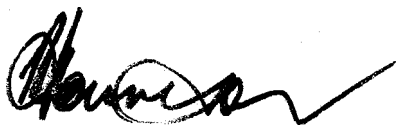


STATEMENT OF COMPLIANCE

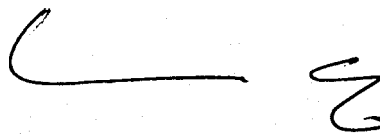
Hon Kim Chance, MLC
Minister for Agriculture, Forestry and Fisheries
The Midwest, Wheatbelt and Great Southern
11th Floor Dumas House
2 Havelock Street
WEST PERTH WA 6005

Sir,

In accordance with provisions of Section 66 of the Financial Administration and Audit Act 1985 [as amended], we submit the report of operations and proceedings of the Great Southern Development Commission for the period from 1 July 2002 to 30 June 2003.



RUSSELL HARRISON
CHAIRMAN



BRUCE W MANNING
CHIEF EXECUTIVE OFFICER

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STATEMENT OF COMPLIANCE WITH RELEVANT WRITTEN LAW

The Great Southern Development Commission was established under the Regional Development Commissions Act 1993.

Legislation Administered

The Commission does not administer legislation.

Legislation Impacting on Office Activities

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

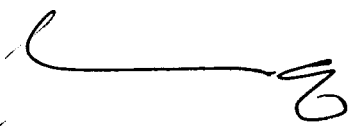
- * The Regional Development Commissions Act 1993 (as amended) (including all Circulars to Ministers from the Premier)
- * Financial Administration and Audit Act 1985
- * Public Sector Management Act 1994
- * Public Service Award 1992
- * State Supply Commission Act 1991
- * Salaries and Allowances Act 1975
- * Equal Opportunity Act 1984
- * Occupational Safety and Health Act 1984
- * Minimum Conditions of Employment Act 1993
- * Industrial Relations Act 1979
- * Library Board of Western Australia Act 1951
- * Disability Services Act 1993
- * Public Disclosure Act 2003

In the financial administration of the Commission, we have complied with the requirements of the Financial Administration and Audit Act 1985 and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

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



RUSSELL HARRISON
CHAIRMAN



BRUCE W MANNING
CHIEF EXECUTIVE
OFFICER



BERT PARDINI
PRINCIPAL ACCOUNTING
OFFICER

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1 CHAIRMAN'S FOREWORD

The financial year 2002-2003 closed against a positive economic backdrop for Western Australia generally, and for the Great Southern in particular. The State's solid base in resources development and agricultural production sustained our economy during a period of global uncertainty. The Great Southern continued to be the State's second largest producer of agricultural commodities, and value added outputs, as the regional product again surged. Investment in this sector, and in the broader economy, was complemented by a healthy level of consumer confidence. As employment opportunities have strengthened, the Great Southern's unemployment rate (5.8%) has fallen well below the regional Western Australian average (6.2%). I think it also worth noting that development in our region, and others, was assisted by a mix of expansionist policy initiatives and prudent fiscal settings by the State Government.

It has been a busy and productive year at the Great Southern Development Commission (GSDC), with several major projects reaching important milestones, and more exciting proposals and opportunities attracting interest and investment from both around the region and from further afield. In this, the GSDC facilitated forums with key business, community and local government stakeholders which allowed a coordinated presentation of the region's development opportunities. Again, at the State level, the release of the draft Sustainability Strategy and the draft Regional Development Policy provided the backdrop to this new growth. While a consistent advocate for the region, the Minister for the Great Southern, Hon Kim Chance MLC, also drove the implementation of the Government's main policy initiatives.

During this period the GSDC Board and staff undertook an evaluation of our Strategic Plan. While minor modifications were made as a result of this process, it was generally agreed that the strategic goals and projects undertaken were complementing the State Government's vision for the region.

The 2003 Regional Indicators publication, which presents statistical evidence of "how the regions are traveling", also provided a positive outlook for the Great Southern. We measured up well against other Western Australian regions on indices such quality of life, access to services, availability of a clean environment and general personal security. All of these factors have contributed to the Great Southern's high rating as a tourist destination, and for Australians seeking a healthy and attractive environment in which to both raise families, or to retire.

Another indicator of the Commission's direct and ongoing role in encouraging economic growth was the amount of project funding attracted during the year. In April, the agency determined that more than \$4.5 million was sourced by the Commission for projects in 2002-2003. The funding achievement reflected a close working relationship, not only between the three spheres of government, but also with the region's community and business sectors. While the range of projects funded did have an economic development focus, they were also as diverse as the region itself.

In May, the Commission announced 29 new Regional Development Scheme (RDS) projects, under the Gallop Government's WA Regional Investment Fund. In 2002, the first of this four year program, the \$400,000 of grant scheme funding assisted many innovative projects. It will continue to foster regional partnerships between the Commission and community bodies, government agencies and private enterprise through 2005. As always, this year's range of projects was broad and diversified.

In addition to the RDS program, the Commission continued to facilitate investor interest from organisations and individuals external to the region. The GSDC is currently involved with and assisting several major new development proposals. One example, is Synergy Pty Ltd's establishment, during 2003-2004, of a 100-seat call centre at Albany. This new facility is the direct result of a three year program by the GSDC to attract such investment.

Important milestones were reached recently in regard to the Albany Boat Harbour project, with primary funding of \$12.762 million to be received from the State Government over the next three years. Mr Jon Bettink, formerly of the Shire of Busselton, commenced work at the GSDC'S Albany office as the Project Manager. Jon will manage all aspects of the initial phases of the harbour development. We look forward to the advancement of this project with our partners, the City of Albany and the Department for Planning and Infrastructure.

For the second year running, the GSDC's Medal for Excellence in Natural Resource Management attracted significant interest from within the regional community. At a function to celebrate the event in May, the Hon Kim Chance MLC, awarded the winner's medal and \$10,000 to Narrikup farmer Jean Webb. Jean has been a tireless and innovative contributor in this field for many years, and I would like to repeat my congratulations. In addition to Jean, the Commission's commendations were also directed to the two other finalists, Geoff Bastyan and Tony Smith, whose significant achievements in NRM are evidence of their high level of commitment and service to the broad Great Southern community.

For the Great Southern, and other regional areas of Australia, services delivery and infrastructure continue to be a matter of community concern. The issues of power, water, transport and telecommunications services remain a high priority for all Development Commissions and for the State Government. The Commission will continue to work on improvements with service providers at a State and Commonwealth level, as infrastructure gaps which constrain social and economic development in our communities, still remain.

On behalf of the GSDC Board, I commend Bruce Manning, CEO, and his team's achievements during the year, and look forward to continuing to work with them in the months ahead.

I would also like to thank the out-going Chairman this year, Mr Bruce Sutherland for his contribution at Board level over the last three years, particularly in setting the Commission's new direction under the current government.

A handwritten signature in black ink, appearing to read "Russell Harrison".

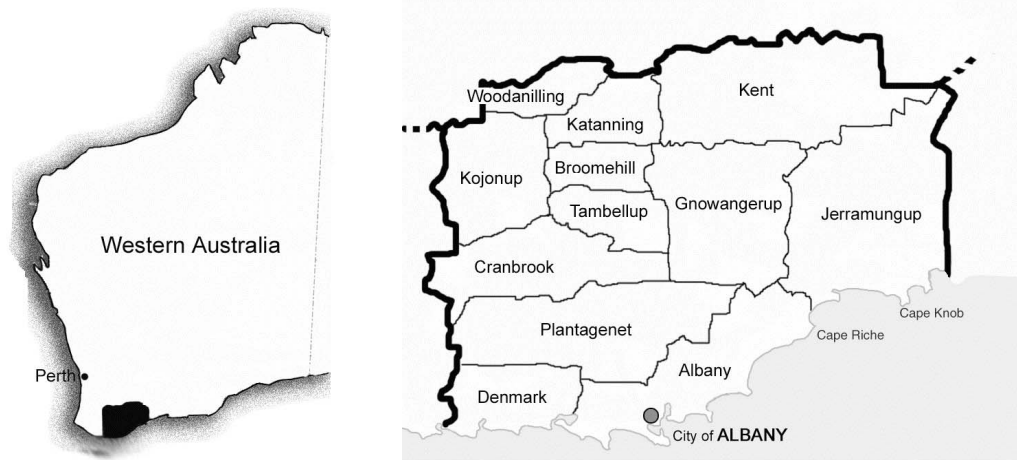
RUSSELL HARRISON
CHAIRMAN

A handwritten date in black ink, reading "August 2003".

2 THE GREAT SOUTHERN REGION

The Great Southern region comprises twelve local governments extending over 39,007 square kilometres, encompassing the City of Albany and the Shires of Broomehill, Cranbrook, Denmark, Gnowangerup, Katanning, Kent, Kojonup, Jerramungup, Plantagenet, Tambellup and Woodanilling.

The maps below show the local government boundaries in the Great Southern region and the location of the region within Western Australia.



The region has a population of 53,794, with over half living in the City of Albany. The coastal areas of Denmark and Albany have experienced strong population growth over recent years and the region as a whole continues to show steady growth. Albany is the main administrative and commercial centre for the southern portion of the region, while Katanning, 180 kilometres to the north, services the northern shires. Smaller towns provide some businesses and services for local requirements.

The region's economy is largely based on agricultural production of wool, grain and livestock and totals about \$900 million annually. However, new primary production enterprises such as vineyards, horticultural crops and timber plantations have been established, and concerted efforts are being made to add value and diversity to this primary industry base.

Fisheries off the region's coastline produce a significant proportion and range of the State's table fish. Aquaculture is an emerging industry with freshwater species such as abalone, yabbies, marron and trout produced and harvested inland, and mussels and oysters produced commercially in Albany.

Tourism is an important industry for the region, with excellent prospects for growth. Overnight domestic visitor spending is estimated at \$118 million annually.

The manufacturing sector in the Great Southern is primarily based in Albany. Some of the major operations include vegetable processing, joinery works, marine engineering, fertilizer works and Mt Romance, a cosmetics manufacturer at Mirambeena, which has established itself as a major international enterprise with many export contracts secured. Large export abattoirs are located in Katanning and Narrikup, near Albany. There are also many small businesses throughout the region manufacturing and fabricating a range of goods, mainly for local agricultural and domestic use.

There are 14 wineries, 29 labels and many vineyards in the Great Southern. The region is gaining a reputation as a producer of premium quality red and white wine, both on the domestic and export markets.

A new woodchip mill operates north of Albany, near the Mirambeena Industrial Park, processing timber from the region's blue gum plantation resource. As a result of the growth of the plantation industry, 230 full time and over 800 casual jobs have been created in the region.

The Great Southern has a comprehensive transport system including an extensive sealed road network, road and rail freight services, a regional airport and a seaport. The road system is coming under increasing pressure, particularly with the emerging plantation timber industry, and needs capital injection to keep industry competitive. The State Government has maintained its funding commitment of approximately \$.9 million per annum to the Timber Industry Road Evaluation Study (TIRES). The Albany Airport has a runway capable of handling 737-size aircraft and operates an Instrument Landing System (ILS).

The Port of Albany is the point of export for most of the region's bulk grain and agricultural commodities. A \$21 million berth for exporting blue gum woodchips was recently constructed. A modern, award-winning cold storage facility with a capacity of 2,600 tonnes is located on the wharf.

The region welcomes new residents, industries and businesses and has a range of support services to encourage, assist and promote all facets of development.

3 GSDC CORPORATE PROFILE

3.1 General Information

Establishment

The Great Southern Development Commission was established by the Regional Development Commissions Act 1993.

Ministerial Responsibility

The Commission is formally responsible in its day-to-day regional activities to the Hon. Kim Chance MLC, whose ministerial portfolio interests include the Great Southern region.

Purpose

To assist the Great Southern region in achieving its economic development potential.

Role

The role of the Commission is to coordinate and promote the economic development of the Great Southern region of Western Australia.

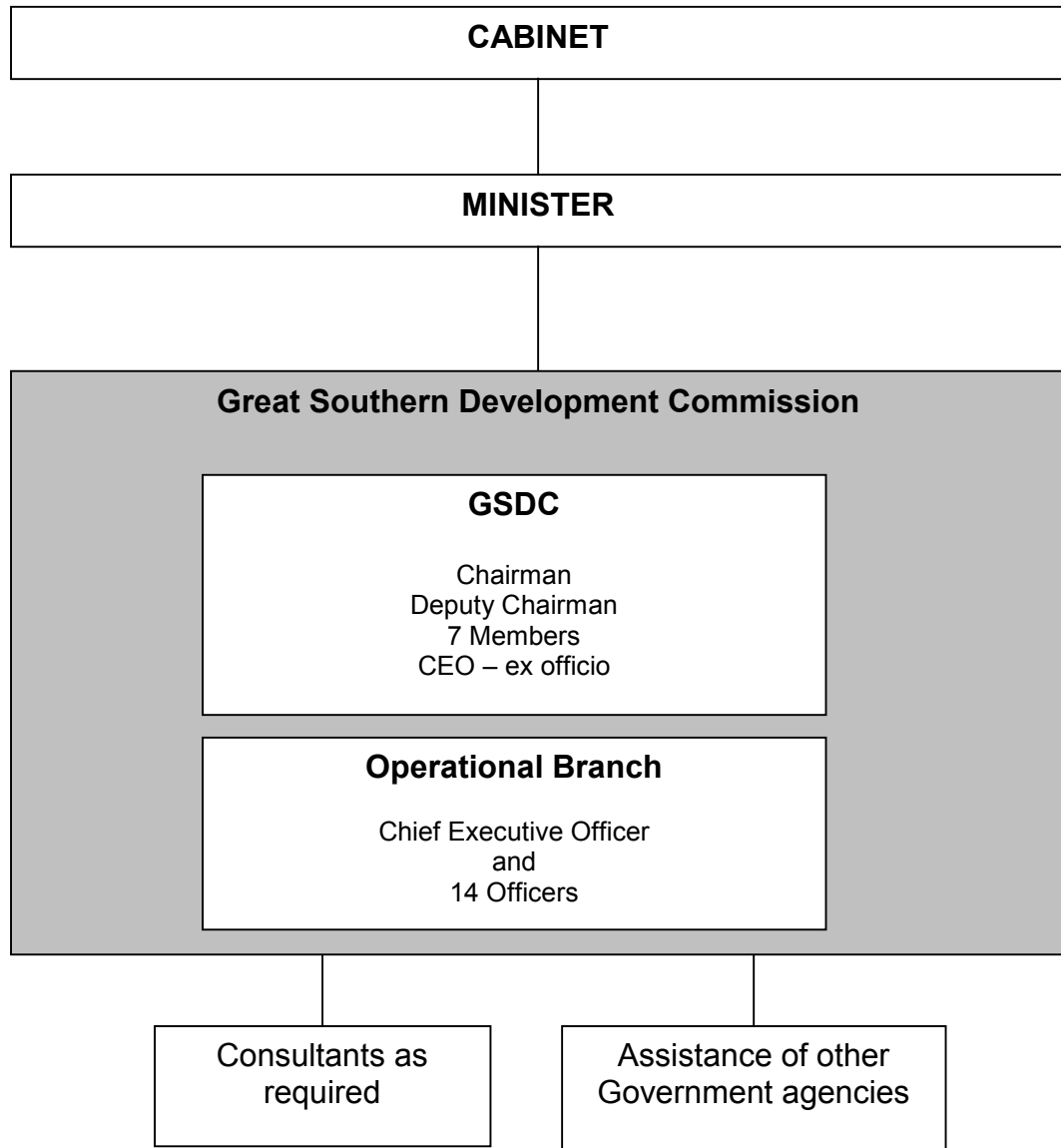
Objects and Functions (Based on the Regional Development Commissions Act 1993 and amendments)

