile of inland areas requires determined effort to attract and support industry that will produce jobs. In order to achieve this, the Commission will forge strong partnerships with newly created departments, such as the Department of Industry and Technology and the Office of Major Projects, and will continue to work with local governments and the business sector.

Section 4.

Chairman's Report

Chairman of the Board, Stuart Morgan, retires from his position at the end of 2001 after six years of service.



MR STUART MORGAN AM
SWDC BOARD CHAIRMAN

CHAIRMAN'S REPORT

The Commission's strategic plan is based on the view that the South West presents an alternative destination for residential and business investment to the Perth metropolitan area. The diseconomies of scale associated with continued growth of Perth justifies government consideration for significant infrastructure expenditure in relation to transport and utility services as a basis for supporting the sustainable growth of the region.

Within this strategic framework, 2000/2001 has presented the challenge of change to the South West Region of Western Australia. Whilst the region's gross regional product is now estimated to have grown to over \$4 billion per annum, the region has grappled with significant changes in agriculture, forestry, mining and power generation and a slow down in major resource projects. This has resulted in some loss of confidence within the business sector, although the Commission remains positive that the region's inherent social and economic capital will continue to support long-term sustainable growth.

The Commission's strategic plan targets five key priority areas for action. Within these priorities, a mix of services and programs has been provided to broaden the economic base of local communities, particularly within the inland and Warren-Blackwood areas. Transport and power infrastructure have been key themes together with the enhancement of the region's telecommunications base.

A renewed emphasis has been placed on local community development with many towns within the region developing local action plans. Support to establish models of social entrepreneurship within the region is a new area of activity for the Commission.

Finally, marketing strategies are being developed to promote the region to recreational and business investors. The Commission has also expanded its information and inquiry service.

THE YEAR IN REVIEW

HORTICULTURE

Research and development has supported the exploration of Collie as a new viticulture area with the Commission keen to see the development of Italian varieties of grape production as a means of diversifying the region's wine product.

Research to improve efficiency in the agricultural sector was undertaken in partnership with Agriculture Western Australia. Trials into the use of compost as a basis for reducing water and fertiliser requirements were completed during the year.

The region has a comparative advantage as a disease free area for seed potato production. Research has also assisted this sector to seek new markets.

THE DAIRY INDUSTRY

The Commission entered into a partnership with the South West Area Consultative Committee to coordinate support for the dairy industry. Direct services were provided to over a dozen farmers to assist with on-farm diversification strategies, as well as new projects commenced to assess the viability of manufacturing specialist cheese and dairy products. An alliance was also built with South West Irrigation to further the understanding of soil structure and capacity for new crop development within the Harvey and Dardanup irrigation districts.

THE WARREN-BLACKWOOD

Within the lower South West the Commission coordinated the development of the Warren Blackwood Action Statement. Under the banner of 'Its your voice', the Statement was a result of a partnership between State and local government, to identify key actions the community of the Warren-Blackwood region wanted to see adopted in response to its changing industry base. A range of actions totalling \$1.69 million was funded during the draft stage of the document.

Although the face of the restructured timber industry has yet to emerge, it will be important to support the development of new industries, which promote greater diversity within the economy of the Warren-Blackwood. The role of local government, in partnership with the State Government and business sectors is central to achieving this aim and was the primary rationale for the Commission providing funding to the Warren Blackwood Economic Alliance.

ROADS AND TRANSPORT

Efficient transport within the region is vital to the region's future. The region has a considerable asset base, the challenge is to maintain the standard of existing infrastructure and ensure new infrastructure is provided to support emerging community and industry needs. Transport links are vital and the Commission has been active in advocating for the construction of the Peel Deviation to de-bottleneck traffic flowing through Mandurah. In addition, the upgrade of the South Western Highway and the Muir Highway will remain as key priorities.

Local roads are a significant issue. The growth of plantation timber and the geographic diversity of plantations have led to an extensive analysis of traffic flows and impacts both on local roads, main roads and communities. By 2005 up to 1.5 million

CHAIRMAN'S REPORT

tonnes of plantation timber product will be transported to the Port of Bunbury. The Commission is supporting industry to examine options that limit truck movements through communities and maximise the economic use of rail as a transport option.

The Commission continues to partner local government and the Department of Transport in the identification of options to improve and expand passenger rail services within the region.

POWER

The Commission has worked with farmers in the Northcliffe area to assist in identifying power requirements. Expansion of quality assurance and larger scale dairies resulted in the need to upgrade power supplies in the Northcliffe area. This was undertaken with a significant improvement in reliability of supply.

INFORMATION TECHNOLOGY

Telecommunications has continued to be a key theme. The Commission was successful in obtaining funds to support mobile telephony at Walpole, Nannup and Boyup Brook, with installation at Boyup Brook to be completed in 2001/2002. The South West Information Technology Advisory Service (SWITAS) continued to provide a free advisory service to business within the region and the Commission identified the need to expand free to air broadcast services at Walpole.

LOCAL COMMUNITIES

The importance of supporting the effort of local communities in promoting local development and community involvement cannot be overlooked. The Commission has actively supported small town economic development strategies including micro financing and mutuality projects. Several community-planning workshops were also held in towns throughout the South West Region, leading to the development of local action plans.

Building on this strategy the Commission's Cultural Events Program funded 35 successful grant applicants to a total of fifty-thousand-dollars. The result was an estimated flow-on expenditure of nearly \$1.5 million in the region.

INDUSTRY

The business and industry sector remained an important customer group for the Commission. During the year our Industry Development Adviser Program facilitated new opportunities for South West construction and engineering companies to target major resource development projects in South Africa and Mozambique. An extensive awareness raising campaign of the State Buy Local

Policy was conducted and the *South West Project Report*, the Commission's industry newsletter, was distributed to over 500 businesses, on a monthly basis.

Following this successful program the Commission has introduced 'Invest South West' as a means of supporting business to locate and expand in the South West Region. 'Invest South West' has been well received with specialist services provided to approximately 30 businesses and organisations each month.

TOURISM

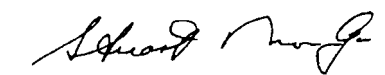
Industrial heritage is an emerging tourism market. Figures indicate that mining and forestry operations attract significant visitation. The region has a history rich in industrial heritage that has the potential to promote inland tourism. The concept of an industrial heritage trail was launched under the brand 'Working Life'. The Commission intends to make the development of this trail a priority in 2001/2002.

FUTURE DIRECTIONS

The region's diverse economic base will continue to provide an excellent foundation to manage change across the region. New investment into the Warren-Blackwood should see a restoration of much needed confidence to that subregion. Within the inland areas, the investigation of new futures in agriculture will also provide a renewed sense of direction.

The South West remains a region of excellence with many opportunities for sustainable industry development and jobs growth. The challenge in the future will be to support growth in a manner that meets increasing community demands for environmental and social responsiveness. This will require new mechanisms for consultation and a greater willingness to find creative solutions to obtain the right balance between economic, social and environmental outcomes.

2000/2001 represents my last year as Chairman of the South West Development Commission. I would like to extend my thanks to past and present Board members and to the staff of the Commission for their assistance over the past six years. The South West is an outstanding region. I am proud to have been able to contribute to its development.



STUART MORGAN AM

Chairman of the Board

Section 5.

Our People

Ten members make up the Board of the South West Development Commission. The Board makes decisions on the strategic direction and priorities of the Commission.



MEMBERS OF THE BOARD 2000/2001
Back Row L-R: Mr Fred Drake-Brockman, Mr Michael Bennett,
Mr Ted Thompson, Mr John Horler
Front Row L-R: Mr Don Punch (CEO South West Development Commission),
Mr Stuart Morgan AM (Chairman), Ms Pauline McLeod



Dr Ken Rodinson



Ms Carol Devitt



Mr Thomas Kuzman

5.1 BOARD

BOARD OF MANAGEMENT

The *Regional Development Commissions Act 1993* provides development commissions with a board of management. The South West Development Commission has a board comprising a Chairperson, Deputy Chairperson and eight other members. Three members are chosen from community nominations, three from local government nominations and three appointed by the Minister, including the Chairperson and Deputy Chairperson. Board members are appointed for one, two or three year terms at the discretion of the Minister. The tenth member of the board is the Commission's Chief Executive Officer.

RESPONSIBILITIES

The board is the governing body of the South West Development Commission and is responsible to the Minister for Local Government and Regional Development for the efficient operations of the Commission.

The primary activities of the Commission's board can be summarised as follows:

- To set the overall strategic direction and goals for the Commission;
- To provide guidance on specific projects and initiatives;
- To formulate Commission policy;
- To review progress at regular intervals to ensure established goals are being achieved;
- To monitor Commission expenditure;
- To promote economic development;
- To represent the Commission at relevant meetings and functions;
- To provide a conduit between the Commission and the community; and
- To facilitate cooperation between organisations in the region.

The South West Development Commission Board held eleven meetings during the year in review.

CODE OF CONDUCT

The Commission's board abides by a code of conduct that promotes good practice and provides due diligence for board members in decision-making.

ADVISORY COMMITTEES

The Commission has three committees of the board:

- Youth Vision 2029 - focuses on supporting youth participation in regional development.
- Wellington Forest Advisory Committee - provides advice on the development of the Wellington Forest National Park.
- South West Transport Advisory Group - supports the coordination and implementation of the Southern Province Transport Strategy.

5.1 BOARD

MEMBER	REPRESENTATIVE	TERM	TERM EXPIRY	MEETINGS ATTENDED
STUART MORGAN AM, CHAIRMAN	Ministerial	3 years	2001	10/11
Chairman of the South West Development Commission Board and Regional Development Council, Stuart Morgan has 40 years experience in the design, construction and commissioning of manufacturing facilities for new industry in Australia and South East Asia. Mr Morgan also runs a beef farming property in the Ferguson Valley.				
CAROL DEVITT, DEPUTY CHAIRMAN	Ministerial	3 years	2002	9/11
The first Western Australian woman Rhodes Scholar, Carol Devitt is involved in the Western Australian wine industry. She resides at ‘Ashbrook’, her family’s Margaret River grape growing and winemaking business (est. 1975). Carol has served as a director of the Western Power Corporation since its inception in 1995, and is a member of the Edith Cowan University South West Campus (Bunbury) Advisory Board and the South West Regional Recreational Fishing Advisory Committee.				
MICHAEL BENNETT	Local Government	3 years	2003	11/11
President of the Dardanup Shire Council, Michael Bennett is a board member of the Bunbury Wellington Economic Alliance and sits on the Dardanup Tourism Committee. Michael is committed to local government and community development, and the sustained economic growth of the South West Region.				
FRED DRAKE-BROCKMAN	Local Government	3 years	2002	10/11
President of the Donnybrook-Balingup Shire Council, Fred Drake-Brockman is a Donnybrook beef farmer and Lowden Bushfire Brigade’s Fire Control Officer. Fred chairs the Preston Valley Irrigation Cooperative and is a board member of the South West Regional Planning Committee and the Bunbury Wellington Economic Alliance.				
JOHN HORLER (Resigned May 2001)	Local Government	3 years	2002	6/8
Former president of Nannup Shire Council (November 1999-May 2001). John Horler has a long background in the power industry. A former regional service supervisor with SECWA (Western Power), John retired in 1993 after a 25-year career. John chaired the South West TIRES (Timber Industry Road Evaluation Study) Committee (July 1999-May 2001) and was a member of the State TIRES Committee (July 1999-May 2001). John now chairs the South West Transport Advisory Group.				
TOM KUZMAN	Community	3 years	2001	5/11
A registered professional engineer, Thomas Kuzman is the Managing Director of Wesfarmers Coal Ltd, a director of the Bunbury Port Authority Board and a member of the Executive Committee of the Western Australian Chamber of Minerals and Energy.				
PAULINE MCLEOD	Community	3 years	2003	7/11
Former President of Tourism South West, Pauline McLeod is a well-known Margaret River Tourism Consultant. Pauline is on the board of the Golden Gecko Awards, former member of the Western Australian Tourism Commission’s (WATC) International Sales and Advisory Council and is a former member of the WATC Partnership 21 Steering Committee. Pauline also served on the board of the Australian Tourist Commission for a two-year term to August 2000.				
DON PUNCH CEO	Chief Executive Officer	N/A	N/A	10/11
Chief Executive Officer of the South West Development Commission, Don Punch has extensive experience working throughout regional Western Australia for the Western Australian Public Service. Don is a member of the Governing Council of the South West Regional College of TAFE and a member of the Board of Management for the Centre for Regional Development, Edith Cowan University.				
DR KEN ROBINSON	Ministerial	3 years	2003	9/11
As Director, Centre for Regional Development & Research, and Associate Dean (Research and Higher Degrees) at Edith Cowan University, South West Campus, Dr Ken Robinson has a strong focus on regional development. Ken is a member of the Advisory Board Edith Cowan University (South West Campus) serves as a member of the Scientific Advisory Committee of the Val Lishman Health Research Fund and acts as the secretary of the Regional Chambers of Commerce (WA).				
TED THOMPSON	Community	3 years	2002	7/11
Former Manjimup Shire councillor (1992-1997) and president (1994-1997), Ted Thompson operates an aquaculture venture in West Manjimup. Former chairman of Manjimup Syndicate Coolstore Ltd, Ted is also employed as a project manager on a contract basis and works as an administration manager for his wife’s company, Sheryl Thompson CPA.				

