



ANNUAL REPORT 2006 - 2007



CONTACT DETAILS

Postal	PO Box 2000 Bunbury WA 6231
Street	61 Victoria Street Bunbury WA 6230
Website	www.swdc.wa.gov.au
Email	swdc@swdc.wa.gov.au
Phone	(08) 9792 2000 International + 61 8 9792 2000
Facsimile	(08) 9791 3223 International +61 8 9791 3223

OFFICE LOCATIONS

Bunbury	9 th Floor, Bunbury Tower 61 Victoria Street Bunbury WA 6230
Collie	Unit 5, Centrepont Building Princep Street Collie WA 6225
Manjimup	20a Giblett Street Manjimup WA 6258
Busselton	86 Bussell Highway Busselton WA 6280
Harvey	Lot 15, Harvey Business Centre Becher Street Harvey WA 6220

OTHER FORMATS

This annual report is available in alternative formats on request. The Commission encourages people to access this annual report online through the Commission's website and to use recycled paper if they print a copy. For the convenience of readers and to minimise download times and print-outs, the annual report has been presented in sections, as well as the entire document. The online annual report is presented in PDF format.

STATEMENT OF COMPLIANCE

The Honourable Mark McGowan MLA
Minister for Education and Training; South West

In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the South West Development Commission, for the financial year ended 30 June 2007.

The South West Development Commission was established under the *Regional Development Commissions Act 1993*.

In the performance of its functions, the South West Development Commission complies with all relevant written laws including but not limited to:

Regional Development Commissions Act 1993;
Financial Management Act 2006;
Contaminated Sites Act 2003;
Disability Services Act 1993;
Equal Opportunity Act 1984;
Freedom of Information Act 1992;
Industrial Relations Act 1979;
Minimum Conditions of Employment Act 1993;
Occupational Safety and Health Act 1984;
Public Sector Management Act 1994;
Salaries and Allowances Act 1975;
State Records Act 2000;
State Supply Commission Act 1991; and
Public Interest Disclosure Act 2003.

In the financial administration of the South West Development Commission, we have complied with the requirements of the *Financial Management Act 2006* 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 in this statement misleading or inaccurate.



STAN LIAROS
CHAIRMAN OF THE BOARD
14 September 2007



DON PUNCH
CHIEF EXECUTIVE OFFICER
14 September 2007

CONTENTS

Agency Overview	3
Chairman's Executive Summary	4
Operational Structure	5
Establishment	5
Responsible Minister	5
Objects And Powers	5
Corporate Objectives	6
Executive Officers	6
Structure	7
Organisation Chart	7
Performance Management Framework	8
Outcome Based Management Framework	8
Changes To Outcome Based Management Framework	8
Shared Responsibilities With Other Agencies	8
Agency Performance	9
Resource Agreement	10
Report On Operations	11
Strategic Highlights	11
Commission Grants	36
Significant Issues And Trends	38
Regional Context	39
Issues And Trends	39
Disclosures And Legal Requirements	40
Certification Of Financial Statements	43
Income Statement	44
Balance Sheet	45
Statement Of Changes In Equity	46
Cash Flow Statement	47
Notes To The Financial Statements	48
Certification Of Performance Indicators	71
Performance Indicators	72
Outcome	72
Relationship With Government Policy	72
Effectiveness Indicators	72
Efficiency Indicators	76
Other Financial Disclosures	77
Staffing Policies	77
Industrial Relations	77
Occupational Health And Safety	77
Flexible Working Arrangements	77
Training Development And Achievements	78
Employee Volunteering Policy	78
Governance Disclosures	79
Contracts With Senior Officers	79
Directors Liability Insurance	79
Other Legal Requirements	80
Disability Access And Inclusion Plan	80
Equal Employment Opportunity Outcomes	81
Public Sector Standards	81
WA Code Of Ethics	82
Code Of Conduct	82
Reporting On Record Keeping Plans	82
Electoral Act Compliance	82
Freedom Of Information	83
Agency Publications Available To The Public	84
Government Policy Requirements	85
Corruption Prevention	85
Complaints Management System	85
Sustainability	85

AGENCY OVERVIEW

CHAIRMAN'S EXECUTIVE SUMMARY

The year in review



I am very pleased to provide this report for 2006/07. Having rejoined the Board as Chairman in December 2006, it has been exciting to see the region continue to grow and excel in so many different fields.

The population of the South West has increased by 9.5 per cent over the last five years. Our region is continuing to surge and confidence in the future is high. The Government has made a significant contribution to this confidence through its commitment to the Bunbury Waterfront Project and the Busselton Jetty Refurbishment and Foreshore Redevelopment Project. Both of these projects are excellent opportunities for the region.