The objects and functions 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 within the region
- * Provide information and advice to promote business development within 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

- * Generally take steps to encourage, promote, facilitate and monitor the economic development in the region

3.2 Corporate Structure



3.3 Board

The GSDC Board of Management is the governing body of the Commission and is responsible for exercising and pursuing its functions. It is comprised of a Chairman, Deputy Chairman, seven members and the CEO [ex-officio], a total of 10 members. With the exception of the CEO, members of the Board may be nominated by the Minister, by local authorities, and by community nomination as prescribed under the Regulations of the Regional Development Commissions Act 1993.

The Board holds regular meetings to consider matters relating to the development of the region. It also sets major policy directions for the Commission, formulates budget priorities, approves major expenditure and advises the Minister on regional affairs.

Board Membership

As at 30 June 2003, Board members by nomination categories were:

Ministerially Nominated

Russell Harrison (Chairman)

Russell Harrison is a partner at Lincoln's Accountants, one of the largest accounting firms in regional WA. With a strong background in community service, Russell is currently serving on the Boards of the Albany Business Centre and the Albany Port Authority; and acts as financial advisor to the Albany Community Hospice. He lives in Albany with his family.

Carolyn Daniel (Deputy Chair)

Mrs Daniel is a partner in a mixed farming enterprise west of Jerramungup and formerly was the Executive Officer of the Fitzgerald Biosphere Group. Mrs Daniel is a Land and Water Australia fellow for 2003, promoting natural resource management.

Peter George

Mr George is the Manager of Albany Plantation Export Company.

Community Nominated

Beverley Gilbert

Ms Gilbert manages the family vineyard, Gilberts, in Kendenup. She was a co-founder of the Great Southern Region Marketing Association, and remains a strong advocate of the Great Southern Naturally brand label, which distinguishes Great Southern produce.

Craig McVee

Mr McVee is a leading representative of Kojonup's Noongar community. Craig is the Chairman of both the Kojonup Aboriginal Corporation and the famed Kodja

Place, an interpretive centre in Kojonup for cultural exchange and reconciliation between indigenous and non-indigenous Australians.

Diane Evers

Ms Evers is an accountant and a Councillor with the City of Albany.

Nominated by Local Government

Michael Watkins

Mr Watkins is an operational manager for the Frankland River Olive Company and a Councillor of the Shire of Cranbrook.

Glenyse Garnett

Ms Garnett is a Councillor with the Shire of Jerramungup and a Justice of the Peace.

Ray Baxter

Mr Baxter is a farmer at Woodanilling and a Shire Councillor with 14 years experience in local government. He is currently the Chairman of the Great Southern Regional Road Group and has a long record of active involvement in transport issues in the region.

By Virtue of Office

Bruce W Manning

Mr Manning is the Chief Executive Officer of the GSDC.

During the year, Mr Bruce Sutherland, Mr Tony Parry, Mr Tony Smith, and Mr Ian Bishop completed their terms as Great Southern Development Commission Board members.

3.4 GSDC Operational Staff Complement

As at 30 June 2003, the staff members were:

Mr Bruce W Manning, Chief Executive Officer

Maynard Rye, Deputy Chief Executive Officer

Jay Cook, Senior Development Officer

Duane Schouten, Senior Development Officer

Russell Pritchard, Regional Officer (at Katanning Office)

Graham Townley, Manager, Aboriginal Economic Development

Sally Haigh, Senior Development Officer

Mark Pitts-Hill, Senior Development Officer

Stevie Cole, Development Officer

Justin Laing, TradeStart Officer

Bert Pardini, Manager, Corporate Services

Rowena Carnaby, Finance Officer

Averil Besier, Executive Assistant

Debbie Johnston, Administrative Support Officer

Toni Wheatcroft, Administrative Support Officer

During the year, resignations were accepted from the following staff:

Jan Axe, Development Officer

Louise Murray, Administrative Support Officer

Tanya Catherall, Administrative Support Officer

Glenise Tutt, Administrative Support Officer

Beth Kidman, Administrative Support Officer

4 GSDC STRATEGIC PLAN

During the year the GSDC continued to implement its Strategic Plan titled **Strategic Directions 2001 – 2005**, which was developed through a wide community consultation process.

Strategic Directions 2001 – 2005 captures the aspirations of the regional communities of the Great Southern to achieve optimum and sustainable economic growth and social wellbeing.

Strategic Directions 2001 – 2005 reflects key elements of regional development, which the Government seeks to secure for regional and rural areas in Western Australia.

This Strategic Plan, which took effect from 1 July 2001, has been communicated to the Commission's stakeholders over the last two years and is being progressively implemented by the Commission through its project work programs.

The activities of the Commission are presented under Goals, as outlined in the Strategic Plan on the following pages.

Vision

The sustainable development of our region's natural and built environment for the long-term well-being of all.

Role

To build partnerships for regional prosperity by planning, coordinating and promoting sustainable development.

Guiding Principles

- Maintain an independent, non-parochial and cross-regional approach
- Work with regional communities to increase their capacity to realise their own vision for a vibrant and sustainable future
- Maintain an industry sector focus, and develop strategic alliances to achieve sustainable market outcomes
- Develop partnerships to integrate best practice natural resource management principles
- Maintain high levels of professional services and integrity

4 Key Goals of the Commission

4.1 GOAL 1 REGIONAL LEADERSHIP

Under this Goal, the GSDC seeks to:

Support initiatives that build the capacity of regional and rural communities to respond to needs and opportunities for sustainable development.

Under this Goal, GSDC undertakes to:

- Provide an effective link to government on the key issues and policies that impact on the region
- Monitor levels of social infrastructure in the region
- Work with rural communities to increase their capacity and attract resources to realise their own vision for the future
- Link people and organisations with opportunities for diversification and value-adding
- Promote opportunities and services that encourage people, particularly young people, to remain in rural communities

4.2 GOAL 2 INDUSTRY DEVELOPMENT

Under this Goal, the GSDC seeks to:

Support and facilitate new and existing enterprise and industry development by broadening and strengthening the region's economic base.

Under this Goal, the GSDC undertakes to:

- Develop and maintain an understanding of the key factors that shape our regional economy
- Facilitate trade and export opportunities
- Encourage capital and knowledge-intensive industries
- Expand the range of indigenous economic and employment opportunities
- Develop industry partnerships to achieve market outcomes and minimise impediments to growth
- Monitor and promote the region's areas of competitive advantage to all industry sectors
- Encourage the tourism industry in the further development of product

4.3 GOAL 3 IMPROVE INFRASTRUCTURE

Under this Goal, the GSDC seeks to:

Apply a coordinated approach to infrastructure development that facilitates business, industry and community development and improves service provision to the region.

Under this Goal, the GSDC undertakes to:

- Work with community and industry sectors to identify and prioritise infrastructure requirements and attract public or private investment
- Support key infrastructure development to enhance business and industry investment and educational and training opportunities
- Facilitate the development and enhancement of regional services through partnerships with the public and private sector

4.4 GOAL 4 NATURAL RESOURCE MANAGEMENT

Under this Goal, the GSDC seeks to:

Promote and support best practice natural resource management in the region.

Under this Goal, the GSDC undertakes to:

- Participate in a collaborative planning approach to resources which links agencies, industry and communities to local, regional, national and international resources
- Facilitate the provision of current information and access to regional data
- Support the research and development of a diverse range of ecologically sustainable rural products and industries
- Promote and facilitate research, education and training initiatives linked to natural resource management
- Encourage best practice natural resource management in project development

4.5 GOAL 5 EFFICIENT AGENCY PERFORMANCE

Under this Goal, the GSDC seeks to:

Manage its resources to achieve its core business of economic development with optimum efficiency.

Under this Goal, the GSDC undertakes to:

- Support the core business activities of the Commission with highly skilled staff and modern and efficient internal systems
- Develop, manage and encourage its staff to realise their full potential
- Effectively and efficiently manage its financial and physical resources
- Develop and maintain modern and flexible information and reporting systems
- Continuously seek best practice, creative and innovative solutions for internal practices and processes
- Develop and maintain a risk management culture which will protect the Commission and its resources

5 REPORT ON OPERATIONS FOR THE YEAR

In pursuing its activities for the year the Great Southern Development Commission consolidated the implementation of its Strategic Plan **Strategic Directions 2001 – 2005**.

All of the Commission's activities fall under the five Goals identified in the Strategic Plan. The achievements or outputs are reported below:

5.1 GOAL ONE REGIONAL LEADERSHIP

Supporting initiatives that aim to build the capacity of regional and rural communities to respond to needs and opportunities for sustainable development.

Under the Regional Development Commission's Act 1993, the GSDC's key focus is economic development. However we also undertake a monitoring role in the delivery of government services to the region, and provide advice to the State Government on servicing regional needs. The Commission works in partnership with all three levels of government, industry groups and community based organisations, including the Great Southern Area Consultative Committee, Timber 2020, the Business Enterprise Centres, the Great Southern Tourism Association and natural resource management agencies.

The GSDC has also played a key role in promoting the region through the Fitzgerald Biosphere Marketing Association and the Great Southern Marketing Association.

Regional Development Scheme

The Great Southern's Regional Development Scheme is one of nine funding schemes implemented through the State Government's WA Regional Investment Fund (RIF). The aim of RIF is to *'provide \$75 million over four years to assist with the economic and social development of regional Western Australia or improve the access by regional communities to services.'* The specific aim of the Scheme is to provide financial assistance to a mix of capital works and other projects which may include feasibility studies, regional and local marketing programs as well as festivals and events.

In November 2002 the GSDC received fifty seven expressions of interest from proponents of regional projects seeking \$1.3 million in funding. Twenty seven proponents were invited to lodge formal applications, and of the twenty seven who did, twenty four were successful.

GSDC will be administering grants under this Scheme to the value of \$400,000 each year over a four year period.

The projects approved for funding reflect the GSDC strategic goals of regional leadership, industry development, infrastructure improvement and natural resource management. They include:

1. Studies in community capacity building
2. The potential for value adding to regional agricultural produce through infrastructure development and coordinated marketing strategies
3. Feasibility studies and business plans for the development of tourism infrastructure
4. Development of natural resource management technologies and strategies to deal with issues of salinity and land degradation

Regional Marketing Network

The Great Southern Regional Marketing Network is an initiative of the GSDC. The Network continued to flourish and grow throughout 2002-2003. Established in 2001, the network coordinates major marketing efforts of the key regional marketing associations in the areas of tourism, wine, horticulture and specialty foods and agribusiness. The strength of this cooperative marketing initiative has been ably demonstrated in the efforts of the network and its partners in participating in a cross sector marketing program including: Product Identification and Development; Image Branding and Logo Marketing; Perth Food and Wine Festival; Farmer's Market's; Regional Road Show; Great Southern Wine Festival; UK/Europe Retail Training (in Tourism); Consumer Travel Show Perth; Web Site development and production of a regional Wine and Food Map Guide.

Recognition of the valuable economic contribution this project engenders is reflected in the GSDC's continuing support by providing project staff support for the Network and the Government's commitment to providing \$94,000 in funding through the Regional Development Scheme.

Robotics Project

The Great Southern Schools Robotics project, funded by the Public Endowment Education Trust, UWA and the GSDC was completed this year with a number of regional high schools continuing with this innovative science program. Students were taught programming skills for the control of microprocessors by a specialist tutor. Great Southern TAFE is aiming to link with these students in the development of industry applications.

Marketing Activities

GSDC continued a broad range of cost-effective marketing activities throughout the year. These included three publications of the 8 page "GSDC Bulletin"; support and co-branding of major industry forums and events in the areas of timber, wine,

natural resource management, cultural festivals and the Regional Investment Tour; content maintenance of the GSDC website; and a number of media releases. The region's foods, wine, accommodation, and perfumes were also heavily promoted during a trip to Dubai (UAE) in October.

Great Southern Area Consultative Committee

The Great Southern Area Consultative Committee (ACC) provides the key Commonwealth presence in the region and is managed by a community based board. The ACC draws together a range of community and industry groups and government agencies and facilitates regional funding applications to the Commonwealth.

The Commonwealth's regional funding programs, Regional Solutions, Regional Assistance Program (RAP), Regional Transaction Centres (RTC) have been re-organised into one program, with the ACC now having carriage of these programs through the Department for Transport and Regional Services.

The GSDC and the ACC have a close working relationship, and jointly sponsor projects such as the Jerramungup Industry Development Committee, the Yongergnow Malleefowl project and the Fitzgerald Biosphere Marketing Association. The GSDC also receives direct funding under the Regional Assistance Program, for projects such as the Great Southern Wine Interpretive Centre.