5.2 STAFF



Twenty-five dedicated members of staff work on a full time or part time basis to develop the South West Region of Western Australia.

Staff work within the Commission’s five areas of operation, which are managed by the corporate executive. The CEO is accountable for the overall operation of the South West Development Commission.

VOLUNTEERS

Without volunteers many of the projects initiated by the South West Development Commission could not be enacted, and we thank all of our volunteers throughout the South West Region for their dedicated work during the year in review.

EXECUTIVE OFFICERS (APPOINTED UNDER THE PUBLIC SERVICE MANAGEMENT ACT 1994)

DON PUNCH
Chief Executive Officer, South West Development Commission
MBA, Bachelor of Psychology and Bachelor of Social Work
Term of Appointment 1998-2003
Don has extensive experience working throughout regional Western Australia within the Western Australian Public Service and is responsible for the overall operations of the South West Development Commission.

DOMINIQUE VAN GENT
Manager, Industry and Business Services
MBA and graduate qualifications in resource development

Dominique has been with the Commission for ten years. He has a strong background in infrastructure, planning and development; and has actively assisted small business to maximise opportunities from major projects.

JANET PAYTON
Manager, Regional Services
Bachelor of Arts (History/English) and Bachelor of Social Work

Janet has extensive experience of, and undertaken many roles within regional development. Janet managed the Commission’s Regional Services Section until retirement in January 2001.

JON BIRCH
Manager, Regional Services
Bachelor of Business, Post Gradate Diploma in Education, Diploma of Management
Jon has 20 years of business and management experience in the education, small business, agriculture, computing and building fields. Jon commenced work with the Commission in March 2001.

5.3 REPORT ON HUMAN RESOURCES

VANESSA LEWIS

Manager, Information and Marketing Services

Bachelor of Economics

Vanessa has 24 years of experience in regional development in the South West Region, particularly in the areas of research, regional planning and policy development.

JAMES OLIVER

Manager, Corporate Services

Diploma in Legal Studies

James has held senior corporate level positions in regionally based organisations since 1983 and is responsible for the management of the Commission's finances, human resources, information technology and administration.

STAFF LEVELS	NO. OF STAFF
LEVEL 1	3
LEVEL 2	3
LEVEL 3	2
LEVEL 4	4
LEVEL 5	7
LEVEL 6	2
LEVEL 7	3
LEVEL 9	1
TOTAL	25

STAFFING POLICIES

The South West Development Commission has a number of staffing policies that have been developed to guide the Commission in its work.

CODE OF CONDUCT

The Commission's staff members are guided by a code of conduct, which is a statement of the ethical principles, values and behaviours expected of South West Development Commission employees.

The Commission's code of conduct articulates the way Commission staff should interact with each other and their clients. Staff members are given the Commission's code of conduct on appointment. It is also readily available on the Commission's information network.

INFORMATION MANAGEMENT SYSTEM

The Commission's information network is accessible by all staff. Records management is undertaken through the Commission's TRIM system. Regional coordinators access this system through electronic means. The Commission's records system is under continual review to ensure it operates in a manner that is consistent with the required standards of government recording.

EQUAL EMPLOYMENT OPPORTUNITY

The Commission's Equal Employment Opportunity policy was implemented in the 1998/1999 financial year. The policy recognises and supports the recognition of equal opportunity and diversity in achieving the Commission's objectives.

INDUSTRIAL RELATIONS

The Commission's Collective Workplace Agreement was renegotiated and registered during the year in review. Discussions with union representatives began in early November 2000 for the Commission's Collective Enterprise Bargaining Agreement. Agreement was reached in early January 2001 but has been deferred while the new whole of government reforms are assessed.

OCCUPATIONAL HEALTH AND SAFETY

The Commission employed a specialist in ergonomics to provide an information session to staff on appropriate workplace habits for operating computers and working from workstations. In addition to the information session, the specialist met with employees on an individual basis and assessed the employee's work area, working habits and offered recommendations to correct incorrect practices. No workers compensation claims were made during the year in review.

5.3 REPORT ON HUMAN RESOURCES

FLEXIBLE WORKING ARRANGEMENTS

The Commission is committed to providing a working environment that takes into consideration the needs of employees and their families. The approach taken by the Commission is to provide flexible working arrangements, which include the opportunity for employees to adjust their working hours through the use of flexi-time and to work from home. During the year the Commission approved two home working arrangements. One was for a temporary period and the other involved an employee working two half days a week from home. The balance of hours was worked from the Commission's Bunbury office.

TRAINING DEVELOPMENT AND ACHIEVEMENTS

The Commission's employees participated in a range of skill, knowledge and safety training during the year in review. Programs included executive development, driver awareness, computer applications, information management, legislative process and attendance at industry seminars.

Development of employees' skills is a high priority and the Commission attempts to make training not only relevant to the needs of the organisation but of personal benefit to the employee. Three staff members attended an executive development course during the reporting period. This training benefited the Commission with succession planning and has also enhanced the employees' career opportunities, by developing managerial skills.

Employee safety is a prime consideration of the Commission. During the year in review a driver awareness program was provided to give employees an opportunity to experience driving under various conditions.

The South West Development Commission is committed to ensuring skills and knowledge are relevant to its activities. Training is identified annually during staff performance reviews. Due to the dynamic environment and variety of activities undertaken by the Commission, training is also considered on an ongoing basis throughout the year. When appropriate training is identified and actioned.

The Commission spent a total of \$15 742 on training activities during the reporting period.

Section 6.

Our Performance

The South West Development Commission works through five strategic priority areas to deliver programs and projects that aim to grow the region, whilst preserving the very assets that make the South West the best place to live, work and invest.

6.1 REPORT ON OPERATIONS

The Commission delivers its work through five strategic priority areas:

- 1. Physical Infrastructure;
- 2. Economic Development;
- 3. Information Technology and eCommerce;
- 4. Sustaining and Developing Communities; and
- 5. Informing the Community.

These five priority areas integrate together to provide a balanced approach to regional development; ensuring that the region’s physical infrastructure links into our capacity to support economic development and the growth of communities. The region is well placed to take advantage of trends in information technology, and the community is kept well informed to allow full participation and partnership in development.

BUSINESS PLAN HIGHLIGHTS

Physical Infrastructure

We will work to ensure that the region’s physical infrastructure meets the growth and changing needs of the South West.

TARGETS	ACHIEVEMENTS	OUTLOOK
Establish South West Regional Transport Advisory Group to ensure the outcomes of the Southern Province Transport Strategy are met.	The Transport Advisory Group was established and identified key strategic transport targets for the region. Implementation tasks were identified and adopted by the Department of Transport and focused on road access, the development of the Port of Bunbury and passenger rail transport services.	Opportunities to improve freight and passenger transport will continue to be assessed with the target of reducing freight and passenger transport conflicts.
Review passenger rail transport to and within the South West Region with the Department of Transport, Westrail, and local government.	Passenger Rail Working Group established and completed market evaluation.	Engineering analysis to be completed in the first half of 2002. A complete analysis of the benefits of passenger rail services and capital cost will facilitate medium and long term planning for improvements to passenger services.
Continue support of the Regional TIRES group with the objective of forming a plan for the local road requirements of the bluegum plantation timber industry.	Completed a technical analysis of transport requirements, detailing haulage routes and likely tonnages for both local and main roads. The involvement of industry has led to innovation in transport equipment and planning to reduce conflict and physical impacts on local roads.	In the near term the community will notice increased log haulage associated with the industry. As haulage volumes stabilise at approximately 1.5 million tonnes per annum there will be a requirement for ongoing monitoring of impacts.
Support the Bunbury Port Authority in its bid to develop a container market.	Support provided for container market feasibility assessment. Facilitated port access route planning to ensure future expansion of the port is not constrained by urban encroachment.	Commercial opportunities continue to be investigated by the Port Authority. These opportunities will emerge as part of expanding the Greater Bunbury area as an alternative transport hub to Perth.

SPECIAL REPORT

COMPOST RESEARCH TRIALS - GREENING WASTE

During the year in review, the South West Development Commission was invited by Malatesta Green Organic Recycling and the CSIRO to work on a joint venture to turn green waste (garden prunings, etc) into compost, and when applied as mulch, aimed to improve soils, increase yields and reduce water usage on crops.

The motivation to participate in the project was two fold:

- 1. To reduce the amount of green waste going into landfills and therefore prolonging the life of tip sites; and
- 2. To assist South West growers to maximise their profits and reduce costs by using green waste compost on crops.

The Commission provided funding of \$30 000 and ‘in-kind’ support through a project officer.

Fifteen trial sites were selected throughout the South West Region and included table grapes and mandarins in Harvey; apples, pears, plums, and nectarines in Donnybrook; cauliflowers and potatoes in Manjimup and wine grapes in Margaret River.

Scientists monitored the trial sites for 12 months and the following positive results were recorded:

- Citrus - demonstrated an increase in tree growth (as measured by trunk diameter) and significant increases in earthworm activity, which reduced soil strength, making it easier for roots to grow;
- Table grapes - contributed to a 20 per cent increase in yield and reduced the number of undersized berries being taken off bunches;
- Apples and stone-fruit - produced larger fruit, increased growth of trees (as measured by trunk diameter), reduced soil strength and increased soil moisture;
- Wine grapes - increased growth in young vines (approximately 20 per cent) and suppressed the growth of weeds under vines; and
- Potatoes and cauliflowers - demonstrated that a low rate of compost incorporated into the soil could contribute to better yield.

Results will be distributed widely to growers through a professional paper and presentation at the South West Horticultural Conference in November 2001.

The Commission will continue its work in waste management by participating in a concrete research trial in 2001/2002. This project will assess the liming capacity of using by-products from waste concrete (liquid and solid) as an alternative lime source to treat acidic soils.

6.1 REPORT ON OPERATIONS

TARGETS	ACHIEVEMENTS	OUTLOOK
Facilitate the development of highway routes from Perth to Bunbury, free of congestion points, particularly the Peel Deviation.	Alliance developed between local government, chambers of commerce and the respective development commissions to lobby for the Peel Deviation. Traffic count data supports the need to construct the deviation.	The need for the deviation has been recognised within Government and construction will proceed as funds become available.
Improve access to the Port of Bunbury from Kemerton and the South Western Highway at Picton.	Plans for the Port Access Service Corridor are complete and in the draft region scheme.	These capital works will proceed as capital funding becomes available. Complete planning for the Kemerton rail link.
ENERGY		
Support the extension of three phase power within east Northcliffe and Scott River.	Successfully secured funding of \$500 000 and facilitated the provision of three-phase power to dairies within East Northcliffe.	Review the requirements for Scott River as part of a wider review of distribution systems within the South West.
WASTE MANAGEMENT		
Support the extension of the gas pipeline to Manjimup.	Assisted in preliminary planning for a pipeline route.	Expansion of the pipeline will be driven by industry requirements and the final access price regime determined by the gas regulator in 2001/2002.
Support green waste management through innovative compost research. Commitment: \$30 000	Conducted research trials in partnership with the CSIRO and AgWA, which demonstrated the value of compost in reducing water and fertiliser requirements in selected horticulture and viticulture crops.	The Commission will assist in gaining greater acceptance of the use of composts in horticulture. Studies into concrete waste are planned for 2001/2002.
Facilitate and promote tertiary level research facilities in waste management in Manjimup. Commitment: \$5 000	Links formed between Manjimup High School and Curtin University to research waste to energy opportunities and education.	The existence of large volumes of green waste in the Warren Blackwood will drive further interest and research into renewable energy opportunities.
Pursue infill sewerage programs for Northcliffe and Nannup to assist tourism and residential development.	\$250 000 was provided to part fund the early development of infill sewerage at Nannup, in partnership with the Water Corporation and BRL Hardy.	Further evaluation of requirements at Northcliffe will occur with the Water Corporation and the Manjimup Shire.
LAND DEVELOPMENT		
Commence construction works on Bunbury’s Back Beach Coastal Enhancement Project. Commitment: \$7.5 million Estimated completion date: 2003		Works were terminated at the request of Bunbury City Council following public opposition to the project. As a result further research work to manage beach erosion was actioned. Following tabling of that data Bunbury City Council, will determine the future of the project.

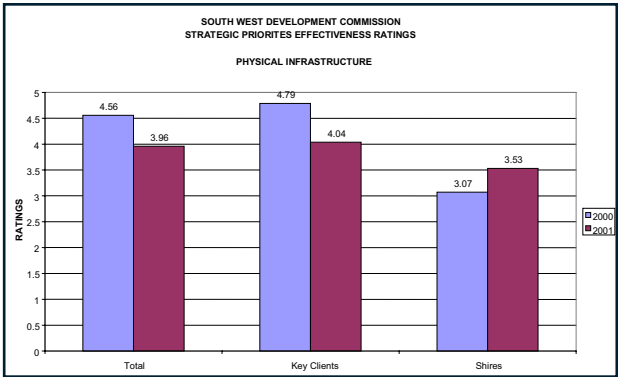
6.1 REPORT ON OPERATIONS

TARGETS	ACHIEVEMENTS	OUTLOOK
Finalise the development of industrial land at Picton.	Entered into a joint venture with LandCorp to develop the final stage of Bunbury's Picton Enterprise Park. The development is valued at approximately \$1.5 million.	Lots are available for pre-selling. Development works will be completed in January 2002.

HOW WE PERFORMED

SWDC's 2001 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in "Physical Infrastructure".

The ratings range from 1 - very ineffective to 5 - very effective. The results achieved are well above mid-range and indicate that the Commission is seen to be effective in the area.



Economic Development

We seek to ensure that, across the region, our businesses operate in a healthy economic environment, have the capacity to withstand change and maximise opportunities for growth.

TARGETS	ACHIEVEMENTS	OUTLOOK
INDUSTRY ATTRACTION AND DEVELOPMENT		
Establish Invest South West Program to assist business locate and expand in the region.	Established a specialist unit, which directly assists 20 to 30 businesses each month with planning and infrastructure requirements.	New promotional strategies will be adopted to support the Government's policy to conduct regional investment tours.
Continue industry briefings.	Held 65 industry briefings with a specific focus on promoting Buy Local in government purchasing.	Continue to support Buy Local Policy.
Encourage aquaculture development at Pemberton, Collie and Augusta.	Assisted the development of expanded TAFE training in aquaculture at Pemberton and provided \$10 000 for the further development of ponds. Provided funding assistance of \$5 000 to develop a business plan for an aquaculture centre of excellence supporting mine void rehabilitation at Collie and assisted proponents of an abalone development at Augusta.	Aquaculture will continue to be supported through the development of infrastructure and market research.
Attract major resource projects.	Held discussions with several major industry proponents.	Regular meetings with the Bunbury Port Authority will occur as part of a strategy to actively follow up potential projects on a case-by-case basis.

6.1 REPORT ON OPERATIONS

TARGETS	ACHIEVEMENTS	OUTLOOK
Link local capacity to national and overseas projects.	The Commission jointly led a trade mission to South Africa and Mozambique targeting the Maputo Industrial Park. Two potential contracts flowed from the mission.	The Commission will forge alliances with Austrade in order to identify further opportunities.
Continue support of Business Grow. Commitment: \$15 000	Provided direct sponsorship and technical support. Program assisted 1856 businesses.	Opportunities to build on the service in the lower South West will be pursued.
Assist horticulture to diversify and find new markets.	Supported two grower groups and identified new markets for seed potato.	Convene South West Horticultural Conference in 2001/2002. Pursue the development of alliances between grower groups, together with the adoption of a new futures strategy for South West horticulture.
Expand the Quality Assurance in Agriculture Program.		Program was terminated due to insufficient take up by grower groups. Quality assurance will be revisited on a sector-by-sector basis as the region's marketing strategy develops.
Support the dairy industry to accommodate change.	Assisted farmers with on-farm diversification planning. Sourced funding of \$16 500 to implement a marketing study into specialty cheese and dairy product.	Specialty study will assist farmer decision-making in respect to investment in value adding and food processing.
Support value adding to the region's timber industry.	Assisted with the development of options for the re-opening of the Greenbushes timber mill and the continuation of the Nannup Mill.	Continue to directly support Industry and Technology in the attraction of new industry to the Warren Blackwood, through the identification of industrial land options, assistance with essential infrastructure, feasibility development and actioning a promotional campaign for the subregion.
MARKETING AND PROMOTION		
Support eco-tourism through Living Windows.	Living Windows moves into its fourth year of operation with the South West Ecomuseum Association accepting responsibility for promotion.	The Living Windows brand will be operated fully by the South West Ecomuseum Association by 2003.
Commence the first stage of the Industrial Heritage Trail.	Launched Working Life in late 2000.	The first stage of the trail will be implemented in late 2001.
Develop a Heritage Energy precinct at Pemberton.	Work has commenced on the reconstruction of the Pemberton hydroelectric project.	This represents stage one of a three-stage concept, which involves interpretive signage, and construction of a heritage centre.
ECONOMIC ALLIANCES		
Continue to fund the Bunbury Wellington Economic Alliance.	Provided funding of \$65 000 as well as technical assistance to assist with the establishment of the Alliance.	Alliances are bringing local government and industry together to improve the opportunity for added investment in the region.

SPECIAL REPORT

INDUSTRY DEVELOPMENT ADVISER -
LINKING REGIONAL BUSINESSES TO THE WORLD

The South West Development Commission Industry Development Adviser Program assisted the region’s businesses to link into national and international projects. As part of that program a trade mission to South Africa and Mozambique was undertaken in October 2000 to foster these linkages and promote industry development and attraction.

The following outcomes were achieved:

- Promotion of regional businesses - through setting up one-on-one appointments and networking functions in South Africa and Mozambique;
- Facilitation of business development - through assisting participating businesses to gain self-confidence in their capability and capacity; and
- Identification of new market opportunities - through highlighting African projects and opportunities.

One of the Commission’s main aims is to provide leadership through facilitation, encouragement and the initiation of appropriate links to business opportunities.

The trade mission to South Africa and Mozambique established linkages with organisations such as Austrade, the Central Investment Promotion Agency in Mozambique, the Johannesburg Chamber of Commerce, the South Africa-Australia Business Association and the Mpumalanga Provincial Government.

In December 2000, a return visit from Mozambique business leaders and government officials was hosted by the South West Development Commission and provided opportunities for local companies to showcase their businesses.

Direct results of the trade mission included:

- The formation of a new company between local engineering firm, South West Group and Southern African construction company Steffanutti and Bressan;
- The employment of a skilled professional that was not available in Australia, by a delegation member; and
- Negotiations by local companies to supply services and products to Southern Africa.

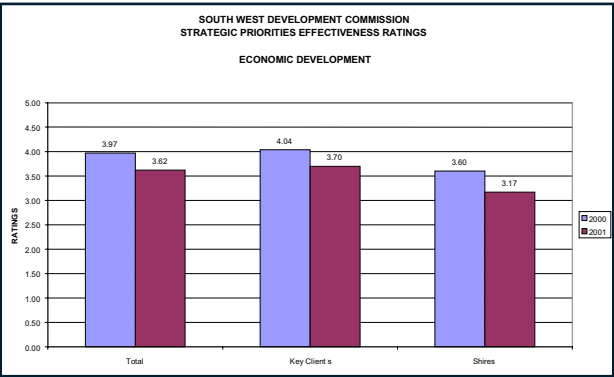
The cost to the Commission was \$7 500.

6.1 REPORT ON OPERATIONS

HOW WE PERFORMED

SWDC’s 2001 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in “Economic Development”.

The ratings range from 1 - very ineffective to 5 - very effective. The results achieved are well above mid-range and indicate that the Commission is seen to be effective in the area.



I.T. & eCommerce

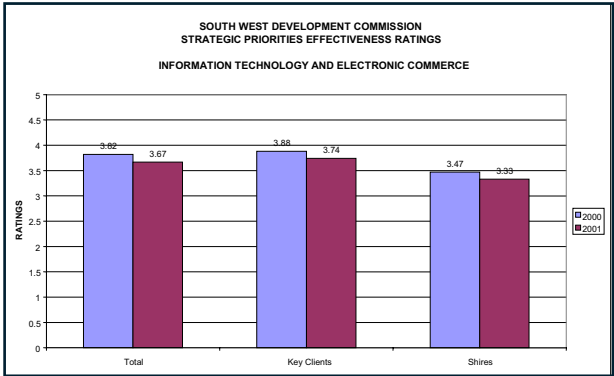
Our aim is to ensure that the region has the infrastructure and the knowledge to take advantage of developments in the information economy and particularly its application to business.

TARGETS	ACHIEVEMENTS	OUTLOOK
Pursue mobile telephony at Nannup and Boyup Brook.	Successfully established service at Nannup. Sourced funding of \$200 000 to implement a service at Boyup Brook.	The Wireless West Program will provide coverage across remaining South West black spots.
Continue the South West Information Technology Advisory Service.	Conducted 50 workshops and provided support to 320 people through a freecall 1800 telephone service.	Expand Internet use through the South West Online Strategy.

HOW WE PERFORMED

SWDC’s 2001 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in “I.T. & eCommerce”.

The ratings range from 1 - very ineffective to 5 - very effective. The results achieved are well above mid-range and indicate that the Commission is seen to be effective in the area.



SPECIAL REPORT

SOUTH WEST I.T. ADVISORY SERVICE -
A REGIONAL FIRST

The South West Information Technology Advisory Service (SWITAS) was established in 1999 as an outcome of the South West Telecommunications Infrastructure Audit, which identified a need for unbiased I.T. and eCommerce information and support.

The South West Development Commission initiated SWITAS with support from the Department of Employment, Workplace Relations and Small Business and the Department of Commerce and Trade. Local company NetFX was contracted to provide the service to the value of \$180 000 over two years, concluding in August 2001. The Commission contributed \$60 000 of funding to the program.

The first of its type in regional Western Australia, SWITAS provided a mobile service that travelled to the region’s communities and provided hands-on experience with the Internet and eCommerce. For many in the region, SWITAS was their first experience with this technology. In addition a freecall 1800 telephone service was initiated.

Over the two-year contract the service has been continually refined with particular emphasis placed on publicising the availability of the service and addressing the specific needs of business and community groups.

Since its commencement, SWITAS has conducted over 50 workshops throughout the region and provided advice to over 320 people through its 1800 number.

The project has met the objectives identified under the State Government’s Information Technology policy framework. SWITAS was a pioneer in providing a regional I.T. mentoring service. This role has been progressively filled by private training organisations in the region. The decline in demand for SWITAS services will see the Commission shift focus to the new State Government’s South West Online policy in 2001/2002.

6.1 REPORT ON OPERATIONS

Sustaining and Developing Communities

We will actively work to maintain and improve government services in the South West, encouraging communities to be involved in identifying their needs and then assisting them in addressing the gaps identified.