The GSDC's relationship with the ACC is unique, providing an effective partnership in Commonwealth and State Government endeavours to promote regional economic development in the Great Southern.

Centre for Regional Innovation and Excellence (CRIE)

CRIE is a regional initiative founded by the UWA Graduate School of Management (UWA GSM), Great Southern Area Consultative Committee (GS ACC), three Business Enterprise Centres (BEC's) and the GSDC. The purpose of CRIE is to draw together regional business, academic researchers and government agencies in a common cause of industry development through the enhancement of managerial excellence and industry innovation. GSDC contributed \$1,500 in seed funding to CRIE during the year.

One of the key outcomes of CRIE was a project aimed at enhancing the competitiveness and innovation of the manufacturing industry through the development of design. GSDC contributed \$2,000 towards the placement of a MBA student who conducted research in consultation with local manufacturing industry stakeholders, under the direction of the GS ACC.

Youth Affairs

GSDC is awaiting the outcome of its submission to the Office of Youth Affairs (OYA) requesting placement of a part-time Regional Youth Development Officer (RYDO) in the Great Southern. The role of the RYDO would be to support and resource the Great Southern Community Youth Committee (GSCYC) and Local Government Youth Advisory Councils (YAC's), of which there are five in the region. The purpose of the position would be to produce coordinated outcomes, linking young people to resources and capacity building to assist young people in our region to meet their own needs.

Women Going Places/Building Better Business Workshops

GSDC contributed \$2,000 to the Albany Chamber of Commerce to assist with its Women Going Places Initiative - Building Better Business Workshop. The project was aimed at developing the business skills of women in the region and consisted of a series of workshops and seminars.

South Coast Regional Initiative Planning Team (SCRIPT)

SCRIPT's purpose is to bring together people, organisations and information to facilitate community-driven management of natural resources to get the best triple-bottom line outcomes for the south coast region, SCRIPT works with six sub-regions from Walpole to Esperance. The GSDC has been an active member of the management committee since SCRIPT's inception in 1995 and provides support to the SCRIPT Landcare Enterprise Officer's project steering committee.

SCRIPT's main focus this year was to secure \$1,171,000 for the south coast region from the Natural Heritage Trust and National Salinity Action Plan to implement a wide range of community-driven projects. This will support 17 positions focussing on biodiversity, sustainable agriculture, rivers and wetlands, coastal and marine management and farm forestry. SCRIPT is updating its strategic plan and working to complete a regional strategy that will be subject to a national accreditation process.

Southern Regional Inter-agency Taskforce (SRIT)

GSDC is a founding member of SRIT, which was formed in October 2000 to address the impacts of adverse seasonal conditions in rural areas, identify gaps and inefficiencies in service delivery and create a model of collaboration to address these challenges over the long term. Participating agencies include the Departments of Agriculture, Health, Environment, Training & Education and Community Development, Southern AgCare Centrelink and the Great Southern Area Consultative Committee.

This year, GSDC has played a key role in supporting State Government funded relief for small businesses in rural communities affected by Exceptional

Circumstances and has been active in introducing new partners to SRIT, including the Disability Services Commission.

Central South Coast Strategic Analysis

This socio-economic assessment was completed by consultants, URS Pty Ltd for the Department of Agriculture in partnership with the GSDC and was funded by the Regional Development Scheme. The report forms part of a larger, 'living' document being developed by the Department of Agriculture. It provides an independent analysis of social, land tenure and infrastructure issues, giving a framework to underpin the process of identifying strengths and impediments to adopting change in the Fitzgerald biosphere sub-region. The report has assessed the sub-region in a very positive light, compared with other agricultural districts around the nation. Its principal aim is to provide a brief that can be used by the community to attract investment in future projects and initiatives. In mid 2003, twenty five key stakeholders met at the Shire of Jerramungup to progress the seven strategies outlined in the report and 18 potential new projects were identified.

The seven strategies are:

1. Encourage more appropriate use of agricultural land
2. Modify rural land use planning policy
3. Build the amenity uses of the region
4. Build sub-regional advocacy for non-consumptive uses of natural resources in the provision of services
5. Build capacity to predict and manage climate variability and plan for the application of a wider array of farming systems
6. Encourage closer collaboration between the participating Shires
7. Manage service provision

Denmark Study

GSDC provided \$10,000 to the Shire of Denmark under the Regional Development Scheme to update and further work on its strategic planning process. The report is nearing completion and the strategic plan is expected to be completed in September 2003.

Timber 2020

Timber 2020 remains an independent source of information on plantation and value-adding opportunities. The GSDC was a founding member, and has been a sponsor and board member since 1990.

With the maturing of the blue gum industry Timber 2020 has been focusing its energies to attracting value adding industries by working closely with the GSDC. The organisation has also begun to develop a business plan for expanding forestry plantation into the medium range rainfall areas with funding support from the GSDC and the Great Southern Area Consultative Committee.

Government Desired Outcome:

Market-oriented, sustainable economic development that will ensure better career opportunities and quality of life for the people in the Great Southern region.

Goal 1 Regional Leadership

Supporting initiatives that aim to build the capacity of regional and rural communities to respond to needs and opportunities for sustainable development.

Key Performance Indicators

The efficiency indicator for this Goal is the cost of the projects divided by the number of projects undertaken by the Commission in the year.

All of the Goal 1 activities effected by the Great Southern Development Commission are disclosed within the Report of Operations, on pages 18 to 22.

	2002/2003 Estimated	2002/2003 Actual	Reason for Significant Variation
Quantity			
Projects undertaken	10	14	New project opportunities arose during the year in addition to those set at the beginning of the year
Quality			
Percentage of client rating of very effective	74%	75%	
Timeliness			
Percentage of projects completed compared with those set at the beginning of the year	80%	100%	
Cost			
Average cost per project	\$42,450	\$54,536	

NOTES:

The total cost of Goal 1 was calculated at \$763,504 being 29.3% of the total cost of services of the Commission for the year. Goal 1 was apportioned at 29.3% reflecting the percentage of officer time spent on Goal 1 activities. The efficiency indicator was calculated as follows:

$\$763,504 \div 14 \text{ projects} = \$54,536 \text{ per project.}$

The indicators are derived from the Commission's financial management information system and other sources of data collection.

5.2 GOAL TWO INDUSTRY DEVELOPMENT

Support and facilitate new and existing enterprise and industry development by broadening and strengthening the region's economic base.

The GSDC is working to create a stronger and more diverse economic base, capable of adapting to global market forces. To this end, we are actively involved in attracting new industries to the region, strengthening existing companies and working with small business and farmers to create new opportunities.

Tourism Promotion

The GSDC continues to sponsor certain key events particularly related to the tourism industry in an effort to assist the development of a sector that has had to withstand several major international impacts over the past few years. These supported events have included the Mount Barker based Wildflower Festival, Wine Producer's Winter Dinner and annual Wine Festival. Other major initiatives were the Porongurup Wine Festival and the Great Southern Wine Producer's annual "tasting event" in Perth. A key get together was held in conjunction with the West Australian Tourism Commission's Events Corp in hosting a Management Workshop where some 40 participants were schooled in the art of organising and delivering successful functions and programmes. The GSDC also played an integral role in the facilitation of a cross regional workshop to address the WATC's "New Concept for Regional Tourism".

Perth International Arts Festival (PIAF) Great Southern Programme 2004

As a result of the success of the inaugural PIAF Great Southern Festival held in January 2003, PIAF offered the Great Southern the prestigious opportunity for inclusion as one of three regions selected to participate in PIAF's regional festival program over the next four years, 2004-2007. In addition, PIAF flagged the Great Southern as the site for a major regional arts project in 2006 which has the potential to launch the region onto the world stage, similar to that experienced in Menzies with the Antony Gormley sculptural piece installed at Lake Ballard in 2003.

For the first time in PIAF's 50 year history, Great Southern audiences and visitors alike were treated to two weeks of world class art, culture and entertainment. Of those who responded to an evaluation survey, 99% said that they would definitely attend another PIAF Great Southern Festival, and the GSDC was rated the highest as the sponsor most identified with the festival. The GSDC contributed \$55,000 towards the \$160,000 budget through the Regional Development Scheme.

Work is currently underway between PIAF and GSDC to plan, develop and implement the next Great Southern Festival scheduled for February 2004, an

important component of which is the employment of a locally based festival coordinator to commence in late August. It is expected that the format for 2004 event will be similar to that of 2003 including a value adding element with the delivery of master classes and workshops.

Call Centre

With the assistance of \$800,000 from the State Government, final agreement was reached on the establishment of a 100 seat call centre in Albany by Synergy Regional Pty Ltd.

The GSDC had been working on attracting larger information technology business to the region since 1997. A call centre study in 2002 showed Albany had a competitive advantage in lower leasing costs, low staff-turnover and good telecommunication services.

The call centre which assists the region in diversifying its economy when fully operational will employ 120 staff and will inject millions of dollars into the local economy. The centre will be open by the end of 2003.

Seafood Industry Marketing Project

In conjunction with the South Coast Licensed Fisherman's Association and Albany's fish processors, the GSDC co-ordinated a marketing project to firstly establish whether the south coast salmon and herring fisheries had the potential to broaden their customer base and consequently improve the industry's financial viability.

After identify and canvassing domestic and international seafood buyers, the project determined that potential did exist to dedicate further resources in the pursuit of new customers.

Contingent orders and expressions of interest have subsequently been secured for the delivery of salmon and herring product, including trunks, roe and fillets. Other sales opportunities have been identified for the by-product resulting from processing and for the some value-added products.

The project has reached a consolidation phase which requires administration of contingency orders, the conversion of expressions of interest, further development of markets and maintenance of customer relationships developed.

Aboriginal Economic Development

The GSDC facilitated development of regional economic development opportunities through its Aboriginal Economic Development Unit, headed up by its Aboriginal Economic Development Officer (AEDO), for Aboriginal clients and communities in the Great Southern region.

The GSDC also played a role in referring Aboriginal small business clients to the State's Office of Aboriginal Economic Development (OAED), ATSIIC and the Business Enterprise Centre's for support. External funding of \$80,000 is provided to the GSDC through OAED for the Aboriginal Economic Development Officer (AEDO) position, with additional project funds sourced for joint projects.

In the past year, regional priorities included planning for the Stirling Range Visitor Centre (including cultural tours for the Gnowangerup community), regional Noongar arts industry development, investigating Aboriginal bush product enterprise opportunities and the development of Noongar Moorditj International (NMI), a Noongar arts marketing network being supported on a cross-regional basis with the South West, Peel and Wheatbelt Development Commissions. Major highlights included the launch of the Premier's "Noongar Moorditj International" Regional Arts and Fashion Exhibition in December 2002.

In late 2003, the Commission will be appointing a Noongar Arts Marketing Officer to facilitate regional, domestic and international marketing efforts in the Aboriginal arts industry, with a focus on regional events, exports and further development of the industry's supply chain. Following a successful submission, the Department of Local Government and Regional Development is contributing \$57,578 toward the marketing officer's position in 2003. The AEDO will be working this year with the recently appointed Indigenous Exports Manager (State Department of Industry and Resources) to facilitate NMI marketing and promotional events in Japan and Italy, with participating artists from the Great Southern, South West and Wheatbelt regions.

Regional Wine Centre

What began as a concept for a Wine Centre to enhance the wine experience of visitors, coming into the region and to create a catalyst for the marketing of the regions wines to the domestic and international market, has transformed into a proposal for an innovative model comprising "satellite" centres linked throughout the region utilising existing infrastructure and building cooperative relationships. The feasibility study, made possible by funding from the Regional Assistance Programme, was quick to determine the need for a more innovative approach to a wine centre to avoid the impost of running expensive centres. The Regional Steering Committee, comprising representatives from the regions wine growers and wine makers and coordinated by the GSDC, is now in a position to fully assess the completed feasibility study and take the project forward.

Surf Reef

Another phase of the proposal for an artificial surf reef took a positive turn during 2002/2003 with the cooperative efforts of community stakeholders, the local Council and representatives from Government departments meeting on site with a world expert to discuss progressing the project. Southern Ocean Surfers (SOS) was successful in attracting a \$5,000 grant in Regional Development Scheme funding towards a pre feasibility study. The proponents have successfully negotiated with International Coastal Management and the Griffith University Centre for Coastal Management to undertake the feasibility study that will address not only the options for an artificial reef as a public amenity, but environmental impacts and issues such as erosion attenuation for Albany. The results of the study are expected to be released in 2003/2004.

Yongergnow

The Yongergnow Malleefowl project at Ongerup has had another successful year. In addition to the \$650,000 already secured through the State Government's Regional Infrastructure Fund (RIF), the project group also secured a Regional Assistance Project Grant through the Great Southern Area Consultative Committee of \$368,539.

A project officer has been employed over the next two years with funding support through Regional Solutions. This will take the project through to the finalisation of the budget, the completion of detailed designs and the construction of the Interpretive Centre. The centre will conduct a captive breeding program. The Visitor Centre will feature the story of the Malleefowl and its habitat.

Consultants Bagot & Wood have been appointed for the development of the design phase of the project.

Jerramungup Industry Cluster Project

From mid 2001 the Jerramungup Industry Group, in partnership with the Shire and supported by the GSDC, has progressively investigated the establishment of a cluster of complementary agricultural based processing industries in that district. Of the opportunities examined, a stock feed pellet plant has been identified as being the most viable in the medium to long term. In mid 2003, the committee received financial support from the GSDC, through the Regional Development Scheme, to develop an investment memorandum for this project.

The investment memorandum, and supporting documents, will be developed by an independent consultant team by December 2003.

Albany Boat Shed

The City of Albany secured and located this infrastructure on the Albany Foreshore in 1999 to act as a focal point for wooden boat building and maritime heritage. Although this project endured a number of setbacks it was successfully revived by assistance from the GSDC enabling the managing body, the Albany Maritime Foundation (AMF) to access \$57,000 in unspent grant funds from the Department of Local Government and Regional Development (DoLGARD) and a contribution of an additional \$15,000 through the GSDC Regional Development Scheme. The funds assisted the AMF to employ a part-time Boat Shed Manager to set up initial systems infrastructure and to plan and develop wooden boat building, restoration and maritime product to secure commercial viability for the facility. It is the AMF's intention for the facility to be developed as a tourist venue to show-case one of Albany's historic maritime industries.