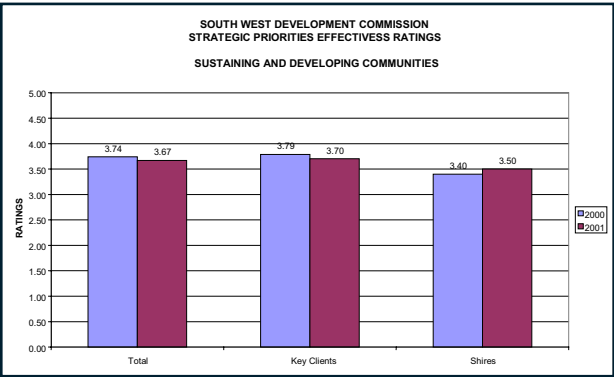
TARGETS	ACHIEVEMENTS	OUTLOOK
Assist the strategic development of small business in country towns.	Briefings on the State Buy Local Policy held in key centres.	Assist Business Enterprise Centres to generate common ideas for continued support of small business.
Continue 2029 youth leadership program.	Successfully re-established the Runaway Bus Program, which serviced 2330 clients.	Continue the development of the Runaway Bus and other youth projects.
Continue Small Town Economic Planning Program.	Several workshops were held throughout the region, and led to the development of community endorsed action plans.	A micro finance project will be established to support local social entrepreneurship in 2001/2002.
Support Mainstreet Program development at Harvey, Bridgetown and Dunsborough.	Programs successfully supported through grants and staff resources.	Continuing support will be provided.
Continue the Cultural Tourism Grants Program. Commitment: \$30 000	35 festivals were supported during the year generating an estimated flow-on expenditure of \$1 470 700.	The program will be expanded to include local produce markets.
Support a centre for wine excellence in Margaret River.	Assisted with completion of feasibility and business planning.	This project will proceed once planning and zoning matters are resolved.
Support improved access to technical and tertiary education.	Supported TAFE to expand services in the Warren Blackwood. Continued planning support was provided to telecentres.	The Commission will work toward expanding the range of available courses delivered at a tertiary level.
Continue to inform government bodies on the growth of the region.	Provided regional information for decision-making.	Workshops involving State and local government to examine growth issues will be held in Busselton in late 2001.
Support the development of the River Foreshore Park at Nannup.	The Commission provided an executive officer to the Shire. Local support and industry sponsorship was mobilised leading to completion of stage one.	The Nannup Shire will undertake completion of this project.

6.1 REPORT ON OPERATIONS

HOW WE PERFORMED

SWDC's 2001 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in "Sustaining and Developing Communities".

The ratings range from 1 - very ineffective to 5 - very effective. The results achieved are well above mid-range and indicate that the Commission is seen to be effective in the area.



Informing the Community

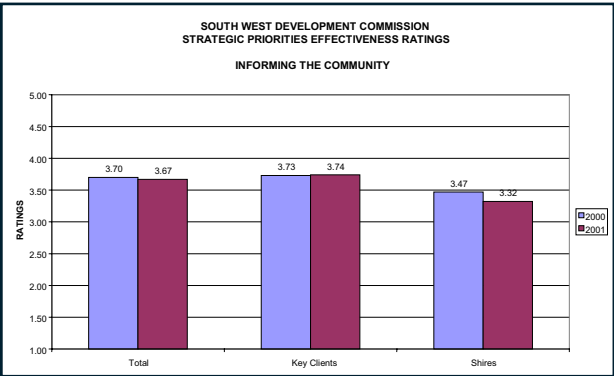
We will provide our clients with accurate, timely and relevant regional information and advice; and promote the region's qualities in the global economy.

TARGETS	ACHIEVEMENTS	OUTLOOK
Develop a new marketing and promotional strategy for the region.	A steering group incorporating business, tourism and local government stakeholders was formed and has produced a strategic framework to develop the marketing strategy.	A coordinated strategy will be implemented throughout the region based on "one vision-one voice".
Review SWDC regional database and improve access to regional statistics.	Database was successfully reviewed. Regional data made available to the general public, specifically at a shire and industry level. Dealt with 631 inquiries over the year in review.	The database will be available for customers on the Commission's new website.
Update the Commission's web site. Commitment: \$10 000	Completed detailed design and development, incorporating multi lingual capacity to assist in meeting the Commission's global objectives.	Site will go live in early 2001/2002.
Undertake a futures study to integrate the South West with the Future Perth Strategy.	Contributed to studies targeting South West economic systems analysis as part of the Future Perth Strategy.	This outcome will be adapted to produce a more targeted economic strategy as defined by the policies of the new State Government.

HOW WE PERFORMED

SWDC's 2001 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in "Informing the Community".

The ratings range from 1 - very ineffective to 5 - very effective. The results achieved are well above mid-range and indicate that the Commission is seen to be effective in the area.



SPECIAL REPORT

INFORMATION SERVICES - MEETING CLIENTS' NEEDS

The South West Development Commission provides a regional information service to meet the needs of its external and internal clients. A diverse range of regional information and statistical data is made freely available by the Commission and covers a variety of areas including demographic, social, economic and business related data.

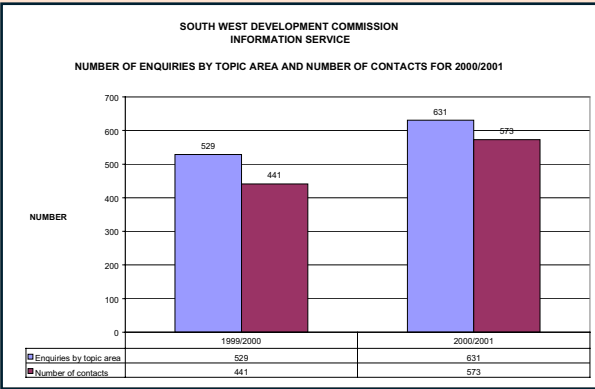
A major review of statistical information was undertaken to improve the provision of regional information to our clients. The Commission's statistical database has subsequently been expanded to provide additional information about the region. Furthermore a range of statistical data is being published on the Commission's website and in the Commission's regular newsletter, Regionwide, as a means of distributing information to the broader public.

During the year in review, Information and Marketing Services research staff dealt with the following number of enquiries:

- 631 enquiries by topic area (as at June 2001)
- 573 number of contacts (as at June 2001)

These figures show a 19 per cent increase over the previous year's results for enquiries by topic area, and a 30 per cent increase for number of contacts:

- 529 enquiries by topic area (as at June 2000)
- 441 number of contacts (as at June 2000)



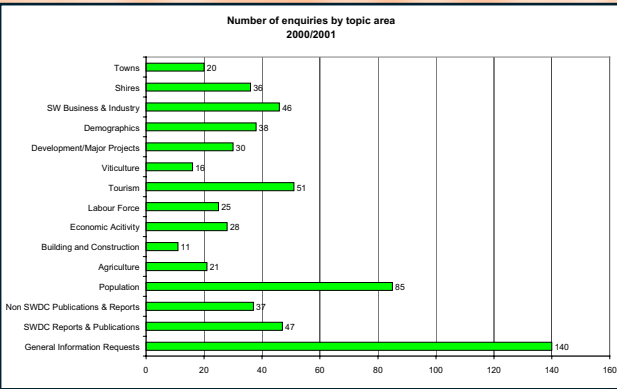
The general public, students, small business, large companies and industry bodies, community groups, State government agencies and local governments accessed the Commission's information system during the year.

The service the Commission provides aims to meet information needs in a way that is both timely and relevant to each of these groups.

Outcomes:

- Greater availability of regional information for planning and promotional purposes;
- Promotion of the South West to businesses and potential investors;
- Attraction of people, industry and investment to the region;
- Policy makers are informed regarding regional implications and consequences; and
- Better decision making by policy makers.

Information will continue to be provided in a timely and accurate manner through the redevelopment of the Commission's website. On completion, the site will increase the accessibility of regional information to our clients, on a global scale.



6.1 REPORT ON OPERATIONS

REPORT ON ADDITIONAL INITIATIVES UNDERTAKEN DURING THE YEAR IN REVIEW

The year in review saw the Commission undertake significant additional work in key areas. This work either managed change in the region or took advantage of new opportunities.

PHYSICAL INFRASTRUCTURE

- The Commission participated in the development of a marketing strategy to improve industry awareness of Kemerton as an industrial park. The strategy will be completed in the early part of 2001/2002.
- The Diamond Mill site has been investigated for possible development as an industrial site for the Manjimup Shire targeting timber and related industries. A planning review has been completed and an application lodged with the Conservation Commission for the transfer of land currently under lease to the Manjimup Shire, and for in principle agreement to conduct a planning and research study over a further 200 hectares of adjoining land.
- Concept planning was undertaken to assist CALM in meeting the Government's policy commitment for the enhancement of the Leschenault Peninsula. Concepts have been completed enabling CALM to proceed with project development and construction in 2001/2002.

ECONOMIC DEVELOPMENT

The Commission provided assistance for the following feasibility studies:

- Prefeasibility to identify the potential for the development of a five star health resort in the Karri forest adjacent to Manjimup - \$20,000;
- Feasibility into the establishment of a Centre for Excellence in Timber and Forest Products - \$20,000;
- Feasibility and business planning for the Northcliffe Cluster Mill - \$20,000;
- Business planning for Augusta Eco-museum - \$5,000;
- Market assessment for the Nannup Woodworkers Association - \$20,000; and
- Business planning and development for Collie Tourist Bureau - \$5,000.

SUSTAINING AND DEVELOPING COMMUNITIES

The Commission undertook the development of the Warren Blackwood Action Statement. In partnership with State and local government agencies a comprehensive series of actions was identified, which collectively would assist the Warren-Blackwood in managing its changing industry and social base. The draft was released for public comment in December 2000. A final version will be submitted for the consideration of Government in early 2001/2002.

Funding was provided for the following projects arising from the initial draft Action Statement:

Warren Blackwood Economic Alliance	\$ 62,500
Warren Blackwood Regional Marketing Campaign (Supplemented with SWDC funding of \$35,000)	\$ 15,000
Complete three phase power at East Northcliffe	\$500,000
Complete funding for Bridgetown Recreation Centre	\$500,000
Youth and Community Development Officers	\$120,000
Counselling Services and Emergency Accommodation	\$ 92,500
Infill Sewerage at Nannup	\$250,000
Improved access to TAFE	\$100,000
2001 Horticulture Conference	\$ 50,000

In addition, funding was provided to capital projects at Busselton, Donnybrook and Collie:

Motoring South West track works (Collie)	\$340,000
Busselton Jetty restoration works (Busselton)	\$400,000
Donnybrook Railway Station restoration works	\$150,000

The Commission also provided assistance to facilitate the development of the South West Catchments Council Business Plan and assisted in the preparation of an 'Adopt-a-Beach' kit, coordinated by the Peel South-West Coastal Management Group.

INFORMING THE COMMUNITY

Additional activities included proactive promotion through State and national television documentaries and programs, media publicity, the development of new information brochures and regional marketing material. For more information please refer to the section 'Major Media/PR/Marketing Initiatives'.

SPECIAL REPORT

WBAS - COMMUNITY CONSULTATION IN ACTION

The Warren Blackwood Action Statement (WBAS) has been developed in response to significant changes in traditional economic activities in the Warren Blackwood area and the desire of Government to assist local communities to manage these changes. The Action Statement is a plan for the long-term development of the Warren Blackwood region that includes a framework for the coordination and integration of the activities and programs of government agencies, local government, industry and community organisations.

Preparation of the Draft Action Statement commenced in June 2000 with a process designed to bring together the plans and aspirations of communities, government (State agencies and local governments), business and industry.

The work already undertaken or underway in relation to industry restructuring in the region was recognised and it was a pre-requisite of the WBAS process that it did not stop or delay any programs or projects underway.

A steering committee, established to oversee the development of the Statement, included the presidents of each of the four local governments together with the chief executive officers, or their direct nominee, of relevant State government agencies.

The South West Development Commission coordinated the overall development of the plan, provided the executive arm of the steering committee, managed all contractual arrangements, and was responsible for the public information and consultation processes.

The Institute of Regional Development (University of Western Australia) provided consulting services through to the draft document stage.

The following four main consultation mechanisms were employed to gain input to the process of developing the draft Action Statement:

1. An extensive, multi-faceted community consultation program involving:
 - Advertisements in local newspapers;
 - Radio community announcements;
 - Media articles and interviews;
 - Promotional material (posters) displayed throughout the region;
 - 12 community participation days;
 - A telephone information hotline;
 - 6881 reply paid community feedback forms; and
 - Six public workshops held across the Warren Blackwood region and attended by 89 people in total.
2. Industry consultation involving:
 - One-on-one discussions with a range of regional business and industry representatives by the Study Consultant.
3. State and local government consultation
 - The four local governments forming the Warren Blackwood and more than 23 State government agencies were asked to respond in writing to five questions concerning current needs of the Warren Blackwood region, and to outline their associated plans and initiatives. Two meetings were held in order for government representatives to discuss regional issues and identify mechanisms to deliver suggested actions. The meetings were conducted via two working groups, one focusing on planning and community development and the other on industry and infrastructure.
4. Literary review of existing community consultation data, Warren Blackwood Regional Planning Strategy literature and other recent projects.

During the course of developing the draft document, the steering committee decided to progress a series of actions that were identified by local communities as immediate, short-term priorities. The Government subsequently accepted a number of these initiatives and agreed to fund their implementation.

The draft Warren Blackwood Action Statement was released for public comment in December 2000. Following an eight-week public comment period and further agency consultation, the final Action Statement has been developed and will be forwarded to Government for consideration early in 2001/2002.

6.1 REPORT ON OPERATIONS

DECLARATION OF INTEREST

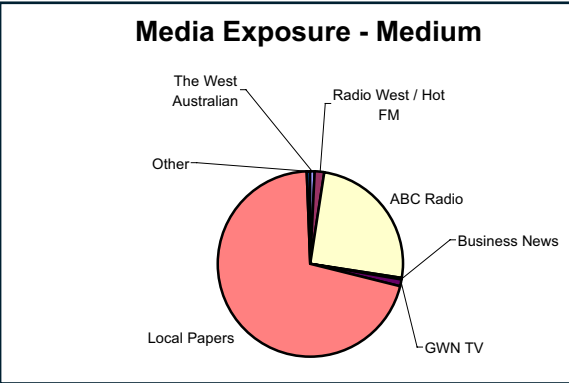
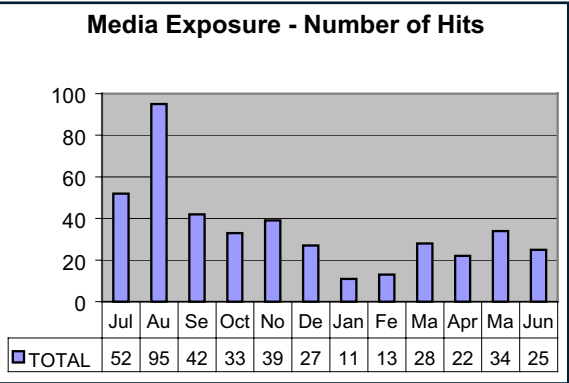
There were no existing or proposed contracts between the South West Development Commission and senior officers or board members during the year in review, nor any declarations of interest in any projects undertaken.

MAJOR MEDIA/PR/MARKETING INITIATIVES

The South West Development Commission has actively promoted the South West Region and the work undertaken by the Commission in the region through the following activities:

- Branding;
- The development of regional marketing material - publications and displays;

- Exposure to 124 000 viewers by sponsoring and providing editorial content to Channel Seven's statewide program, 'Our WA: Rivers of Wine';
- A regional series on 'On the Land', a national farming television program broadcasted on WIN TV;
- Strategic placement of corporate sponsorship to raise the profile of the region and the agency;
- Initiated the development of a regional marketing strategy;
- Provided a marketing advisory service to the region; and
- Increased media exposure by 86 per cent on 1999/2000 figures.



AGENCY PUBLICATIONS AVAILABLE TO THE PUBLIC

TITLE	DATE	TITLE	DATE
South West Profile	2001	Warren Blackwood - A Profile	2000
Our Role in the Region	2001	Bunbury Wellington - A Profile	2000
South West Economic Perspective	March 1999	Vasse - A Profile	2000
Regionwide	Autumn 2001	Warren Blackwood Action Statement (Draft)	November 2000
Cultural Events Calendar	2001	Industrial Heritage Proposal	November 1999
South West Telecommunications Infrastructure Audit	February 1999	2029 Forum Report	September 1999
South West Projects Update	July 2001	2029 Regional Survey Report	December 2000
SWDC Strategic Plan 2000-2005	2000	Value of Tourism Study - South West Region	October 1999
SWDC New Service Delivery Structure	2000	Living Windows into the South West	1999
South West Snapshot, SWDC 2000-2001 Highlights	2000		

6.2 REPORT ON ACCESS, EQUITY AND CUSTOMER FOCUS

REPORT IN ACCORDANCE WITH SECTION 31 (1) OF THE PUBLIC SECTOR MANAGEMENT ACT 1994

The Commission has complied with Public Sector standards and ethics. No applications were lodged in the 2000/2001 financial year for:

- Review of standards
- Breach of standards

The Commission's code of conduct is provided to all staff on the commencement of their employment and is also readily accessible on the Commission's information network.

OFFICIAL CORRUPTION COMMISSION

A nil report was returned for the 2000/2001 financial year.

DISABILITIES SERVICES PLAN

The Commission's plan was implemented in 1996 and is still operational. Building design includes ramps and self-opening doors with disability parking available at the entrance to the building. There is lift access to the Commission's offices on the 9th floor.

During the year in review, the Commission developed a style guide to reflect disability requirements in all its corporate material. The agency's logo was redesigned to reflect these requirements.

EQUAL EMPLOYMENT OPPORTUNITY

The Commission's Equal Employment Opportunity policy was implemented in the 1998/1999 financial year. The policy recognises and supports the recognition of equal opportunity and diversity in achieving the Commission's objectives.

FREEDOM OF INFORMATION

No Freedom of Information enquiries were received during the year in review.

LANGUAGE AND CULTURAL DIVERSITY OUTCOMES

The Commission's operations have reflected the initiatives of the plan whenever relevant during this reporting period.

GOVERNMENT TWO-YEAR PLAN FOR WOMEN

During the year in review, the Commission's operations have reflected, wherever relevant, the initiatives of the Government's *Two Year Plan for Women 1999/2001*, particularly in relation to economic independence and decision-making, safety and State government boards and committees.

The Commission has a representative assisting in developing the Government Plan for Women 2001-2005. The Women's Policy Office in consultation with lead government agencies is developing this plan.

ACTION - A STATE GOVERNMENT PLAN FOR YOUNG PEOPLE, 2000/2003

The South West Development Commission's Vision 2029 initiative meets the following areas of the State Government's plan for young people:

1. Promoting a positive image of young people.
3. Better preparing young people for work and adult life.
5. Promoting the development of personal and leadership skills.
6. Encouraging young people to take on roles and responsibilities that lead to active adult citizenship.

ELECTORAL ACT COMPLIANCE

The Commission is required to comply with section 175ZR of the Electoral Act.

To meet these requirements, the Commission has listed the amounts spent on the following classes of expenditure in 2000/2001.

(a) Advertising Agencies	\$ 0
(b) Market Research Organisations	
Asset Research	\$ 4,410
(c) Polling Organisations	\$ 0
(d) Direct Mail	\$ 0
(e) Media Advertising Organisations	
Marketforce Productions	\$13,158
Rural Press	\$ 4,292
SW Printing and Publishing Co. Ltd	\$10,676
Radio West Broadcasters	\$ 5,649
Class (e) - amounts paid	\$33,775

6.2 REPORT ON ACCESS, EQUITY AND CUSTOMER FOCUS

SPONSORSHIP

Rivers of Wine Documentary	\$ 5,000
ANCID (Australian National Committee on Irrigation and Drainage) Conference	\$ 2,200
SW Hospitality and Tourism Awards	\$ 1,000
SW Hospitality and Catering Awards	\$ 250
Small Business Awards	\$ 1,500

COMMISSION GRANTS

REGIONAL INITIATIVES FUND GRANT RECIPIENT	PURPOSE	AMOUNT
Augusta Community Development Association	Business Plan for Augusta Discovery Coast Museum	\$3,300
Manjimup on the Move	Community Development Officer Administration Assistance	\$4,731
National Association for Sustainable Agriculture	Agricultural Seminar in Bridgetown	\$ 990
Shire of Augusta-Margaret River	Strategic Plan	\$3,300
Shire of Busselton	Creating a Senior Friendly Environment	\$3,300
Shire of Nannup	Old Railway Bridge Engineering Study	\$3,850
Shire of Nannup	Blackwood Trails	\$5,500
Tourism South West	Australasian Incentives Expo	\$3,450
Yarloop Workshop Committee	Roof repairs	\$4,400
Shire of Capel	Multi-purpose Community Facility Feasibility Study	\$6,050
Collie Community Bank Steering Committee	Establish a Community Bank in Collie	\$2,200

CULTURAL TOURISM GRANT RECIPIENT	PURPOSE	AMOUNT
Greenbushes Ratepayers & Residents Association	Federation Celebration	\$1,500
Shire of Busselton	Summer of Music	\$ 500
Busselton Hockey Stadium Club Inc.	International Past Masters Hockey Tournament	\$1,500
Bunbury Regional Art Galleries	Festival of the Stars	\$2,000
Capel Fest Inc.	Capel Fest	\$1,500
Capel Community Builders	Cinema Under the Stars	\$1,500
Collie Racing Driver's Association	Australian Street Stock Championships	\$ 500

6.2 REPORT ON ACCESS, EQUITY AND CUSTOMER FOCUS

CULTURAL TOURISM GRANT RECIPIENT	PURPOSE	AMOUNT
Margaret River Community Resource Centre	Margaret River Harvest Fair	\$1,000
Collie Motor Cycle Club Inc.	Collie Griffin Coal Motorcross Challenge	\$1,000
Dunsborough Rugby Club	Western Australia Country Rugby Union Carnival	\$5,000
Balingup Small Farm Field Day Committee	Balingup Small Farm Field Day	\$1,650
Harvey Tourist Bureau	Harvey Harvest Festival 2001	\$2,500
Manjimup Tourist Bureau	Autumn Harvest Festival	\$1,000
Blackwood Country Gardens Inc.	Festival of Country Gardens Federation Festival	\$1,000
Country Music Club of Boyup Brook WA Inc.	Boyup Brook Country Music Festival	\$5,000
Medieval Carnival Committee	Medieval Month Balingup	\$4,400
Collie Tourist Bureau	Collie Leg - Rally Australia	\$ 250
Festival of Busselton Inc.	Festival of Busselton	\$1,100
Australian Sister Cities Association Inc.	Australian Sister Cities National Conference	\$2,000
Nannup Tourist Bureau	Nannup Music Festival	\$5,000
Myalup Community Association	Beach Bums Battle and Ball	\$ 600
Collie River Valley "Busy Fingers" Arts & Crafts	Collie River valley "Busy Fingers" Arts and Crafts	\$ 300
Donnybrook Business & Professional Women's Club	Music by the River	\$1,100
Lions Club of Donnybrook	Donnybrook Community Expo	\$ 500
Donnybrook Apple Festival Committee	Donnybrook Apple Festival Committee	\$3,300
Collie-Cardiff RSL	Collie Milserv 2001	\$1,650
Cape Naturaliste Tourism Association	Ngilgi Cave Centenary Celebrations	\$ 700
Dunsborough/Yallingup Chamber of Commerce	Dunsborough Carnival	\$ 500
Harvey Garden Expo	Harvey Garden Expo	\$ 500
Quantum Theatre Company	Casablanca: A Theatre Restaurant	\$ 500
Smart Arts	Unifest 2001	\$ 150

6.2 REPORT ON ACCESS, EQUITY AND CUSTOMER FOCUS

CUSTOMER FOCUS OUTCOMES

The Commission has given greater emphasis to customer focus throughout its operations by the employment of a Customer Service Coordinator. This position is responsible for chairing the Customer Service Council and participating in team meetings, to ensure that throughout the Commission there is an understanding of the needs of our customers and our services are delivered in a relevant manner.

The South West Development Commission Board and staff are committed to providing quality customer service in a friendly and courteous manner. We maintain the highest ethical standards of honesty and fairness and endeavour to respond quickly to all verbal, written and electronic requests for information and services.

At all times we guarantee confidentiality and report regularly on the progress of work. Information is provided in an open, honest and accountable manner.

The South West Development Commission welcomes feedback on its activities and services. We encourage our clients and the general public to contact us with any comments or suggestions that can assist the Commission to improve its service delivery.

CLIENT SURVEY

The Commission measures its performance through an annual client survey. Key customer groups of the Commission are State and Commonwealth government agencies, the region's local governments, the business and industry sector and local community organisations.

Independent consultancy firm, Asset Research was employed to undertake the annual SWDC Client Survey in June 2001. Clients were surveyed to determine their views and understanding of the Commission's role, activities and performance.

The survey questionnaire was distributed to 205 key clients and local government representatives. Altogether 124 completed surveys were received. A key client response rate of 60 per cent, and a 63.3 per cent response rate from the local governments (with responses received from all South West local governments) were achieved.

The results of the survey indicate that there has been a marginal increase in the perception that the Commission performs a role involving the

development of the South West as well as the economic development of the region.

Commission projects, which received the highest proportion of awareness, were those that were most visible or received the greatest volume of publicity. Living Windows was the most recognised project in this survey period, followed by the Bunbury Back Beach project, Mainstreet and tourism initiatives.

The Commission's five strategic priority areas were evaluated for the second time in this survey period. All responses are above the mid range level of the rating scale indicating an overall belief that the priorities are effective.