Inland Salt Water Trout Farming

The first stage of the project, which was jointly managed by the Great Southern, the Mid West and Wheatbelt Development Commissions, was completed in late 2002 and a report forwarded to Minister Chance. The principal outcome was a comprehensive body of information on the requirements of final markets, competition, current and projected cost structures and the industry's medium term outlook in Western Australia. The Salt Water Trout Alliance subsequently commenced a FarmBis funded project, over several months, to further develop its supply chain and associated accreditations.

In late 2003, the GSDC and its project partners, plan to complete the second stage of the research. The focus and structure of this research task will be determined through consultation with the Salt Water Trout Alliance and the Western Inland Fisheries Cooperative, as the main industry stakeholders.

Thoroughbred Racing Industry

Following a plea from the WA Turf Club, GSDC agreed to assume a lead role in establishing the Great Southern Thoroughbred Racing Industry Taskforce (GS TRIT), for which an independent Chairman was appointed. The role of GS TRIT (whose membership consists of industry, business and government delegates) was to assist the Albany Racing Club (ARC) to effect solutions to rectify its financial position through the provision of marketing, funding, commercial and networking skills to compliment that of the Club's volunteer based committee. As the key training centre for the region and contributor to the industry's \$5 million dollar annual turnover, the potential demise of the ARC would have had grave repercussions in the region.

GSDC contributed \$3,200 to this project which assisted the thoroughbred racing industry to contract expertise to produce a Strategic Marketing Plan for the region, aimed at growing the viability of the local racing industry. The GSDC also

approved \$25,000 towards the employment of a Marketing Officer to implement the plan through its Regional Development Scheme, contingent on an equivalent contribution from the City of Albany. Marketing activities will be determined by the outcome of the application with the City.

Events Industry Capacity Building

In May 2003, GSDC in partnership with EventsCorp delivered a successful introductory seminar in Albany designed to assist local events coordinators to effect better planning of events in the region. The seminar was well attended with up to thirty participants from around the Southern part of the region, most providing enthusiastic feedback on the information sharing and networking opportunity and the skills they obtained as a result. GSDC is considering a follow up programme again in partnership with EventsCorp which will cover strategic planning in greater detail.

Festival development

This year GSDC continued its tradition as an ardent supporter of arts and culture activity, demonstrated by its contribution to a number of festivals in the region. Funding in the second year of the Regional Development Scheme included:

- \$5,000 to the Down South Festival, a new festival based on a theme of multiculturalism communicated through the mediums of music, art and dance and the arts;
- \$5,000 to the Celebrate Albany and Anzac festival, a community celebration and memorial centred around Anzac Day;
- \$2,000 to HarbourSounds, a lively festival of folk music which is soon to be established as the grand finale point for the highly acclaimed national circuit tour which commences in Melani in Queensland, and previously terminating in Fairbridge WA. HarbourSounds will take place two weeks after Fairbridge in late April 2004.
- \$5,000 to ArtSouth WA towards the delivery of a Great Southern art and craft exhibition trail that will involve up to twenty galleries over a two week period

Albany Wind Discovery Centre

The Albany Wind farm Discovery Centre Project involves the development of a world-class visitor attraction at the Albany Wind farm that integrates the spectacular natural scenery and the impressive turbines with a commercially viable visitor attraction that facilitates increased tourism yields for Albany and the Great Southern. The City of Albany is the driver of this project, and early indications gained through a community workshop indicate strong community support for its development as an icon tourism facility.

GSDC contributed \$10,000 to the \$35,000 budget towards the development of a *Strategic Assessment and Design Concepts* report, through the Regional Development Scheme. The report indicates that the proposed tourism facility has the potential to attract up to 200,000 visitors per year by its third year of operation, on par with that of the Tree Top Walk if significant capital investment is secured. The report will go before Council in July 2003, following which a capital investment strategy for the project will be determined.

Agricultural Investment

In October 2002 GSDC hosted a delegation of UK pig and dairy farmers assessing investment opportunities in agriculture. The tour, organised by the Department of Agriculture, covered the south western agricultural regions of WA. UK farmers are facing urban encroachment, high land prices and higher input costs and as a result are considering relocating to Western Australia. The delegation was given a presentation highlighting the comparative advantages of living in the Great Southern and an opportunity to meet with local farmers at a GSDC hosted function.

GSDC hosted a similar function for Danish pig and dairy farmers in November 2002.

Light Industry Marketing Project

Following the success of its innovative mentoring program for the region's manufacturing and light engineering industry, the GSDC provided \$10,000 to fund a Job Chasing Service to further build on the industry's capacity and market share.

The business name, Great Southern Engineering Group (GSEnG) was registered and a logo produced, together with a capability statement summarising the attributes of the seven participating businesses to support a marketing campaign. The primary focus was to extend the group's geographical reach and look for larger contract opportunities that might involve more than one business or the whole cluster. One of the greatest benefits identified by participants has been the networking opportunities, which have resulted in a cohesive and stronger cluster better placed to compete with bigger suppliers outside the region.

A number of contract opportunities have been identified, with valuable contacts made with some potential new and large customers. Doors, which might otherwise have

remained closed, have been opened and while some engineering work has resulted directly from the project, the main opportunities are expected to present in the future.

Key outcomes include:

- An increase in employed staff by 5 to 63, despite a seasonal drop of 6 in one of the businesses
- An increase in sales turnover for 4 of the businesses
- Increased confidence about the future of the businesses, with 2 expecting to expand over the next 12 months, and the remainder electing to consolidate
- Four businesses expect to employ more staff over the next year, creating 6-9 new jobs

Non-Farm Small Business Coaching Project

In mid 2003 the GSDC, in partnership with the Business Enterprise Centres of the Eastern Districts, Central Great Southern and Jerramungup and the Wheatbelt Development Commission, commenced a six-month business advisory program across the two regions. The focus of the mentoring program is on the owner/managers in a total of twenty retail, farm supplies and manufacturing and fabrication enterprises.

In the period up to December 2003, qualified business advisors will provide day-to-day assistance, review existing business activities, give guidance on options for improvements and strategies for planning future enterprise based activities. The GSDC will project manage the scheme, and hopes to use the outcomes as a pilot for future assistance to the small business sector in Wheatbelt and Great Southern towns.

Telecommunications

The Commission continued in pursuing improvements to telecommunications in the region. Assistance was provided in the extension to mobile phone (CDMA) coverage through the Wireless West project, funded by Telstra, the WA State and Federal Government. GSDC also contributed to the Statewide Telecommunications Needs Assessment which identified key areas for telecommunications improvement.

The Commission held meetings with key policy makers at the Department of Communications Information Technology and the Arts-Canberra urging them to continue to fund competitive regional telecommunications infrastructure, and fund the Estens Telecommunications Inquiry recommendations. Evidence was also given to the Senate Inquiry into Australian Telecommunications.

The GSDC was the key driver in an innovative use of telecommunications to better service clients suffering from diabetes. Clients were required to input their blood sugar levels via a mobile phone which was then viewed over computer by clinicians. The trial revealed a number of benefits for patients and clinicians with a further pilot targeting indigenous and seniors planned for 2003-2004.

TradeStart

The GSDC continued its association with Austrade by successfully delivering the TradeStart program throughout the Great Southern region.

The primary objective of the TradeStart program is to assist small and medium enterprises to commence exporting on a sustainable basis and to convert irregular exporters to regular sustained exporters.

Services provided during the year included information, advice, overseas introductions and appointment scheduling, market opportunities, market assessment, promotional programs and ongoing coaching.

Business Communications Reviews

The GSDC, in conjunction with the Albany Chamber of Commerce and Industry (ACCI) and Telstra continued to assist small business in understanding technology through an individual Business Communications Review (BCR). The BCR performed by Telstra, has been helping small business operators better understand the way in which telecommunications can increase bottom line profits.

Government Desired Outcome:

Market-oriented sustainable economic development that will ensure better career opportunities and quality of life for the people in the Great Southern region.

Goal 2 Industry Development

Support and facilitate new and existing enterprise and industry development by broadening and strengthening the region's economic base.

Key Performance Indicator

The efficiency indicator for this Goal is the cost of the projects divided by the number of projects undertaken by the Commission in the year.

All of the Goal 2 activities effected by the Great Southern Development Commission are disclosed within the Report of Operations, pages 24 to 32.

	2002/2003 Estimated	2002/2003 Actual	Reason for Significant Variation between Estimated and Actual Figures
Quantity			
Number of projects undertaken	21	21	
Quality			
Percentage of client survey rating of very effective	74%	75%	
Timeliness			
Percentage of projects completed compared with those set at the beginning of the year	85%	100%	
Cost			
Average cost per project	\$42,450	\$68,380	Liabilities were raised (expensed) totaling \$330,386 inflating this figure

NOTES:

The total cost of Goal 2 was calculated at \$1,435,988, being 55.2% of the total cost of services for the Commission for the year. Goal 2 was apportioned at 55.2% reflecting the percentage of officer time spent on Goal 2 activities. The efficiency indicator was calculated as follows:

\$1,435,988 divided by 21 projects = \$68,380 per project. The above is regarded as a key performance indicator. In pursuing the above outcome, the GSDC manages projects and facilitates industry and enterprise development.

The indicators are derived from the Commission's financial management information system and other sources of data collection.

5.3 GOAL THREE IMPROVE INFRASTRUCTURE

A coordinated approach to infrastructure development that facilitates business, industry and community development and improves service provision to the region.

Timber Industry Road Evaluation Strategy (TIRES)

Over the past three years, the GSDC provided executive support to Great Southern TIRES to pursue adequate road infrastructure funding to support the long term sustainability of the plantation timber industry and other related industries of the region.

In this year's State budget, \$0.9 million was allocated to local roads for log haul routes in the Great Southern. This reflects the fact that, despite the tight budgetary environment, the Government has maintained its commitment to the TIRES process. The commitment is approximately \$1million p.a. over 5 years for TIRES identified roads.

The Great Southern TIRES Committee met on June 11 this year in Mt Barker. Through previous TIRES studies, the roads requiring works had already been identified for this financial year.

Albany University Centre

As in the past three years, the GSDC provided for the University's Albany Campus under its capital works program. This year's contribution was \$150,000.

The funding contributed to a program of activities including the purchase of computing technology, scientific equipment, building refurbishment, purchase of library books and part-fund the position of development manager to oversee capital works, and the development of University courses.

New Small Boat Harbour

The State Government has committed \$302,000 in 2003/04, \$4,395,000 in 2004/05 and \$8,165,000 in 2005/06 to develop the Small Boat Harbour in Albany's Princess Royal Harbour. The project will provide a major piece of infrastructure for tourism and the fishing industry, with flow-on economic benefits to maritime and rural service industries in and around Albany.

A Strategic Project Management Plan has been prepared to define a suitable planning strategy and organisational management arrangement for the Albany Boat Harbour project.

This initial planning will cost an estimated \$270,000, which will be funded by the GSDC, the City of Albany and the Department of Planning and Infrastructure, with Commonwealth support through the Great Southern Area Consultative Committee. This funding is additional to the State Government funds detailed above.

Vancouver Waterways Project

The GSDC is continuing with the planning of the jetty infrastructure at Frenchman's Bay.

Capital works funding of \$954,000 has been allocated over 2001/04 to develop marine infrastructure at the Whaleworld sites. In 2003/04, the final \$630,000 will be available for the detailed design and commencement of construction.

Various environmental and engineering studies have been completed and a number of concepts developed for consideration. Extensive community and stakeholder consultation has revealed a preference for a jetty with an L-shaped revetment at Whaleworld, and minor works at Murray Rd.

The jetty will enhance the tourism product at Whaleworld by attracting commercial boat operators and providing recreational facilities for divers and the public. Detailed documents are being prepared for planning approval before construction commences.

Containerisation

A 2001/02 examination of a sea-based container service out of Albany found that such a service would have difficulty competing with road operations. However, the results suggested that a rail service to Fremantle Port might be viable subject to infrastructure improvements to the rail system, particularly at North Quay, and improvements in rail operations. In June 2003, the GSDC submitted a proposal to the Department for Planning and Infrastructure calling for a detailed examination of the rail option.

Power infrastructure

The GSDC continued to liaise with Western Power over electricity supply problems occurring in the Bremer Bay, Jerramungup and Gnowangerup areas of the Great Southern. New developments will continue to increase the load requirements placed on aging and inadequate infrastructure. For future growth to occur, the existing infrastructure requires a significant upgrade in capacity and reliability.

Industrial Land

The GSDC continued to act as the initial point of enquiry for new businesses interested in locating within Mirambeena and Yerriminup Industrial Parks. Both

parks, owned by LandCorp, are zoned for special industry and surrounded by a 1km buffer zone. Interest in the parks has increased from new opportunities developing out of the plantation timber industry.

Katanning Saleyards

The Shire of Katanning, in partnership with the GSDC, has advanced the medium term planning for the redevelopment of the region's major sheep selling facility. The development plan, completed by an independent consultant in late 2002, presented preliminary costings and quantified the industry wide benefits of a modern saleyards located in the central Great Southern.

While plans for actual development are largely contingent on a State Government decision for the corporate structure of the new Muchea facility, the Shire has identified a greenfields site and is consulting with industry on an efficient design.

Ongerup Community Housing Project

During 2002, the GSDC continued to work with the Ongerup Community Development (OCD) group as it advanced this community-driven project to the development stage. In addition to an increased level of liaison with all three levels of government, the GSDC was able to secure the grant funds that will allow the construction of two units in the current year. From this commercially sustainable base, the OCD will advance planning for further incremental development in 2004. A good standard of local employee housing will be the initial outcome of the project.

The GSDC will continue to be a resource to, and work with, the committee through this development stage and in future housing planning for the Ongerup community.