The results of key clients show an across the board increases in use of all aspects of the Commission's services. The key area of service use remain:

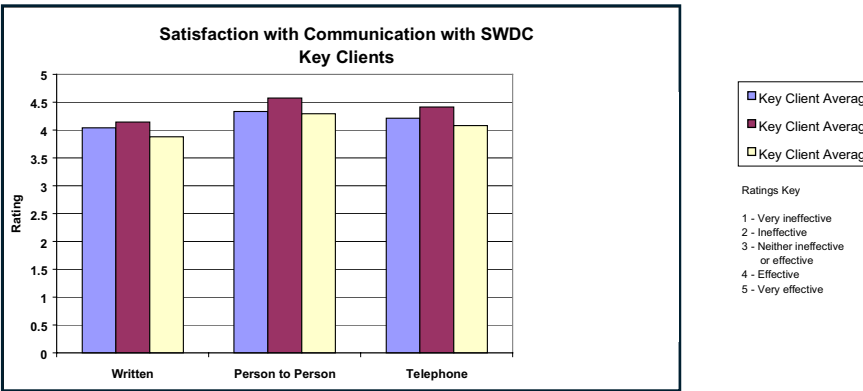
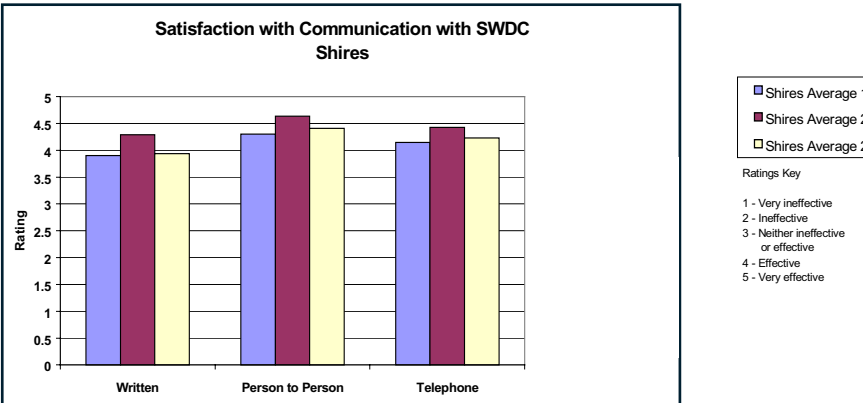
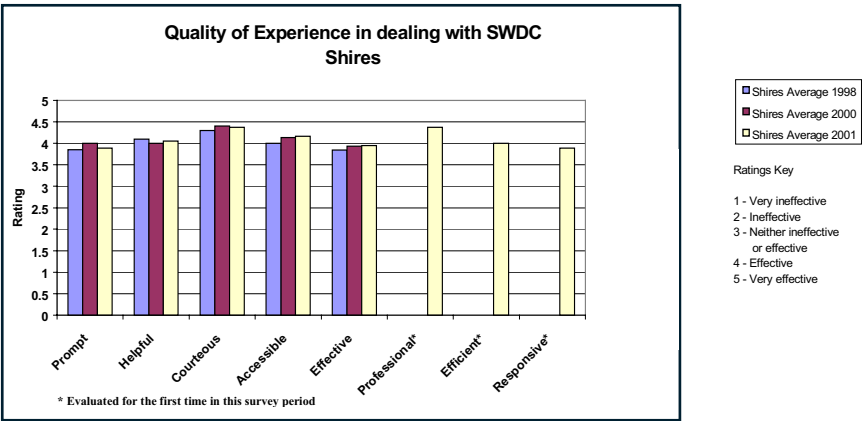
- Provision of information about the region/Commission;
- Coordination between other organisations and groups;
- Provision of advice;
- Source of funds;
- Project development;
- Assistance with industrial development; and
- Community consultation.

Ratings of the Commission's performance in relation to the effectiveness of the services delivered, quality of experience and satisfaction with communication also show very positive results. When compared to the 2000 survey results, there is a marginal reduction in general scores both for shires and key clients.

(Ratings: 1=Very Ineffective, 5= Very Effective)



6.2 REPORT ON ACCESS, EQUITY AND CUSTOMER FOCUS



In view of the economic climate during the year, the downturn in major project activity, dairy deregulation and change in State Government, the Commission has received very pleasing results.

Section 7.

Performance Indicators



AUDITOR GENERAL

To the Parliament of Western Australia

**SOUTH WEST DEVELOPMENT COMMISSION
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2001**

Scope

I have audited the key effectiveness and efficiency performance indicators of the South West Development Commission for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Commission is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Commission's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the South West Development Commission are relevant and appropriate for assisting users to assess the Commission's performance and fairly represent the indicated performance for the year ended June 30, 2001.

K O O'NEIL
ACTING AUDITOR GENERAL
November 29, 2001

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the accompanying performance indicators are based on proper records and fairly represent the performance of the South West Development Commission for the period ended 30 June 2001.



CAROL DEVITT
A/CHAIRMAN OF THE ACCOUNTABLE AUTHORITY
14 November 2001



DON PUNCH
MEMBER OF THE ACCOUNTABLE AUTHORITY
14 November 2001

PERFORMANCE INDICATORS

OUTCOME

The South West Development Commission’s outcome is to coordinate and promote an environment, which is conducive to the balanced economic development of the South West Region.

Key Outputs:

- 1.1 Facilitation, Consultation and Co-ordination
- 1.2 Information, Promotion and Advice
- 1.3 Infrastructure (Land) Development

1.0 EFFECTIVENESS INDICATORS

As in previous years, the Commission’s effectiveness indicators are based on an evaluation survey conducted by an independent consultant.

1.1 SOUTH WEST DEVELOPMENT COMMISSION CLIENT SURVEY 2001

As a requirement of its Strategic Plan, the Commission undertook an evaluation of its operations in June 2001. Clients were surveyed to determine their views and understanding of the Commission’s role, activities and performance. Similar surveys were undertaken in 1993, 1996, 1998 and 2000.

Key performance results from the 2001 survey, and a comparison with results from the 2000 survey, are detailed below.

An independent consultant, Asset Research, undertook the survey. In total 205 questionnaires were distributed to key clients and local government representatives. The key clients were made up of Commonwealth and State government agencies, and private organisations. A total of 124 completed surveys were received by Asset Research, comprising 19 completed surveys from local government representatives (with responses received from all South West local governments) and 105 from other agencies and private organisations. This represents a key client response rate of 60 per cent, and a 63.3 per cent response rate from the local governments.

The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of clients within a possible sampling error of +/- 5 per cent. The sampling error range for this survey period is +/- 4.7 per cent.

Many questions in the survey required the respondent to provide a rating on a scale of 1 (low) to 5 (high). The results of these ratings are provided as an average. In cases where the survey asked for options to be listed, the percentage of the clients that selected each option has been identified.

1.1.1 Effectiveness of the South West Development Commission

(1 = effective, 5 = very effective)

Key Outputs	Total Average 2000	Total Average 2001	Shires Average 2000	Shires Average 2001	Key Client Average 2000	Key Client Average 2001
Facilitation, Consultation and Co-ordination	3.93	3.81	4.00	3.94	3.92	3.78
Information, Promotion and Advice	3.92	3.79	4.20	4.00	3.88	3.75
Infrastructure (Land) Development	3.39	3.29	3.21	2.93	3.41	3.36

1.1.2 Rating the Commission's performance in its effectiveness of delivering services

(1 = effective, 5 = very effective)

Services	Shires Average 2000	Shires Average 2001	Key Client Average 2000	Key Client Average 2001
Planning assistance	3.82	3.58	3.63	3.60
Source of funds	3.46	3.63	3.77	3.64
Assistance in securing funds from other sources	3.70	3.81	3.59	3.63
Advocacy	3.64	3.45	3.35	3.76
Community consultation	3.56	3.80	4.03	3.81
Co-ordination between other organisations and groups	4.00	4.08	3.99	3.98
Problem solving	3.33	3.33	3.46	3.51
Assistance with industrial development	3.46	3.00	3.67	3.85
Identification of investment opportunities	3.17	2.86	3.66	3.48
Project development	3.25	3.93	3.94	3.91
Organisation support	3.55	3.67	3.97	3.79
Assistance with promotions	3.50	3.60	3.96	4.07
Provision of advice and information #	4.07	-	4.15	-
Provision of advice *	-	4.00	-	3.92
Information about the region/Commission *	-	4.08	-	4.17
Marketing advice/information *	-	3.54	-	3.92

2000 only. Included as two separate services for the first time in 2001.

* Evaluated for the first time this survey period.

2.0 EFFICIENCY INDICATORS

The operating costs of the South West Development Commission are based on Statement of Financial Performance expenditure for the relevant period. Hourly cost is determined by dividing the expenditure for the period by the total hours worked for the period.

	Note	2000/2001	1999/2000
Facilitation Consultation Coordination			
Operating	(1)	\$3,356,300	\$1,782,744
Hours		18,162	24,484
Cost Per Hour		\$185	\$73
Information Planning Advice			
Operating	(2)	\$1,331,611	\$880,273
Hours		20,669	13,673
Cost Per Hour		\$64	\$64
Infrastructure (Land) Development			
Operating	(3)	\$1,363,129	\$1,995,614
Hours		7,782	6,785
Cost Per Hour		\$175	\$294
Total Group Information			
Operating		\$6,051,040	\$4,658,631
Hours		46,613	44,942
Cost Per Hour		\$130	\$104

Notes On Variance Between Reporting Period

Note 1: Increased cost per hour is due to the increase in the value of funds and less hours recorded to this output.

Note 2: Increased number of hours reflect increased service activity and an increase in corporate costs allocated to it.

Note 3: Decreased cost per hour is due to a decrease in expenditure.

Section 8.

Financial Statements



AUDITOR GENERAL

To the Parliament of Western Australia

**SOUTH WEST DEVELOPMENT COMMISSION
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001**

Scope

I have audited the accounts and financial statements of the South West Development Commission for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Commission is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Commission.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Commission to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Commission's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the controls exercised by the South West Development Commission provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes to the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Commission at June 30, 2001 and the results of its operations and its cash flows for the year then ended.

K O O'NEIL
ACTING AUDITOR GENERAL
November 29, 2001

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the South West Development Commission have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2001 and the financial position as at 30 June 2001.

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



CAROL DEVITT

A/CHAIRMAN OF THE ACCOUNTABLE AUTHORITY

14 November 2001



DON PUNCH

MEMBER OF THE ACCOUNTABLE AUTHORITY

14 November 2001



JAMES OLIVER

PRINCIPAL ACCOUNTING OFFICER

14 November 2001

SOUTH WEST DEVELOPMENT COMMISSION STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 30 JUNE 2001

	Note	2001 \$	2000 \$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	2	1,558,969	1,290,406
Supplies and services	3	973,023	1,316,883
Depreciation expense	4	99,276	76,035
Borrowing cost expenses		1,178,725	1,319,949
Administration expenses	5	244,052	209,495
Accommodation expenses	6	203,491	215,591
Grants and subsidies	7	2,203,678	206,488
Net loss on disposal of non-current assets	13	188	-
Other expenses from ordinary activities	8	23,528	23,783
Total cost of services		6,484,930	4,658,630
REVENUES FROM ORDINARY ACTIVITIES			
Revenue from ordinary activities			
User charges and fees	9	15,841	340
Trading profit	10	-	535,515
Commonwealth grants and contributions	11	9,091	204,250
Net profit on disposal of non-current assets	13	-	500
Interest revenue		596	5,872
Other revenues from ordinary activities	12	408,362	128,387
Total revenues from ordinary activities		433,890	874,864
NET COST OF SERVICES	28	6,051,040	3,783,766
REVENUES FROM GOVERNMENT			
Appropriations	14	8,257,000	4,392,000
Resources received free of charge		13,500	13,200
Grants from Government agencies		341,042	371,909
Total revenues from Government		8,611,542	4,777,109
CHANGE IN NET ASSETS		2,560,502	993,343
Net increase in asset revaluation reserve		2,357,670	-
Total revenues, expenses and valuation adjustments recognised directly in equity		2,357,670	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		4,918,172	993,343

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

SOUTH WEST DEVELOPMENT COMMISSION STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2001

	Note	2001 \$	2000 \$
Current Assets			
Cash assets	27	4,347,489	2,955,157
Restricted cash assets	15	305,202	160,584
Inventories	16	993,218	939,004
Receivables	17	123,660	122,063
Other assets	18	2,334	23,302
Total Current Assets		5,771,903	4,200,110
Non-Current Assets			
Inventories	16	1,106,010	1,179,834
Property, plant, equipment	19	4,674,714	2,359,558
Infrastructure	20	488,027	-
Works of art	21	12,000	-
Total Non-Current Assets		6,280,751	3,539,392
Total Assets		12,052,654	7,739,502
Current Liabilities			
Payables	22	5,146	6,740
Interest bearing liabilities	23	741,069	717,032
Provisions	24	176,292	155,694
Other liabilities	25	365,298	370,091
Total Current Liabilities		1,287,805	1,249,557
Non-Current Liabilities			
Interest bearing liabilities	23	10,002,870	10,743,939
Provisions	24	496,314	398,513
Total Non-Current Liabilities		10,499,184	11,142,452
Total Liabilities		11,786,989	12,392,009
NET ASSETS		265,665	(4,652,507)
Equity			
Asset revaluation reserve	26	2,357,670	-
Accumulated deficiency		(2,092,005)	(4,652,507)
TOTAL EQUITY		265,665	(4,652,507)

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

SOUTH WEST DEVELOPMENT COMMISSION STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2001

	Note	2001 \$	2000 \$
CASH FLOWS FROM GOVERNMENT			
Recurrent appropriations		4,334,000	4,392,000
Capital appropriations		3,923,000	-
Grants from State Government agencies		392,451	283,500
Net cash provided by Government		8,649,451	4,675,500
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee expenses		(1,445,548)	(1,272,999)
Supplies and services		(966,865)	(1,290,129)
Interest paid		(1,208,468)	(1,305,180)
GST payments on purchases		(406,021)	(825)
Other payments		(2,616,964)	(680,814)
Receipts			
Sale of goods and services		-	1,375,499
User charges and fees		15,841	340
Interest received		596	9,839
GST receipts on sales		28,416	-
GST receipts from Taxation Authority		329,337	-
Other receipts		411,573	301,053
Net cash provided by/(used in) operating activities	28	(5,858,103)	(2,863,216)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		26,331	500
Purchase of non-current physical assets		(563,697)	(67,399)
Net cash provided by/(used in) investing activities		(537,366)	(66,899)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	188,207
Repayment of borrowings		(717,032)	(693,820)
Net cash provided by/(used in) financing activities		(717,032)	(505,613)
Net increase/(decrease) in cash held		1,536,950	1,239,772
Cash assets at the beginning of the financial year		3,115,741	1,875,969
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	27	4,652,691	3,115,741

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

SOUTH WEST DEVELOPMENT COMMISSION OUTPUT SCHEDULE
FOR YEAR ENDED 30 JUNE 2001

	Note	Facilitation Consultation Co-ordination		Information Promotion Advice		Infrastructure (Land) Development		Total	
		2001	2000	2001	2000	2001	2000	2001	2000
		\$	\$	\$	\$	\$	\$	\$	\$
COST OF SERVICES									
Operating expenses									
Employee expenses	2	643,575	994,906	676,803	267,312	238,592	28,188	1,558,969	1,290,406
Supplies and services	3	379,479	1,015,320	428,130	272,796	165,414	28,767	973,023	1,316,883
Depreciation expense	4	38,718	58,623	43,681	15,751	16,877	1,661	99,276	76,035
Borrowing cost expenses		-	-	-	-	1,178,725	1,319,949	1,178,725	1,319,949
Administration expenses	5	95,180	161,521	107,383	43,398	41,489	4,576	244,052	209,495
Accommodation expenses	6	79,361	166,221	89,536	44,660	34,594	4,709	203,491	215,591
Grants & subsidies	7	2,160,542	206,488	43,136	-	-	-	2,203,678	206,488
Net loss on disposal non-current assets	13	73	-	83	-	32	-	188	-
Other expenses from ordinary activities	8	9,176	18,337	10,352	4,927	4,000	520	23,528	23,783
Total cost of services		3,406,104	2,621,416	1,399,104	648,844	1,679,723	1,388,370	6,484,930	4,658,630
Revenue from ordinary activities									
User charges and fees	9	6,178	262	6,970	70	2,693	7	15,841	340
Trading profit	10	-	-	-	-	-	535,515	-	535,515
Commonwealth grants and contributions	11	-	204,250	9,091	-	-	-	9,091	204,250
Net profit on disposal of non-current assets	13	-	386	-	104	-	11	-	500
Interest revenue		232	4,527	262	1,216	102	128	596	5,872
Other operating revenue	12	43,394	98,987	51,170	26,596	313,799	2,805	408,362	128,387
Total revenue from services		49,804	308,412	67,493	27,986	316,594	538,466	433,890	874,864
NET COST OF SERVICES	26	3,356,300	2,313,004	1,331,611	620,858	1,363,129	849,904	6,051,040	3,783,766
REVENUES FROM GOVERNMENT									
Appropriations	14	4,570,260	2,368,558	1,906,960	636,385	1,779,780	1,387,057	8,257,000	4,392,000
Resources received free of charge		5,265	10,177	5,940	2,734	2,295	288	13,500	13,200
Grants from State Government		331,042	371,909	10,000	-	-	-	341,042	371,909
Total revenues from Government		4,906,567	2,750,644	1,922,900	639,120	1,782,075	1,387,345	8,611,542	4,777,109
Change in net assets resulting from operations		1,550,267	437,640	591,289	18,262	418,946	537,441	2,560,502	993,343

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE
FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

1. Significant Accounting Policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

The statements have been prepared on the accrual basis of accounting using the historical cost convention, with the exception of certain non-current assets, which subsequent to initial recognition, are at valuation.

(a) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Commission obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt. Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(b) Depreciation of Non-Current Assets

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

Buildings	20 years - 40 years
Office Equipment	5 years - 10 years

Works of art controlled by the Commission are classified as heritage assets. They are anticipated to have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE
FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

(c) Employee Entitlements

Annual Leave

This entitlement is recognised at current remuneration rates and is measured at the amount unpaid at the reporting date in respect to employees' service up to that date.

Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates to obtain the estimated future cash outflows.

This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AAS 30 "Accounting for Employee Entitlements".

Superannuation

Staff may contribute to the Superannuation and Family Benefits Act Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992.

The liability for superannuation charges incurred under the Superannuation and Family Benefits Act pension scheme, together with the pre-transfer service liability for employees who transferred to the Gold State Superannuation Scheme, are provided for at reporting date.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by fortnightly payment of employer contributions to the Government Employees Superannuation Board.

The note disclosure required by paragraph 51(e) of AAS 30 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employees Superannuation Board's records are not structured to provide the information for the Commission. Accordingly, deriving the information for the Commission is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

(d) Leases

The Commission has entered into a number of operating lease arrangements for the rent of the office building where the lessor effectively retains the entire risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the statement of financial performance over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

(e) Receivables

Receivables are recognised at the amounts due and for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubt as to collection exists and in any event where the debt is more than 60 days overdue.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE
FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

(f) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Commission considers the carrying amount approximates net fair value.

(g) Payables

Accounts Payable, including accruals not yet billed, are recognised when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. Accounts Payable is generally settled within 30 days.

(h) Inventories

Inventories consist of land and buildings held for development and resale. Inventories are valued at the lower of cost or net realisable value. Development costs are capitalised and maintenance costs are expensed.

(i) Interest Bearing Liabilities

Bank loans and other loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

(j) Resources Received Free of Charge or For Nominal Value

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

(k) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services is recognised when the Commission has passed control of the goods or other assets or delivery of the service to the customer.

(l) Revaluation of Land, Buildings and Infrastructure

The Commission has a policy of recording land, buildings and infrastructure, other than land and buildings held for resale, at valuation. The three yearly revaluations of the Commission's land, buildings and infrastructure undertaken by the Valuer General's Office for the Government Property Register are recognised in the financial statements.

(m) Comparative Figures

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

(n) Joint Venture Operations

Interests in joint venture operations have been reported in the financial statements notes.

**SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE
FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001**

	2001 \$	2000 \$
2 Employee Expenses		
Wages and salaries	1,103,412	1,024,854
Superannuation	228,402	106,835
Long service leave	38,333	17,594
Annual leave	84,352	49,108
Other related expenses	104,470	92,015
	1,558,969	1,290,406
3 Supplies and Services		
Consultants and contractors	739,765	1,051,309
Repairs and maintenance	31,838	39,394
Travel	309	4,648
Other	201,111	221,532
	973,023	1,316,883
4 Depreciation Expense		
Office equipment	62,128	50,219
Buildings	37,148	25,816
	99,276	76,035
5 Administration Expenses		
Communication	61,576	62,554
Consumables	180,026	132,610
Other staff costs	2,450	14,331
	244,052	209,495
6 Accommodation Expenses		
Lease rentals	180,451	191,779
Repairs & maintenance	21,706	22,768
Cleaning	1,334	1,044
	203,491	215,591
7 Grants & Subsidies		
Non public organisations	1,712,769	194,779
Public organisations	490,909	11,709
	2,203,678	206,488
8 Other Expenses from Ordinary Activities		
Guarantee fee for loan	22,506	18,773
Bad debt written off	1,000	5,000
Cash shortage	22	10
	23,528	23,783

**SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE
FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001**

	2001 \$	2000 \$
9 User Charges and Fees		
User charges and fees	15,841	340
	15,841	340
10 Trading Profit		
Sales	0	1,420,498
Cost of sales:		
Opening inventory (after reclassification)	2,099,228	4,701,493
Purchases	0	0
		4,701,493
Closing inventory	2,099,228	3,816,510
Cost of goods sold	0	884,983
Trading profit	0	535,515
The Commission's land and buildings were all held as inventories in 1999/2000. After assessing each parcel of land it was determined that a portion only was being held for sale and the balance being retained for the purpose of floodway corridor. Consequently in 2000/2001 part of the Commission's land and all the buildings were reclassified to Non-current assets.		
11 Commonwealth Grants and Contributions		
Recurrent	9,091	204,250
	9,091	204,250
12 Other Revenues for Ordinary Activities		
Sundry income	192,269	71,705
Grants Local Government	29,136	1,000
Rental from property	184,838	54,137
Government vehicle scheme	2,119	1,545
	408,362	128,387
13 Net Profit/(Loss) on Disposal of Non-current Assets		
Carrying value of sundry equipment	6,747	0
Gross proceeds on disposal of equipment	6,559	500
Profit(Loss) on sale of non-current assets	(188)	500

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

	2001 \$	2000 \$
14 Revenues from Government		
Appropriation revenue received during the year:		
Recurrent	4,334,000	4,392,000
Capital	3,923,000	0
	8,257,000	4,392,000

Resources received free of charge determined on the basis of the following estimates provided by agencies:		
Office of the Auditor General	13,500	13,200
	13,500	13,200

Grants received from Government agencies	341,042	371,909
	341,042	371,909

15A Project Revenues for the Year

Financial support and fees were received from community, government and semi-government organisations for the projects stated below.

Quality Assurance	0	28,000
Tourism Research	0	5,000
SW Information Technology Advisory Service	9,091	60,000
Kemerton Bunbury Transport Corridor	71,500	15,000
Walpole Telecommunications Tower	3,000	190,000
Manjimup Horticulture Industry Advisory Group	136,591	30,000
RED-Sundries	0	2,000
Compost Research Trials	0	30,500
2029 Committee	3,000	5,000
Aboriginal Economic Development Officer	0	68,500
Waste Concrete Research Trials	0	19,500
Motoring South West	0	25,000
Dairy Deregulation	0	3,000
Water Tourism Collie River	909	1,000
Dolphin Discovery Centre	0	5,000
Woodworkers Association Nannup	15,000	0
Nannup Mill Drainage	4,860	0
Community Builders Initiative	47,481	0
MIDAS-Manjimup on the Move	15,000	0
Northcliffe Timber Technology	20,000	0
Runaway Bus	1,136	0
Centre of Excellence-Forest Products	20,000	0
Regional Initiatives Fund	73,000	0
Revenues from sale of reports, conferences, seminars, workshops and recovery of project expenditure expended in previous periods	16,750	17,820
	437,318	505,320

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

	2001 \$	2000 \$
15B Restricted Cash		
Unexpended Project Revenues		
Some of the project revenues stated above were unexpended as at 30 June 2001.		
Given below is a list of the projects with unexpended revenues.		