Community Resource Centres – Frankland, Jerramungup and Wellstead

In 2002, these three community resource centre projects were all advanced considerably. Because of the level of community planning, the need for commercial sustainability and the putting together of funding packages, all have been medium term initiatives. Construction commenced at Wellstead in early 2003, after the committee and the City of Albany received funding commitments from all of the agencies concerned. As project manager, the Shire of Jerramungup has been notified that all core funding, from State and Commonwealth agencies, is now in place. Development at Jerramungup is expected to commence in the late summer of 2004.

The Frankland project, which is being managed by the Shire of Cranbrook, completed its community consultation, business planning and funding applications in a relatively short period. The Shire has since been advised that core

Commonwealth funding has been approved and that State agency applications are at an advanced level of assessment.

The GSDC will continue to work with all three management groups as each project advances to the development stage.

Denmark Centre for Sustainable Living

The GSDC has provided support to the Denmark Centre for Sustainable Living to secure a lease for the former Denmark Agricultural College dormitory building. The lease has been negotiated with the Department of Education and \$422,000 has been secured to complete refurbishment of the building. A project officer has been appointed for 12 months to implement the business plan and develop a program of activities for the centre, funded under the Regional Assistance Plan.

Fitzgerald Biosphere Interpretive Centre

\$10,000 was granted to the Fitzgerald Biosphere Interpretive Centre to complete a business plan, funded by the Regional Development Scheme.

Stirling Range Visitor Centre (SRVC)

Consistent with the State Government's policy on the development of joint management arrangements for conservation lands in WA, the GSDC is working with the Department of Conservation and Land Management and Noongar stakeholders on a proposal to develop a Visitor Centre at Bluff Knoll in the Stirling Range National Park. The first phase of consultation with the Noongar community was completed in July 2003 and the GSDC has sourced \$50,000 in additional funding for a feasibility study in 2003/2004. A SRVC Planning and Development group, comprising DCLM and Noongar stakeholders, will form the basis for joint management of the Visitor Centre. The GSDC will take a project management role and seek additional external funds to appoint a Project Manager on completion of the feasibility in December 2003.

Kodja Place Visitor and Interpretive Centre

In 2002/2003, GSDC support for Kodja Place focused on mentoring, corporate governance and marketing support for the joint venture. The GSDC funded \$7,000 toward the Kojonup Aboriginal Corporation's marketing contribution of Kodja Place. Additional grant funding for Aboriginal art and tourism enterprises will be sourced through the State's Office of Aboriginal Economic Development in 2003/2004.

Kodja Place is now a major visitor attraction in the Great Southern and won the WA Museum of the Year Award for 2003. The GSDC's Aboriginal Economic Development Unit will be working with Austrade to link overseas tour operators to the Centre.

Government Desired Outcome:

Market-oriented, sustainable economic development that will ensure better career opportunities and quality of life for the people in the Great Southern region.

Goal 3 Improve Infrastructure

A coordinated approach to infrastructure development that facilitates business, industry and community development and improves service provision to the region.

Key Performance Indicator

The efficiency indicator for this Goal is the cost of the projects divided by the number of projects undertaken by the Commission in the year.

All of the Goal 3 activities effected by the Great Southern Development Commission are disclosed within the Report of Operations, pages 34 to 37.

	2002/2003 Estimated	2002/2003 Actual	Reason for Significant Variation between Estimated and Actual Figures
Quantity			
Projects undertaken	8	14	New project opportunities arose during the year
Quality			
Percentage of client rating of very effective	74%	75%	
Timeliness			
Percentage of projects completed compared with those set at the beginning of the year	85%	100%	
Cost			
Average cost per project	\$42,450	\$19,574	

NOTES:

The total cost of Goal 3 was calculated at \$274,043, being 10.5% of the total cost of services of the Commission for the year. Output 3 was apportioned at 10.5% to reflect officer time spent on Goal 3 activities. The efficiency indicator was calculated as follows:

\$274,043 divided by 14 projects = \$19,574 per project.

The above is regarded as a key performance indicator. In pursuing the above outcome, the GSDC manages and undertakes a range of projects to improve levels of infrastructure.

The indicators are derived from the Commission's financial management information system and other sources of data collection.

5.4 GOAL 4 NATURAL RESOURCE MANAGEMENT

Promote and support best practice natural resource management in the region.

The GSDC has given prominence and focus to natural resource management in the Great Southern region by identifying it as one of four key goals within its Strategic Plan.

The GSDC recognises the manifold natural resource problems of salinity, soil acidity and general land degradation in the region and that these problems require a co-ordinated effort by many agencies.

Fitzgerald Biosphere Marketing Association (FBMA)

A project coordinator was appointed in November 2002 to oversee implementation of the FBMA's business plan, for two years. The GSDC played a key role in securing funds from Regional Solutions to employ the coordinator and provided seed funding for the development of an assets register. Initial priorities for the coordinator have included the identification of markets for local produce and incentives for producers, research into environmental accreditation schemes and developing a website. The coordinator will work with the Great Southern Regional Marketing Network.

Development of the Organic Industry

Stage 1 of this strategic, cross-regional approach to develop the organic industry across three regions concluded in June 2003 with the inaugural WA Organic and Biodynamic Conference in Mandurah, attended by 140 participants. Project manager, Green Skills has worked with the Great Southern, Southwest and Peel Development Commissions, up to 20 shires, industry bodies, the Department of Agriculture and three Area Consultative Committees to meet industry-identified needs, with the support of certifying bodies NASAA and Demeter. The project has focused on the development of supply chains for apples, beef and olives, information and support for businesses interested in conversion and support for the Organic Growers Association, now recognized as the peak state body. 235 producers, processors, retailers and wholesalers are registered on the project's database. The GSDC has been an active member of the project's steering committee and has been instrumental in securing funding commitments from the other two development commissions for Stage 1 and from the WA Regional Initiatives Scheme for Stage 2.

Development of High-Value Timber Opportunities for Drylands - Swamp SheOak

A project steering group comprising a broad range of stakeholders including Green Skills, Timber 2020, the Departments of Agriculture and Conservation & Land Management and the Forest Products Commission, has been meeting to progress the development of one of four 'best bet' species identified in the Green Skills' Bush Products project in 2001. The steering group has developed a five-stage program to complete feasibility work and will include research and development on provenance, establishment techniques, the identification and treatment of silviculture sites, an advanced sawmilling study and market testing. Leverage funding of \$8000 committed by the GSDC has secured matching investment to date of \$12,707 from other parties, with further funding applications pending.

NRM Medal for Excellence in Natural Resource Management

Once again, the GSDC's Medal for Excellence in Natural Resource Management, now in its second year, attracted a strong field of candidates. The medal gives public recognition and reward for outstanding individual achievement in best practice natural resource management by people working in, or for the Great Southern region. The three finalists were Geoff Bastyan, Tony Smith and Jean Webb.

The winner, Jean Webb, was presented with a sterling silver medal by the Hon Kim Chance MLC at a formal dinner for 90 distinguished guests.

An active and long-serving member of several key committees at a local and regional level since 1994, Jean has worked with the community to encourage widespread adoption of landcare practices and develop practical solutions that bring social and economic benefits. As a farmer, she has witnessed the land degradation in her catchment firsthand and recognised the link to declining productivity. She set about raising community awareness, seeking funds for landcare projects, ensuring that the maximum amount of dollars were directed for maximum effect, not just in her own catchment but in her sub-region.

Jean assisted the Wilson Inlet Catchment Committee with the development of a Best Bet Practices manual and a Landcare Business Directory, and securing the services of a Community Landcare Coordinator. Jean coordinated the Albany Western Hinterland Working Group and the community consultation process for a more coordinated approach by agencies and the community to natural resource management. Jean is currently Vice-Chair of the South Coast Regional Initiative Planning Team (SCRIPT).

Jean has been driven by her love of the bush, the need to improve productivity on the family farm and a deep commitment to working with the community. Jean wants to see more effective support for community organizations and hand on a better environment to future generations.

Centre of Excellence in Natural Resource Management

During the year the GSDC continued its work and close association with the Albany-based Centre for Excellence in Natural Resource Management (CENRM).

The Centre is an initiative of the GSDC and is a partnership involving the University of Western Australia, the Great Southern Development Commission, WA Department of Agriculture, Water and Rivers Commission, the City of Albany, the Department of Local Government and Regional Development, and the Federal Government's Regional Assistance Program. The Centre's Board of management is chaired by the GSDC's CEO.

CENRM's central goal is to be a leading force in the provision of knowledge necessary to better manage natural resources in Australia. The focus of this goal is targeted, cost-effective and innovative research, with a view to enhancing the environmental, economic, social and cultural well-being of South Western Australia and elsewhere.

Foundation staff for the Centre included Director, Professor Peter Davies, Research Fellow Dr Barbara Cook, and Manager Dr Terry Walshe.

Consistent with the expertise of core staff, the emphasis of CENRM's activities to date has been in water resources and catchment management. The Centre has been successful in securing four competitive research contracts involving the ecological water requirements of rivers, ecotoxicology studies, and Australia-wide training requirements for river restoration. It has also been actively involved in teaching activities, including the delivery of an undergraduate unit in Aquatic Ecology at Albany.

CENRM has expanded its research interests through recruitment of staff funded by project-specific research grants. Research priorities for which funding applications have been submitted include nutrient dynamics in agricultural landscapes, the management and impacts of salinisation, and development of the aquaculture industry.

The outcomes of these projects and activities will lead to regional opportunities that will underpin the region's growing reputation as a national leader in natural resource management and sustainability.

Katanning Townsite Saline Water Project

Throughout 2002, the Shire of Katanning continued to work with the Rural Towns Program and the GSDC to steadily increase production bores in the townsite as part of an integrated engineering solution to rising levels of salinity. Over several years, salt encroachment has been identified as the major contributing factor in the deterioration of social and capital infrastructure in the town. The GSDC contribution has been to fund the bore field testing and associated economic analysis that will drive future infrastructure investment in the production of potable water, salt and other minerals. The majority of the data collection was completed in June 2003

In 2003 the Shire, and its partners in this project, will expand the bore field in the most productive areas. The efficiency criteria for this stage of the project will be ground water yield, water properties and sustainability of production. The involvement of CSIRO, through its Healthy Country program, will result in the refining of the engineering task and the development of a sustainable model for townsite water exploitation that can be applied to other towns in the Wheatbelt.

Soil Testing Centre – Kojonup

In late 2002 the Shire of Kojonup, with joint project funding through the GSDC's Regional Development Scheme allocation, completed a full feasibility study and business plan in relation to the proposed centre. The proponent farmer group, in association with a Shire working party, had previously completed some baseline work that had identified demand for a range of services and the necessity for links with established educational institutions, such as the University of WA. The focus of the research facility, to be run on commercial terms, was to be soil, water and tissue testing.

In 2003, the GSDC will continue to assist the Shire working party as it works through the funding application process with a range of State and Commonwealth agencies.

Government Desired Outcome:

Market-oriented, sustainable economic development that will ensure better career opportunities and quality of life for the people in the Great Southern region.

Goal 4 Natural Resource Management

Promote and support best practice natural resource management in the region.

Key Performance Indicator

The efficiency indicator for this Output is the cost of this Output divided by the number of clients the Commission had dealings with during the year.

All of the Goal 4 activities effected by the Great Southern Development Commission are disclosed within the Report of Operations, page 40 and 42.

	2002/2003 Estimated	2002/2003 Actual	Reason for Significant Variation between Estimated and Actual Figures
Quantity			
Projects undertaken	5	7	
Quality			
Percentage of client rating of very effective	74%	75%	
Timeliness			
Percentage of projects completed	85%	100%	
Cost			
Cost per project	\$42,450	\$18,352	

NOTES:

The total cost of Goal 4 was calculated at \$128,464, being 4.9% of the total cost of services of the Commission for the year. Goal 4 was apportioned at 4.9% to reflect the percentage of officer time spent on its activities. The efficiency indicator was calculated as follows:

\$128,464 divided by 7 projects = \$18,352 per project.

The above is regarded as a key performance indicator. In pursuing the above outcome, the GSDC undertakes a range of projects to promote best practice in Natural Resource Management.

The indicators are derived from the Commission's financial management information system and other sources of data collection.

5.5 GOAL 5 EFFICIENT AGENCY PERFORMANCE

Manage its resources so its core business of economic development is achieved with optimum efficiency.

Computer System Developments

During the year the GSDC replaced its server, purchased three laptops and several desktop computers, printers and a scanner to replace ageing computer hardware. The new equipment is for GSDC staff and supernumerary officers such as the Ministerial Liaison Officer and the Albany Boat Harbour Manager.

Financial Management Information System (FMIS)

In an effort to identify a more suitable accounts system the GSDC completed a business case for the proposed transition from Sunsystems to another FMIS, and obtained the approval of the Functional Review Implementation Team to purchase another system.

However the GSDC decided to refrain from making any change to its accounting system until the imminent policy changes expected in the new year were announced. In the meanwhile, the GSDC is exploring a FMIS sharing option with the South West Development Commission.

Order System

During the year the GSDC enhanced its electronic Order System, generated in Microsoft Access integrated with Microsoft Outlook, through in-house computer expertise.

The new system enables pre-determined users with secure passwords to raise orders for goods and services. Designated approving officers can approve or disapprove orders on-line. Approved orders can be printed out and given to suppliers for goods and services required.

Time Measurement System

This system, developed in the Microsoft application Access, enables the GSDC to capture and collate data entered by staff in Microsoft Outlook. The system collects and calculates time spent by officers on each project and for each Goal.

The system provides information that facilitates management and strategic decision-making, and helps determine Performance Indicators at the end of the year.

Staff Training, Recruitment and Development

The GSDC has developed human resource management standards for the recruitment and development of staff, in accordance with government policy guidelines.

The GSDC acknowledges that its staff are its key resource and invests generously in the skill development of its personnel. Over the year, the GSDC has spent \$15,994 on training activities for staff.

Three major agency-wide training activities were arranged for staff, covering Microsoft Word, negotiation skills and assessing business plans.

On a regular basis, GSDC staff delivered short training sessions in-house, on computer applications designed to raise skill levels in frequently used Microsoft Office applications.

Workers Compensation and Rehabilitation Arrangement

In compliance with Treasurer's Instruction 903, it is reported that the GSDC has not been required to provide payments or extend assistance for workers compensation claims or rehabilitation of staff.

WA Cleaner Production

The GSDC became a signatory to the WA Cleaner Production statement in early 2003. An internal working group was formed to develop a GSDC Policy document and an Action Plan. The Action Plan being implemented will also bring savings to the Commission.

The initiatives identified by the working group included more efficient use of energy, heat and power throughout the Commission's offices, enhanced paper recycling practices and an increased ratio of LPG vehicles in the GSDC's vehicle fleet.

Targets for 2003/04 include reducing power consumption by 10% and increasing our LPG vehicle fleet from 50% to 75%.

Freedom of Information Statement

The GSDC is comprised of a Board of Management of ten (10) members which meets bi-monthly and an operational branch of fifteen (15) officers.

The Board of Management is the executive body, comprising a Chairperson, Deputy Chairperson and seven members, with the Chief Executive Officer as an ex-officio member. The Board decides policy matters and considers projects which have been brought to the attention of the Commission. Members of the Board are selected from Local Government, industry and Ministerial appointees, with the exception of the Chief Executive Officer, who is a contracted full-time public servant.

Members of the public may participate in the formulation of the Commission's policy and the performance of the agency's functions by writing to the Commission or by personal contact with the Commission's senior officers in the first instance.

The Commission holds information in working files, feasibility studies and various printed materials from a variety of sources. The Commission usually provides information free of charge, however the Commission may charge a nominal amount for bulky reports, which are expensive to produce.

Members of the public are welcome to visit the Commission and peruse the information available to parties interested in regional development matters. Much of this information is displayed in the reception area for members of the public to examine.

If members of the public wish to view information on working files or library documents, they are encouraged to speak with senior officers of the Commission in the first instance. The documents of the Commission may be inspected if application for inspection is in accordance with the Freedom of Information Act 1992. The Commission did not receive any requests for information under the Freedom of Information Act 1992 in 2002/2003.

Initial enquiries for access to information held by the Commission, other than those easily satisfied by a personal visit, are to be directed in writing to:

Manager Corporate Services
Great Southern Development Commission
Pyrmont House
110 Serpentine Road
PO Box 280
ALBANY WA 6330

Disability Service Plan

The GSDC seeks to provide its services equally to all people interested in regional economic development.

The GSDC has a Disability Service Plan, which it initially developed with assistance from the Disability Services Commission.

The Plan outlines 13 strategies under five outcomes. The five outcomes are:

- 1 Existing services are adapted to meet the needs of people with disabilities
- 2 Access to building and facilities is improved
- 3 Information about services and programs is provided in formats that enhance the communication needs of people with disabilities
- 4 Advice and services are delivered by staff who are aware of, and who understand, the needs of people with disabilities
- 5 Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision making processes.

The intent of the Plan is to ensure that people with disabilities are not disadvantaged.

The 13 strategies identified by GSDC have been acted upon as follows:

Fully Implemented	Partially Implemented	Ongoing Implementation	Not Commenced
2	2	7	2

The implementation of this Plan is on-going with further training and awareness raising activities planned.

The GSDC is supportive of agencies and businesses which facilitate the employment of people with disabilities. Over many years the GSDC has engaged the services of a local business which employs people with disabilities for various tasks such as large mail-outs, car washing and detailing, and general administrative duties such as filing.

During the year, the GSDC received a certificate of appreciation from local employment agency Great Southern Personnel in recognition of its support in providing employment opportunities for people with disabilities.

Complaints Policy

In accord with Government policy the Commission developed a Complaints Management Policy which was communicated to all staff.

During the year no complaints were received from clients.

Public Sector Management Standards

The GSDC has developed a set of Human Resource Management Standards including Policies and Procedural Practices. This document provides guidance to all the human resource management activities of the GSDC to ensure that such processes are effected with fairness and integrity.

Risk Management

The GSDC has a Risk Management Policy and a Risk Management Plan.

The Risk Management Committee (RMC) met four times during the year and reviewed the controls exercised by the Commission against its risk categories, as identified in the Risk Management Plan. During its review the Committee identified two additional categories.

During the year the RMC reported to the CEO and the Board of the GSDC on the progress and status of the Risk Management Plan's implementation, and on raising the awareness of risk generally within the Commission.

The Risk Management Committee will be re-convened bi-annually and will report to the CEO and Board on all matters of risk management.

The Commission has risk management as a standing agenda item at its fortnightly General Staff Meetings to maintain staff awareness and to promote a risk management culture within the agency.

Electoral Act 1907 Compliance

In compliance with the Electoral Act of 1907 section 175ZE, the Commission reports that it has incurred expenditure in the following categories as noted hereunder:

Expenditure with Advertising Agencies	\$16,215
Market research organisations	\$ 4,180
Expenditure with Polling Agencies	Nil
Expenditure with direct mail organisations	Nil
Expenditure with media advertising organisations	<u>\$ 829</u>
TOTAL EXPENDITURE	<u>\$21,224</u>

Statement of Compliance with Public Sector Standards

As required under Section 31 (1) of the Public Sector Management Act, I certify that I have complied with public sector standards in human resource management and the Code of Ethics.

The GSDC has developed policies, guidelines and processes for the Human Resource Standards for Staff Selection and Appointment, Transfer, Secondment, Performance Management, Redeployment, Termination and Discipline. Procedures have been put in place which are designed to ensure compliance to these policies and guidelines.

These policies, guidelines and processes have been communicated to all staff, who are aware of them and can access them from the Manager Corporate Services.

With respect to applications made for breach of standards review and corresponding outcomes for the 2002/2003 year, I advise the following:

Number lodged	Nil
Breaches found	Nil
Multiple breaches	Nil
Applications still under review	Nil
Material breaches	Nil
Non-material breaches	Nil

Method of Assessment

The Great Southern Development Commission has followed the Public Sector Standards in Human Resource Management as developed with the assistance of OPSSC. All staff selection processes have been effected through open advertising, merit based selection protocols, managed through a panel of three officers. All HR processes have been documented and feedback was sought throughout the year from unsuccessful job applicants. No claims of breach were lodged with the Commission.

Summary of extent of compliance with public sector standards

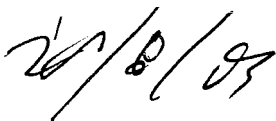
Only three Standards applied to the Commission for 2002/2003, these were the Recruitment, Selection and Appointment, Termination Standards and Performance Management. Against these Standards the GSDC complied fully on all points.

With respect to the Recruitment Standard, the GSDC sought clearance from PSMO, advertised openly, acknowledged all applications received, informed all applicants of their rights with respect to possible breaches and the lodgement of breach process, managed all staff selection processes through a three person panel (one female panel member), short-listed applicants against the job selection criteria, interviewed short-listed applicants, offered and provided feedback when sought by unsuccessful applicants, documented all processes and ratings, including a formal staff selection report to the CEO.

With respect to terminations, the GSDC dealt fairly with all terminating staff and provided the full entitlements as per Award or Contractual instruments.



BRUCE W MANNING
CHIEF EXECUTIVE OFFICER



6 PERFORMANCE INDICATORS 2002/2003

6.1 Certification of Performance Indicators

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Great Southern Development Commission's performance and fairly represent the performance of the Great Southern Development Commission for the financial year ended 30 June 2003.



RUSSELL HARRISON
CHAIRMAN

26 / 8 / 2003



BRUCE W MANNING
CHIEF EXECUTIVE OFFICER

26/8/03



AUDITOR
GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**GREAT SOUTHERN DEVELOPMENT COMMISSION PERFORMANCE
INDICATORS FOR THE YEAR ENDED JUNE 30, 2003**

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Great Southern Development Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended June 30, 2003.

Scope

The Board's Role

The Board is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of efficiency and effectiveness.

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.



D D R PEARSON
AUDITOR GENERAL
October 10, 2003

6.2 Key Performance Indicators

Treasurer's Instruction 904 requires accountable authorities to submit Performance Indicators showing the efficiency with which they have used their resources and their effectiveness in achieving the objectives they have set.

6.2.1 High Level Key Performance Indicators

The reader's attention is drawn to the fact that the Outcome of the Great Southern Development Commission is:

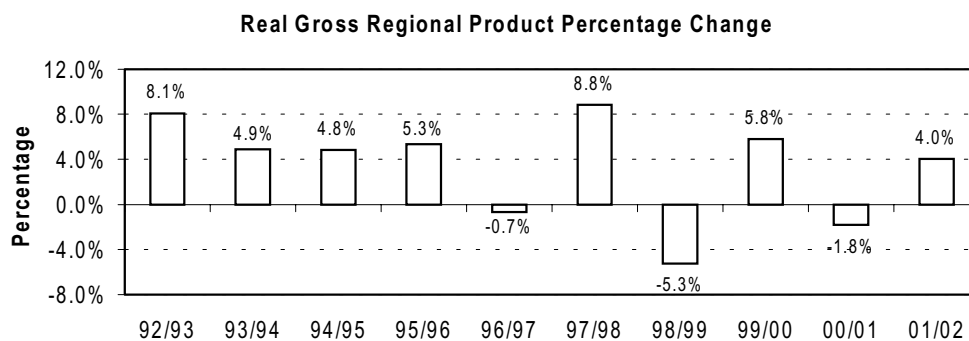
Market orientated sustainable economic development that will ensure better career opportunities and quality of life for the people of the Great Southern region.

The following key statistics, current as of July 2003, are intended to provide an indication of the overall performance of the region's economy. While GSDC does not suggest that it controls these high level indicators, this agency does use them to provide a snapshot of the region's economic health in a context through which its operation and performance may be better understood.

Gross Regional Product

The Gross Regional Product (GRP) measures the economic wealth of the region. It represents the value of production within the region at market prices.

The chart below shows the annual percentage change for real GRP over the past ten years. Real GRP increased by 4.0% over the 2001/02 year. (DOLGRD provided revised GRP figures for 1999/00 and 2000/01).



Source: Department of Local Government and Regional Development using ABS data

Unemployment

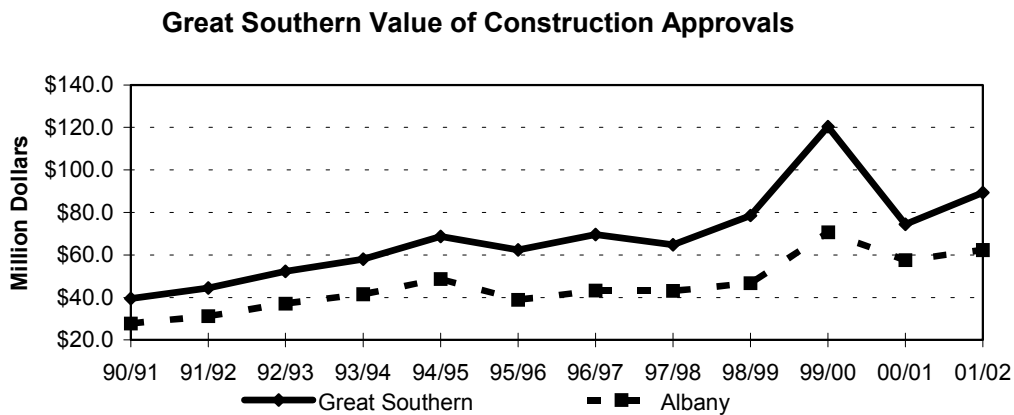
The unemployment rate in June 2002 was 5.3%, down from last year's figure of 8.5%. The graph below shows the unemployment rate from 1991.



Source: Department of Employment and Workplace Relations

Construction and Building

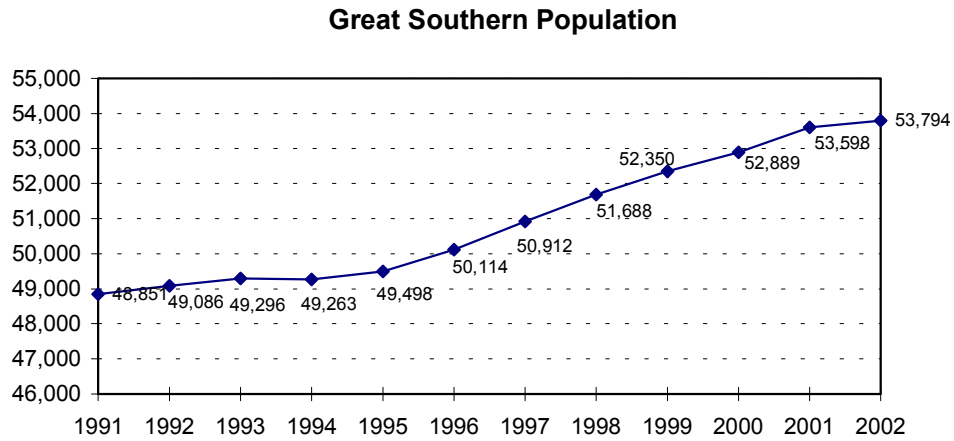
The graph below shows the value of construction approvals for the Great Southern as a whole and the municipality of Albany. Construction approvals for the region in 01/02 were valued at \$89.4 million, up 20.1% from the previous year. Construction activity in Albany made up 69.7% of the value of approvals in 01/02.



Source: Australian Bureau of Statistics

Population

The Estimated Resident Population of the Great Southern as of June 2002 was 53,794 a small overall increase of 0.4% since 2001. The graph below shows that the region as a whole continues to experience a steady population growth. (ABS provided revised population figures for 1997 and 2001.)



Source: Australian Bureau of Statistics

6.2.2 Key Performance Indicators

Key Effectiveness Indicators:

The desired outcome of the Great Southern Development Commission is:

Market orientated sustainable economic development that will ensure better career opportunities and quality of life for the people of the Great Southern region.

Like most State Government agencies the Great Southern Development Commission attempts to gauge its effectiveness through responses of its clients.

During the year the Commission engaged Patterson Market Research to conduct a client survey. The Commission provided Patterson Market Research with a list of 150 clients who had significant dealings with the Commission over the year. Patterson Market Research surveyed 110, or 73% of these clients by telephone, with a forecasting accuracy of $\pm 4.8\%$ at a 95% confidence level.