SW Information Technology Advisory Service	21,545	37,384
Kemerton Bunbury Transport Corridor	96,231	15,000
Manjimup Horticulture Industry Advisory Group	18,260	1,111
Compost Research Trials	12,331	22,524
2029 Committee	3,000	3,752
Aboriginal Economic Development Officer	23,004	58,813
Waste Concrete Research Trials	19,500	19,500
Dairy Deregulation	0	1,500
Water Tourism Collie River	0	1,000
Walpole Telecommunications Tower	2,492	0
Nannup Mill Drainage	4,860	0
Community Builders Initiative	29,974	0
MIDAS-Manjimup on the Move	9,136	0
Northcliffe Timber Technology	2,531	0
Centre of Excellence-Forest Products	8,000	0
Regional Initiatives Fund	34,000	0
	284,864	160,584

15C Amounts in Suspense

Provision for 27th pay	20,338	0
	20,338	0

Amount held for the payment of the 27th Pay in 2007 - Change of accounting practice in 2001

To be treated as Amount in suspense and not as liability provision.

16 Inventories

The amount of inventories recognised and included in the financial statements is as follows:

Current at cost	993,218	939,004
Non-current at cost	1,106,010	1,179,834
	2,099,228	2,118,838

The Commission values inventories at the lower of cost or net realisable value.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

	2001 \$	2000 \$
17 Receivables		
Current		
Government agencies	122,009	97,825
External	1,651	24,238
	123,660	122,063
18 Other Assets		
Current		
Prepayments	2,334	23,302
	2,334	23,302
19 Property, Plant and Equipment		
Office equipment		
At cost	318,605	431,097
Accumulated depreciation	(138,433)	(257,558)
Written down value	180,172	173,539
Buildings		
At valuation (2000)	754,500	732,995
Accumulated depreciation	(193,358)	(156,211)
Written down value	561,142	576,784
Land		
At valuation (2000)	3,933,400	1,609,235
	3,933,400	1,609,235
Total Property, Plant and Equipment	4,674,714	2,359,558

The revaluation of land and buildings was performed in 2000 in accordance with an independent valuation by the Valuer General's Office. Valuation has been determined on the basis of current market buying values. The valuation was made in accordance with a regular policy of three yearly revaluation with another revaluation due in 2003.

Reconciliation

Reconciliations of the carrying amounts of property and equipment at the beginning and end of the current and previous financial year are set out below.

	Land	Buildings	Office Equipment
Carrying amount at start of year	1,609,235	576,784	173,539
Additions	0	0	78,693
Disposals	0	0	(8,011)
Revaluation increment	2,324,165	21,506	0
Depreciation	0	(37,148)	(64,049)
	3,933,400	561,142	180,172

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

	2001 \$	2000 \$
20 Infrastructure		
Works in progress	488,027	0
	488,027	0

The works in progress was the Pemberton Heritage Centre.

21 Works of Art		
At valuation	12,000	0
	12,000	0

Works of Art consist of Baudin Chart Prints and were revalued this year.

22 Payables		
Current		
Other creditors	5,146	6,740
	5,146	6,740

23 Interest Bearing Liabilities		
Current		
Amount due to the WATC	741,069	717,032
	741,069	717,032
Non-current		
Amount due to the WATC	10,002,870	10,743,939
	10,002,870	10,743,939
Total Interest Bearing Liabilities	10,743,939	11,460,971

24 Provisions		
Current		
Annual leave	91,415	82,586
Long service leave	84,877	73,108
	176,292	155,694
Non-current		
Long service leave	69,277	72,960
Superannuation	427,037	308,760
27th Pay-see note 15c	0	16,793
	496,314	398,513

Employee Entitlements

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

Provision for employee entitlements:

Current	176,292	155,694
Non-current	496,314	398,513
	672,606	554,207

The superannuation liability has been established from data supplied by the Government Employees Superannuation Board. The Commission considers the carrying amount of employee entitlements approximates the net fair value.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

	2001 \$	2000 \$
25 Other Liabilities		
Current		
Accrued expenses	64,533	32,761
Accrued salaries	27,392	23,786
Accrued superannuation	1,711	12,139
Accrued interest	271,662	301,405
	365,298	370,091
26 Equity		
Reserves		
Asset revaluation reserve:		
Opening balance	0	0
Net revaluation increments:		
Land	2,324,165	0
Buildings	21,505	0
Works of art	12,000	0
Closing balance	2,357,670	0
The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(l).		
Accumulated surplus/(deficiency)		
Opening balance	(4,652,507)	(5,645,850)
Change in net assets	2,560,502	993,343
Closing balance	(2,092,005)	(4,652,507)

Notes to the Statement of Cash Flows

27 Cash Resources

For the purpose of the Statement of Cash Flows, cash includes cash at bank, amounts in suspense and restricted cash. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash	4,347,489	2,955,157
Restricted cash (refer to note15B)	284,864	160,584
Amounts in suspense (refer to note15C)	20,338	0
	4,652,691	3,115,741

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

	2001 \$	2000 \$
28 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(6,051,040)	(3,783,766)
Non-cash items:		
Depreciation expense	99,276	76,035
Resources received free of charge	13,500	13,200
Bad debts written off	(1,000)	0
(Profit)/loss on sale of non-current assets	188	(500)
Cost of inventory sold	0	884,983
Other	(16)	(55,398)
(Increase)/decrease in assets:		
Current receivables	1,598	39,309
GST	(49,990)	0
Other current assets	20,969	(21,502)
Increase/(decrease) in liabilities:		
Current accounts payable	(5,192)	(45,228)
Current provisions	41,761	21,521
Other current liabilities	(4,794)	(630)
Non-current provisions	76,637	8,760
Net cash provided by/(used in) operating activities	(5,858,103)	(2,863,216)

29 Remuneration of Accountable Authority

The total fees and other benefits received or due and receivable for the financial year, by the members of the Board of Management

	33,364	34,649
The number of members whose total fees and other benefits received and receivable falls within the following band:		
\$ 0 - \$10,000	9	8
\$10,001 - \$20,000	1	1

30 Remuneration of Senior Officers

The total of fees, salaries and other benefits received or due and receivable for the financial year by senior officers

	293,132	238,258
The number of senior officers whose total of salaries and other benefits received or receivable falls within the following bands:		

\$10,000 - \$20,000	0	0
\$50,000 - \$60,000	1	0
\$60,001 - \$70,000	2	1
\$70,001 - \$80,000	0	1
\$80,001 - \$90,000	0	0
\$100,000 - \$110,000	1	1

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

	2001 \$	2000 \$
31 Retirement Benefits		
Contributions paid and payable to the Gold State and West State Superannuation Scheme.		
Members of the Board of Management	2,001	1,880
Senior officers	27,601	18,318
	29,602	20,198

No senior officers presently employed are members of the Superannuation and Family Benefits Act Scheme

32 Lease Commitments

Non cancellable operating lease commitments		
Motor vehicle- not later than one year	46,849	35,261
Motor vehicle- later than one year, not later than five years	20,920	5,846
Office rentals - not later than one year	223,244	228,000
Office rentals - later than one year, not later than five years	892,976	912,000

33 Capital and Significant Commitments

Pemberton Heritage Energy Centre		
Not later than one year	250,000	0
Coastal Enhancement		
Not later than one year	4,133,191	0
Warren Blackwood Action Statement		
Not later than one year	1,292,802	0
Minor Projects		
Not later than one year	410,000	0

34 Contingent Liabilities

There are no contingent liabilities that the Commission are aware of as at 30 June 2001.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

35 Explanatory Statement

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$ 20,000

	2001 \$	2000 \$	Variance \$
Employee expenses	1,483,196	1,290,406	192,790
Supplies and services	973,023	1,316,883	(343,860)
Depreciation	99,276	76,035	23,241
Administration expenses	244,052	209,495	34,557
Grants and subsidies	2,203,678	206,488	1,997,190
Trading profit	0	535,515	(535,515)
Commonwealth grants and contributions	9,091	204,250	(195,159)
Other revenue from ordinary activities	478,362	128,387	349,975

Employee expenses

The variance includes an increased liability for superannuation under the lump sum payment scheme. Also annual leave clearance and recruitment costs.

Supplies and services

These activities vary according to the value of projects and services the Commission is involved in.

Depreciation

The variance is due to the classification of the Commission's buildings as Assets (previously classified as inventory but are no longer being held for resale) and depreciated as such.

Administration expenses

The variance is due to the increase in motor vehicle costs, printing and stationery.

Grants and subsidies

The variance is due to grants provided under the Warren Blackwood Action Statement.

Trading profit

There has been no sales of the Commission's land being held as inventory.

Commonwealth grants and contributions

The variance is due to a decrease in grants from the Commonwealth for specific projects.

Other revenue from ordinary activities

This varies upon the activities of the Commission. There was a refund of headworks and a rental arrears payment for a parcel of the Commission's land.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

Significant variations between estimates and actual results for the financial year

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% or \$20,000

	Actual 2001 \$	Estimates 2001 \$	Variance
Employee expenses	1,483,196	1,143,000	340,196
Supplies and services	973,023	6,657,000	(5,683,977)
Grants and subsidies	2,203,678	180,000	2,023,678
Other revenue from ordinary activities	478,362	200,000	278,362

Employee expenses

The variance is due to the increased liability of superannuation under the lump sum payment scheme and additional recruitment being required.

Supplies and services

The variance is due to the Coastal Enhancement project being delayed.

Grants & subsidies

The variance is due to grants provided under the Warren Blackwood Action Statement.

Other revenue from ordinary activities

The variance is due to the refund of headworks and rental arrears.

36 Supplementary information

Write-offs		
Bad debts written off	1,000	5,000
	1,000	5,000

The Board of the Commission has the authority to write off amounts up to \$50,000. Amounts greater must be written off by the Minister.

37 Joint Venture Operations

The Commission has a joint venture operation with Western Australian Land Authority named Part Lot 5 South Western Highway - Picton with the principal activity being the development and sale of Part Lot 5 South Western Highway - Picton.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2001

38 Additional Financial Instruments Disclosures 2000/2001

(a) Interest Risk Exposure

The Commission's exposure to interest rate risk, and the effective interest rate risks are:

	Weighted Average Interest Rate %	1 yr or Less \$	Fixed Interest Rate 1 to 5 yrs \$	Maturities Over 5 yrs \$	Non Interest Bearing \$	Total \$
Assets						
Cash assets		0	0	0	4,347,489	4,347,489
Restricted Cash		0	0	0	305,202	305,202
Receivable		0	0	0	123,660	123,660
Total financial assets		0	0	0	4,776,351	4,776,351
Liabilities						
Payable		0	0	0	(5,146)	(5,146)
Accrued Expenses		0	0	0	(365,298)	(365,298)
Borrowings from WATC	9.72%	(741,069)	(3,222,120)	(6,780,750)	0	(10,743,939)
Employee Entitlements		0	0	0	(672,606)	(672,606)
Total financial liabilities		(741,069)	(3,222,120)	(6,780,750)	(1,043,050)	(11,786,989)
Net financial assets (liabilities)		(741,069)	(3,222,120)	(6,780,750)	(3,733,301)	(7,010,638)

Additional Financial Instruments Disclosures Financial Year 1999/2000

Interest Risk Exposure

The Commission's exposure to interest rate risk, and the effective interest rate risks are:

	Weighted Average Interest Rate %	1 yr or Less \$	Fixed Interest Rate 1 to 5 yrs \$	Maturities Over 5 yrs \$	Non Interest Bearing \$	Total \$
Assets						
Cash assets		0	0	0	2,955,157	2,955,157
Restricted cash		0	0	0	160,584	160,584
Receivable		0	0	0	122,062	122,062
Total financial assets		0	0	0	3,237,803	3,237,803
Liabilities						
Payable		0	0	0	6,740	6,740
Accrued expenses		0	0	0	(370,092)	(370,092)
Borrowings from WATC	10.55%	(717,032)	(3,116,561)	(7,627,378)	0	(11,460,971)
Employee entitlements		0	0	0	(554,209)	(554,209)
Total financial liabilities		(717,032)	(3,116,561)	(7,627,378)	(931,041)	(12,392,012)
Net financial assets (liabilities)		(717,032)	(3,116,561)	(7,627,378)	(2,306,762)	(9,154,209)

(b) Net Fair Value of Financial Instruments

	Carrying Amount \$	Net Fair Value \$
Financial Liabilities 2000/2001		
WA Treasury Corp short and long term debt	\$10,743,939	\$12,021,544

The estimate of the net fair value was provided by the Western Australian Treasury Corporation.

(c) Credit Risk Exposure

Of the accounts receivable figure, the majority is owed by other government agencies, thus the Commission's credit risk is negligible.