The results of the 2002/2003 Client Survey, and the Client Survey of the previous year, are summarised below:

Effectiveness Indicator 1 – Economic Development

	Extremely Effective or Very Effective					Ineffective/ Very Ineffective				
	2003	2002	2001	2000	1999	2003	2002	2001	2000	1999
Perceived performance of GSDC in coordinating & promoting economic development, N =104	75%	73%	70%	77%	71%	4%	3%	8%	13%	19%

	Excellent/Good					Poor/Very Poor				
	2003	2002	2001	2000	1999	2003	2002	2001	2000	1999
Performance in promoting infrastructure development. N=88	64%	58%	62%	72%	72%	5%	13%	10%	5%	8%
Performance in enhancing investment opportunities. N=89	70%	60%	56%	64%	64%	6%	8%	12%	4%	7%
Performance in providing business information and advice. N=91	70%	66%	68%	69%	78%	9%	8%	7%	7%	6%
Performance in creating economically sustainable development. N=95	60%	56%	57%	50%	52%	7%	9%	14%	7%	14%
Performance in improving access to services. N=93	69%	57%	58%	52%	54%	2%	10%	7%	5%	8%
Performance in improving quality of life. N=91	63%	54%	53%	53%	47%	5%	9%	14%	7%	17%
Performance in developing career opportunities. N=85	55%	52%	49%	44%	48%	6%	15%	9%	7%	14%

Key Efficiency Indicators:

The GSDC's project work is undertaken in the context of the Strategic Plan through four Outputs of:

- 1 Leadership in Regional and Community Development
- 2 Supporting and Facilitating Business and Enterprise Development
- 3 Facilitate Regional Infrastructure
- 4 Support Natural Resource Management

In achieving these four Outputs, the GSDC works extensively with all levels of government, businesses, industry sectors and community groups providing regional development information and facilitation services.

The Great Southern Development Commission applied 9.8 FTE's, or full-time staff equivalents, to effect regional economic development work against the above Outputs. A further 4.85 FTE's provided administrative support.

The GSDC produced the following hours against its four Outputs:

	2003	2002	2001	2000
Regional Leadership	5,822	3,889	2,486	2,283
Industry Development	10,949	10,574	7,888	7,656
Improve Infrastructure	2,090	2,822	3,978	3,008
Natural Resource Management	979	1,150	375	244
Sub Totals	19,840	18,435	14,727	13,191
Plus Board member hours	380	328	428	364
Consultant hours purchased	2,582	3,388	5,779	4,542
Total chargeable hours	22,802	22,151	20,934	18,097
Total cost as per Statement of Financial Performance	\$2,602,398	\$2,150,157	\$2,353,380	\$1,656,855
Chargeable hourly rate	\$114.13	\$97.06	\$112.42	\$91.55

A further 8,667 comparative hours were recorded by the GSDC corporate services officers supporting the main core business of the Commission.

NOTE:

Within the total cost figure above of \$2,602,398 are amounts totaling \$507,104 being liabilities raised, and 'expensed.' If these are removed from the total cost, the chargeable hourly rate would have been \$91.89.

Government Desired Outcome:

Market- oriented sustainable economic development that will ensure better career opportunities and quality of life for the people in the Great Southern region.

Output 1 Leadership in Regional and Community Development

Supporting initiatives that aim to build the capacity of regional and rural communities to respond to needs and opportunities for sustainable development.

Key Efficiency Performance Indicators

The efficiency indicator for this Output is the cost of the projects divided by the number of projects undertaken by the Commission in the year.

	1999/00 Actual	2000/01 Actual	2001/02 Actual	2002/03 Actual	Reason for Significant Variation
Cost					
Average cost per project	N/A	N/A	\$30,245	\$54,536	RDS projects totaling \$93,468 were expensed inflating this figure

NOTES:

The total cost of Output 1 was calculated at \$763,504 being 29.3% of the total cost of services of the Commission for the year. Output 1 was apportioned at 29.3% to reflect the percentage of officer time spent on Output 1 activities. The efficiency indicator was calculated as follows:

\$763,504 divided by 14 projects = \$54,536 per project.

The indicators are derived from the Commission's financial management information system and other sources of data collection.

Government Desired Outcome:

Market-oriented sustainable economic development that will ensure better career opportunities and quality of life for the people in the Great Southern region.

Output 2 Supporting & Facilitating Business and Enterprise Development

Support and facilitate new and existing enterprise and industry development by broadening and strengthening the region's economic base

Key Performance Indicator

The efficiency indicator for this Output is the cost of the projects divided by the number of projects undertaken by the Commission in the year.

	1999/00 Actual	2000/01 Actual	2001/02 Actual	2002/03 Actual	Reason for Significant Variation
Cost					
Average cost per project	\$64,109	\$84,031	\$58,771	\$68,380	RDS projects totaling \$330,386 were expensed inflating this figure

NOTES:

The total cost of Output 2 was calculated at \$1,435,988 being 55.2% of the total cost of services of the Commission for the year. Output 2 was apportioned at 55.2% operating to reflect the percentage of officer time spent on Output 2 activities. The efficiency indicator was calculated as follows:

\$1,435,988 divided by 21 projects = \$68,380 per project.

The above are regarded as key performance indicators, since in pursuing the above Outcome, the GSDC implemented a range of regional development projects. The indicators are derived from the Commission's financial management information system and other sources of data collection.

Government Desired Outcome:

Market-oriented sustainable economic development that will ensure better career opportunities and quality of life for the people in the Great Southern region.

Output 3 Facilitate Regional Infrastructure

A coordinated approach to infrastructure development that facilitates business, industry and community development and improves service provision to the region

Key Performance Indicator

The efficiency indicator for this Output is the cost of the projects divided by the number of projects undertaken by the Commission in the year.

	1999/00 Actual	2000/01 Actual	2001/02 Actual	2002/03 Actual	Reason for Significant Variation
Cost					
Average cost per project	\$16,424	\$23,543	\$32,897	\$19,574	

NOTES:

The total cost of Output 3 was calculated at \$274,043 being 10.5% of the total cost of services of the Commission for the year. Output 3 was apportioned at 10.5% to reflect the percentage of officer time spent on Output 3 activities. The efficiency indicator was calculated as follows:

\$274,043 divided by 14 projects = \$19,574 per project.

The above are regarded as key indicator of performance because in pursuing the above Outcome, the GSDC manages projects and activities to improve infrastructure. The indicators are derived from the Commission's financial management information system and other sources of data collection.

Government Desired Outcome:

Market-oriented sustainable economic development that will ensure better career opportunities and quality of life for the people in the Great Southern region.

Output 4 Natural Resource Management

Promote and support best practice natural resource management in the region

Key Performance Indicator

The efficiency indicator for this Output is the cost of the projects divided by the number of projects undertaken by the Commission in the year.

	1999/00 Actual	2000/01 Actual	2001/02 Actual	2002/03 Actual	Reason for Significant Variation
Cost					
Cost per project	N/A	N/A	\$33,327	\$18,352	

NOTES:

The total cost of Output 4 was calculated at \$128,464, being 4.9% of the total cost of services of the Commission for the year. Output 4 was apportioned at 4.9% to reflect the percentage of officer time spent on Output 4 activities. The efficiency indicator was calculated:

\$128,464 divided by 7 projects = \$18,352 per project.

The above are regarded as a key indicator of performance since in pursuing the above Outcome, the GSDC undertakes a range of regional development projects under its Goal of Natural Resource Management.

The indicators are derived from the Commission's financial management information system and other sources of data collection.

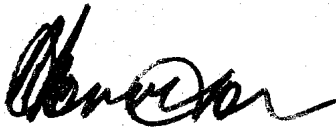
7 FINANCIAL STATEMENTS

For the period 1 July 2002 to 30 June 2003

7.1 Certification of Financial Statements

The accompanying financial statements of the Great Southern Development Commission have been prepared in compliance with provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the period 1 July 2002 to 30 June 2003 and the financial position as at 30 June 2003.

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



RUSSELL HARRISON
CHAIRMAN

26/8/2003



BRUCE W MANNING
CHIEF EXECUTIVE OFFICER

26/8/03



BERT PARDINI
PRINCIPAL ACCOUNTING OFFICER

28/8/03



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

GREAT SOUTHERN DEVELOPMENT COMMISSION FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003

In my opinion,

(i) the controls exercised by the Great Southern Development Commission provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and

(ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at June 30, 2003 and its financial performance and cash flows for the year ended on that date.

Scope

The Board's Role

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON AUDITOR
GENERAL
October 10, 2003

GREAT SOUTHERN DEVELOPMENT COMMISSION
Statement of Financial Performance
for the year ended 30 June 2003

		2003	2002
		\$	\$
COST OF SERVICES	Note		
Expenses from ordinary activities			
Employee expenses	2	1,082,229	885,803
Supplies and services	3	404,924	453,674
Depreciation expense	4	44,485	40,745
Administration expenses	5	156,083	140,392
Accommodation expenses	6	90,171	78,684
Grants and subsidies	7	790,856	493,859
Capital user charge	8	23,250	48,000
Other expenses from ordinary activities	14	10,400	9,000
Total cost of services		<u>2,602,398</u>	<u>2,150,157</u>
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
User charges and fees	9	122,605	42,676
Commonwealth grants and contributions	11	91,477	220,816
<i>Revenue from non-operating activities</i>			
Interest Revenue	9	2,447	2,579
Proceeds from sale of disposal of non-current assets	12	499	4,261
Other revenues from ordinary activities	9	7,884	12,918
Total revenues from ordinary activities		<u>224,912</u>	<u>283,250</u>
NET COST OF SERVICES	24	<u>2,377,486</u>	<u>1,866,907</u>
REVENUES FROM GOVERNMENT			
Output appropriations	13	1,356,750	1,637,000
Resources received free of charge	14	10,000	9,000
Grants received from Government	13	813,604	171,897
Total revenues from Government		<u>2,180,354</u>	<u>1,817,897</u>
Total changes in equity other than those resulting from transactions with WA State Government		<u>(197,132)</u>	<u>(49,010)</u>

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

GREAT SOUTHERN DEVELOPMENT COMMISSION
Statement of Financial Position
as at 30 June 2003

	Note	2003 \$	2002 \$
Current Assets			
Cash assets	24	40,622	62,097
Restricted cash assets	15	1,019,522	616,399
Receivables	16	39,779	33
Other assets	18	435	5,023
Total Current Assets		1,100,358	683,552
Non-Current Assets			
Amounts receivable for outputs	17	117,000	104,000
Plant and equipment	19	96,964	76,924
Total Non-Current Assets		213,964	180,924
Total Assets		1,314,322	864,476
Current Liabilities			
Payables	20	29,528	12,602
Provisions	21	176,536	96,627
Other liabilities	22	536,620	27,739
Total Current Liabilities		742,684	136,968
Non-Current Liabilities			
Provisions	21	166,481	145,219
Total Non-Current Liabilities		166,481	145,219
Total Liabilities		909,165	282,187
NET ASSETS		405,157	582,289
Equity			
Contributed equity	23	50,000	30,000
Accumulated surplus	23	355,157	552,289
TOTAL EQUITY		405,157	582,289

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

GREAT SOUTHERN DEVELOPMENT COMMISSION
Statement of Cash Flows
for the year ended 30 June 2003

	Note	2003 \$ Inflows (Outflows)	2002 \$ Inflows (Outflows)
CASH FLOWS FROM GOVERNMENT			
Output appropriations	13	1,313,750	1,533,000
Capital appropriations	13	50,000	30,000
Grants from State Government agencies	13	813,604	171,897
Net Cash Provided by Government		<u>2,177,354</u>	<u>1,734,897</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to suppliers		(813,174)	(1,046,861)
Payments to employees		(963,316)	(906,800)
Capital User Charge		(23,250)	(48,000)
GST payments on purchases		(91,303)	(97,382)
GST payments to taxation authority		(86,196)	(67,448)
		<u>(1,977,239)</u>	<u>(2,166,491)</u>
Receipts			
User charges and fees		90,743	148,919
Commonwealth grants and contributions	11	91,477	220,816
Fraud recovery		0	350
Interest received		2,447	2,579
GST receipts on sales		30,013	33,987
GST receipts from taxation authority		31,279	23,704
Net cash provided by/(used in) operating activities	24	<u>(1,731,280)</u>	<u>(1,736,136)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property and Equipment		(64,925)	(66,804)
Proceeds from the sale of property and Equipment	12	499	5,782
Net cash provided by/(used in) investing activities		<u>(64,426)</u>	<u>(61,022)</u>
TOTAL CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		<u>(1,795,706)</u>	<u>(1,797,158)</u>
Net Increase/(decrease) in cash held		<u>381,648</u>	<u>(62,261)</u>

		<u>2003</u>	<u>2002</u>
Cash assets at the beginning of the financial year		678,496	740,757
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	24	<u>1,060,144</u>	<u>678,496</u>

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

Notes to the Financial Statements for the year ending June 30, 2003

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.

1 General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, 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 Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board and UIG Consensus Views. The modifications are intended to fulfill 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.

Basis of Accounting

The statements have been prepared on the accrual basis of accounting using the historical cost convention, with the except for certain assets and liabilities which, as noted, are measured at fair value.

(a) Output Appropriations

Output appropriations are recognized as revenues in the period in which the Commission gains control of appropriated funds at the time those funds are deposited into the Commission's bank account or credited to the holding account held at the Department of Treasury and Finance.

(b) Contributed Equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to the Contributed Equity in the Statement of Financial Position.

(c) 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.

(d) Revenue Recognition

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

(e) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Assets acquired at no cost or for nominal consideration, are initially recognized at the fair value at the date of acquisition.

(f) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on the straight line basis, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are:

Furniture and fittings
Plant and equipment
Computer hardware and software

(g) Leases

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

(h) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets net of outstanding bank overdrafts. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(i) Receivables

Receivables are recognized at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of receivables is reviewed on an on-going basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubt as to the collection exists and in any event where the debt is more than 60 days overdue.

(j) Payables

Payables, 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. Payables are generally settled within 30 days.

(k) Employee entitlements

Annual leave

This entitlement is recognised at the reporting date in respect to the employee's services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognized in the provisions for employee benefits, and is measured at the nominal amounts expected to be settled more than 12 months from the operating date is recognized in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of service as 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 market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(l) Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or 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. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The Pension Scheme and the pre-transfer benefit for employees who transferred to the Gold State Superannuation Scheme are unfunded and the liability for future payments is provided for at reporting date.

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

The note disclosure required by paragraph 6.10 of AASB 11028 (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.

Employee benefit con-costs

Employee benefit on-costs, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognized as liabilities and expenses.

(m) 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.

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

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

(o) Comparative Figures

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

Notes to the Financial Statements for the year ending 30 June 2003

	2003	2002
2 Employee Expenses		
Wages and salaries	891,261	746,988
Superannuation	96,348	77,838
Employee entitlements	94,620	60,977
	<u>1,082,229</u>	<u>885,803</u>
3 Supplies and Services		
Consultants and contractors	132,696	128,057
Travel	40,506	28,162
Subsidies and Transfer Payments	231,722	297,455
	<u>404,924</u>	<u>453,674</u>
4 Depreciation expense		
Furniture and fittings	830	569
Office Equipment	12,471	14,604
Computing hardware	28,239	24,043
Computing software	2,945	1,529
	<u>44,485</u>	<u>40,745</u>
5 Administration expense		
Communication	40,216	38,464
Consumables	65,402	66,342
Maintenance	11,689	9,908
Other staff costs	38,776	25,678
	<u>156,083</u>	<u>140,392</u>
6 Accommodation expenses		
Lease rentals	82,303	68,908
Cleaning	7,868	9,776
	<u>90,171</u>	<u>78,684</u>
7 Grants and subsidies		
Grants expensed by the raising of liabilities for legally enforceable contracts under the Regional Development Scheme	507,104	0
Kojonup Shire (Kodja Place Visitor Centre)	0	40,000
University of Western Australia	0	200,000
Centre of Excellence in NRM	20,000	80,000
City of Albany – Wellstead Community Centre	0	60,000
City of Albany – HMAS Perth Dive Wreck	0	45,000
City of Albany – Albany Boat Harbour	75,000	0
Gnowangerup Aboriginal Corporation	0	9,000
Ongerup Community Development Group	0	7,000
Perth International Arts Festival	55,000	0
Great Southern Regional Marketing Association	42,500	0
Jerramungup Shire	15,000	0
Seafood Marketing Association	13,000	0
Minorba Grazing Company	10,000	0
Katanning Shire	10,000	0
Department of Agriculture WA	10,000	0
Great Southern Tourism Association	6,728	0
First Acuity Management	5,000	0

2003

2002

7 Grants and subsidies (cont)

Celebrate Albany	5,000	0
Cranbrook Shire	3,500	0
Project Related Grants (various)	13,024	52,859
	<u>790,856</u>	<u>493,859</u>

8 Capital User Charge

A capital user charge of 8% has been set by the Government for 2002/03 and represents the opportunity cost of capital invested in the net assets of the Authority used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.	23,250	48,000
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9 User charges and fees

Rent received	7,884	12,000
Other	2,447	34,801
Project Fees (services provided)	122,605	11,372
Profit/(loss) on sale of non-current assets	99	4,261
	<u>133,035</u>	<u>62,434</u>

10 Trading Profit

The Commission does not carry significant amounts of saleable inventory

Notes to the Financial Statements for the year ending 30 June 2003

	<u>2003</u>	<u>2002</u>
11 Commonwealth grants and contributions		
Dept of Employment, Workplace Relations and Small Business	0	29,816
Dept of Transport and Regional Services	21,500	113,000
Dept of Science, Industry and Tourism	0	45,000
Austrade	69,977	33,000
	<u>91,477</u>	<u>220,816</u>
12 Net profit/(loss) on disposal of non-current assets		
Profit on Sale of Non-Current Assets:		
Computer and other equipment	99	4,261
Gross proceeds on disposal of asset	499	5,782
13 Revenues (to)/from Government		
Appropriation revenue received during the year:		
Output appropriations (i)	1,356,750	1,637,000
Less amounts receivable for Outputs	-43,000	-104,000
	<u>1,313,750</u>	<u>1,533,000</u>
Plus capital from Holding Account	30,000	0
Capital appropriations (ii)	20,000	30,000
	<u>1,363,750</u>	<u>1,563,000</u>
<p>(i) Output appropriations are accrual amounts as from July 2002, reflecting the full price paid for outputs purchased by Government. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.</p> <p>(ii) Capital appropriations were revenue in 2001/2002 (year ended 30 June 2002). From 1 July 2002, capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited straight to equity in the Statement of Financial Position.</p>		
Revenues received from other State agencies		
Dept of Industry & Technology (DOIT) – formerly DOCAT	42,500	115,000
Dept of Local Government and Regional Development	37,500	0
Fisheries Dept	0	37,273
Public Education Endowment Trust	9,000	9,000
Department of Planning and Infrastructure	0	812
University of Western Australia	2,000	0
Office of Aboriginal Economic Development	55,000	0
Albany Port Authority	0	812
	<u>146,000</u>	<u>162,897</u>
Department of Local Government and Regional Development	667,604	0
	<u>813,604</u>	<u>162,897</u>
14 Resources received free of charge		
Based on estimates provided by agencies:		
Office of the Auditor General	10,000	9,000
Proceeds from sale of surplus assets	400	0
	<u>10,400</u>	<u>9,000</u>

Notes to the Financial Statements for the year ending 30 June 2003

	2003	2002
15 Restricted cash assets		
Special purpose accounts *	46,206	61,200
Cash held to be used only in accordance with grant conditions	466,212	555,199
Legally enforceable grants	507,104	0
	<u>1,019,522</u>	<u>616,399</u>
* CBA interest bearing account for Transport Study and BankWest account for Aboriginal projects		
16 Receivables		
Current:		
Trade debtors	39,779	33
	<u>39,779</u>	<u>33</u>
17 Amounts receivable for outputs		
Non-current	117,000	104,000
18 Other assets		
Current:		
Prepayments	435	5,023
GST receivable	0	0
	<u>435</u>	<u>5,023</u>
19 Equipment – at cost		
Furniture and fittings	45,320	32,948
Accumulated depreciation	-29,844	-29,817
	<u>15,476</u>	<u>3,131</u>
Office equipment	101,509	75,785
Accumulated depreciation	-70,118	-58,360
	<u>31,391</u>	<u>17,425</u>
Computing hardware	132,468	110,654
Accumulated depreciation	-87,874	-60,234
	<u>44,594</u>	<u>50,420</u>
Computing software	65,085	62,585
Accumulated depreciation	-59,582	-56,637
	<u>5,503</u>	<u>5,948</u>
Total of equipment	<u>96,964</u>	<u>76,924</u>

Reconciliations

Reconciliations of the carrying amounts for equipment at the beginning and end of the current financial year are set out below:

2003	Furniture & fittings	Office equipment	Computing hardware	Computing software	TOTAL
Carrying amount at start of year	3,131	17,425	50,420	5,948	76,924
Additions	13,538	26,474	22,413	2,500	64,925
Disposals	(363)	(37)	0	0	(400)
Reclassification	0	0	0	0	0
Depreciation	(830)	(12,471)	(28,239)	(2,945)	(44,485)
Carrying amount at end of year	15,476	31,391	44,594	5,503	96,964

Notes to the Financial Statements for the year ending 30 June 2003

	<u>2003</u>	<u>2002</u>
20 Payables		
Accrued expenses	<u>29,528</u>	<u>12,602</u>
21 Provisions		
Current:		
Annual Leave	139,251	93,052
Long Service Leave	<u>37,285</u>	<u>3,575</u>
	176,536	96,627
Non-Current:		
Long Service Leave	90,117	75,407
Superannuation (i)	<u>76,364</u>	<u>69,812</u>
	166,481	145,219
GRAND TOTAL	<u>343,017</u>	<u>241,846</u>
 (i) 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		
22 Other liabilities		
Current		
GST Payable (includes PAYG)	-127	2,388
Accrued salaries	26,643	18,351
Capital User Charge liability	3,000	7,000
Legally enforceable grant liabilities	<u>507,104</u>	<u>0</u>
	536,620	27,739
23 Equity		
Contributed equity		
Opening balance	30,000	0
Capital contributions (i)	<u>20,000</u>	<u>30,000</u>
	50,000	30,000
Accumulated surplus		
Opening balance	552,289	601,299
Change in net assets	<u>(197,132)</u>	<u>(49,010)</u>
Closing balance	<u>355,157</u>	<u>552,289</u>

(i) From 1 July 2001, capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited straight to equity in the Statement of Financial Position.

24

Notes to the Statement of Cash Flows

Reconciliation of Cash:

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

Committed funds from external sources, see Note 15	466,212	555,199
Legally enforceable grants	507,104	0
Restricted cash assets (special purpose accounts)	46,206	61,200
	<u>1,019,522</u>	<u>616,399</u>
Cash assets	40,622	62,097
	<u>1,060,144</u>	<u>678,496</u>
 (b) Non-Cash financing and investing activities	 0	 0
 (c) Reconciliation of net cost of services to net cash flows provided by (used in) operating activities		
Net cost of services	<u>(2,377,486)</u>	<u>(1,866,907)</u>
 Non-cash Items		
Depreciation expense	44,485	40,745
Resources received free of charge	10,000	9,000
(Increase)/decrease in assets:		
Current receivables	-39,746	93,675
GST receivables	-5,412	0
Other current assets (prepayments)	4,588	-4,111
Profit or loss on sale of assets	-99	-4,261
Increase/(decrease) in liabilities:		
Current payables	520,029	15,137
Employee entitlements:		
Accrued salaries and PAYG	11,190	-3,352
Movement in provision for annual leave	46,199	-2,088
Movement in provision for long service leave	48,420	-18,767
Movement in provision for superannuation	6,552	2,359
GST liability	0	2,434
Net cash provided by/(used in) operating activities	<u>(1,731,280)</u>	<u>(1,736,136)</u>

25 Commitments for expenditure

(a) Non-cancellable operating lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

Within 1 Year	18,172	22,888
Later than 2 year but not later than 5 years	11,252	18,142
	<u>29,424</u>	<u>41,030</u>

26 Contingent Liabilities

At the reporting date the Commission had no contingent liabilities

27 Controlled Entities

At the reporting date the Commission had no controlled entities

28 Events Occurring After Reporting Date

No material events have occurred after June 30th 2003

29 Explanatory Statement

(i) Significant variations explained hereunder between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.

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%.

	2003 \$	2002 \$	Variation \$
Employee expenses Salaries of \$96,674 were recouped back into revenue. Leave entitlements rose by \$33,643 and a salary Award increase was payable from 1 Jan 2003	1,082,229	885,803	+196,426
Supplies and services: GSDC processed less transfer payments	404,924	453,674	-48,750
Administration expenses: More was paid for training, maintenance and communication	156,083	140,392	+15,691
Accommodation expenses Building modifications of \$12,093 were met to accommodate the Boat Harbour Manager	90,171	78,684	+11,487
Grants and subsidies: Liabilities of \$507,104 were raised or expensed for the year and \$233,250 in grant payments were effected by DOLGRD on behalf of GSDC	790,856	493,859	-296,997
Capital user charge Liabilities of \$507,104 were raised for legally enforceable contracts which reduced Net Assets, the basis for used for the calculation of this charge	23,250	48,000	-24,750

- (ii) 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%.

	Budget \$	Actual \$	Variation \$
Employee expenses: Salary costs for two Aboriginal project officers were carried into the next year	1,048,605	1,082,229	-33,624
Supplies and services: GSDC carried forward unspent funds for on-going projects into 2003/2004 of \$519,499	958,023	404,924	553,099
Purchase of capital (depreciable) items Building stages 2 & 3 were postponed as was the purchase of two hubs for the computer system	118,212	64,925	-53,287
Administration expenses: Administrative costs were recouped for the TradeStart, Boat Harbour and Aboriginal economic development programs	193,462	156,082	-37,380
Accommodation expenses One office space at Katanning was surrendered and a new cleaning contract achieved savings	113,000	90,171	-22,829
Grants and subsidies Grants totalling \$233,250 were paid by DOLGRD on behalf of GSDC and these were treated by GSDC as a return of appropriation	1,050,343	790,856	-259,487
Capital user charge Liabilities were raised for legally enforceable grants totalling \$507,104, which reduced this charge	31,000	23,250	-7,750

Notes to the Financial Statements for the year ending 30 June 2003

	<u>2003</u>	<u>2002</u>
30 Remuneration of Members of the Accountable Authority and Senior Officers		
<u>Remuneration of Members of the Accountable Authority</u>		
The number of members of the Accountable Authority, whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands:		
\$		
Under \$3,000	13	10
3,000 - 10,000	1	1
10,000 -20,000	0	1
80,000 – 90,000	0	0
100,000 – 110,000	1	1
The total remuneration of the members of the Accountable Authority is:	<u>150,927</u>	<u>132,595</u>

The superannuation included here represents the superannuation expense incurred by the Authority in respect of members of the Accountable Authority

No members of the Accountable Authority are members of the Pension Scheme

Notes to the Financial Statements for the year ending 30 June 2003

	<u>2003</u>	<u>2002</u>
31 Related Bodies		
The Commission has no related bodies as defined by Treasurer's Instruction 951		
32 Write – offs		
The commission wrote off a debt which was disputed and unrecoverable	0	735
33 Output Information		
The Commission's outputs are sufficiently similar to justify treating them as one for the purposes of applying AAS16 in Treasurer's Instruction 1101(2)(ix)		

34 Financial Institutions

(a) Interest Rate Exposure

The following table details the Commission's exposure to interest rate risk as at the reporting date:

Fixed Interest Rate Maturity

2003	Weighted Average Effective Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	More than 5 Years	Non- Interest bearing	Total
		\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets							
Cash assets	.4%	11				41	52
Restricted cash assets	4.6%	35				973	1008
Receivables						40	40
		46				1054	1100
Financial Liabilities							
Payables						30	30
Employee entitlements						267	267
Accrued salaries						27	27
						324	324
2002							
Financial assets	3.77%	61				617	678
Financial liabilities						(203)	(203)
		61				414	475

- (b) Credit Risk Exposure
All financial assets are unsecured

- (c) Net Fair Values
The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in the financial statements.