There is also a renewed interest in Kemerton. The Commission has received a number of industry enquiries which have been referred to LandCorp and Kemerton is being incorporated into a review of major industry drivers for the Bunbury Wellington region. Industry needs in 2007 are very different from the industry needs of a decade ago and the Commission is working with LandCorp to identify and develop a range of choices for modern high technology industry.

The heart of a region though is its people and its tapestry of communities. The Commission's strategic plan has a strong emphasis on participation and removal of social barriers to participation, whether it be within industry, business or community life. During the year the Commission organised and hosted the very successful Critical Horizons Conference as a basis for examining what the future might hold, not only for the South West, but also for Australia's regions.

The Commission has also continued to lead the way in community leadership training and has worked with Telecentres and Learning Centres to develop innovative ways of bringing non-vocational adult education to the region.

Infrastructure has also been a key theme. The Commission continues to emphasise the importance of broadband to the region's development, the Bunbury Outer Ring Road and the strategic importance of the Bunbury Port to name a few.

On the trade front the Commission, through its relationship with Austrade, has been instrumental in growing exports from the region in areas from food and wine through to craft, timber ware and Indigenous art. This has been a very positive and rewarding relationship with overseas exhibitions showcasing regional product in the USA and Singapore.

I would like to thank my fellow Board Members, especially Mr Peter Monagle, who acted as the Chair for the latter half of 2006 and the staff of the South West Development Commission for their commitment and support. I would particularly like to thank our Minister, the Hon Mark McGowan MLA, who continues to be a great ambassador for the region within Government.

Finally I would like to thank all of those agencies, community organisations and individuals who have worked with the Commission over the year. It has been a privilege to work with you.

A handwritten signature in blue ink, appearing to be 'S. Liaros', written over a faint circular stamp.

STAN LIAROS
CHAIRMAN

OPERATIONAL STRUCTURE

ESTABLISHMENT

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

RESPONSIBLE MINISTER

The Honourable Mark McGowan MLA
Minister for Education and Training; South West

The Minister responsible for the South West Development Commission has the power to direct the Commission, either generally or with respect to a particular matter, on the exercise and performance of its powers, functions and duties under the Act. The Commission must give effect to such directions.

Accountable Authority:
South West Development Commission

OBJECTS AND POWERS

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

- Maximise job creation and improve career opportunities in the region;
- Develop and broaden the economic base of the region;
- Identify infrastructure services to promote economic and social development in the region;
- Provide information and advice to promote business development throughout the region;
- Seek to ensure that the general standard of government services and access to those services in the region is comparable to that, which applies in the metropolitan area; and
- Generally take steps to encourage, promote, facilitate and monitor the economic development of the region.

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

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

CORPORATE OBJECTIVES

Corporate Vision

By 2020 the South West of Western Australia is recognised internationally as a region of excellence.

Corporate Mission

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

Corporate Values

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

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

Sustainable practice – we will take a well-planned, considered approach to our projects to ensure that the qualities and opportunities of the region are enhanced for both present and future generations.

Excellence of service – we aim to be global leaders in regional development, with valued and skilled personnel and a responsive attitude to people.

EXECUTIVE OFFICERS – as at 30 June 2007 (appointed under the *Public Service Management Act 1994*)

Don Punch *Chief Executive Officer*

MBA, Bachelor of Psychology and Bachelor of Social Work

Term of Appointment 1998-2012

Don has extensive experience working throughout regional Western Australia within the Western Australian Public Service and is responsible for the overall operations of the South West Development Commission.

Graeme Baesjou *Manager Regional Development*

Graduate Diploma in Management Studies

Diploma of Administration Studies

Graeme has 10 years experience in regional development.

Vanessa Lewis *Principal Policy Officer*

Bachelor of Economics

Vanessa has 30 years experience in regional development in the South West Region, particularly in the areas of research, regional planning and policy development.

Val Cartwright *Chief Finance Officer*

Advanced Diploma of Accounting

Val has been involved in the financial management of the Commission for 10 years and is currently responsible for the management of the Commission's finance, human resource, information technology and administration services.

STRUCTURE

The Commission's structure is based on four areas of operation.

Executive Services

Manages the overall operation of the Commission.

Regional Development

Aims to increase job opportunities and career diversity through attracting and developing businesses and social investment in the region, undertakes capital works projects, assists communities to grow and diversify their economic base, and promotes the region.

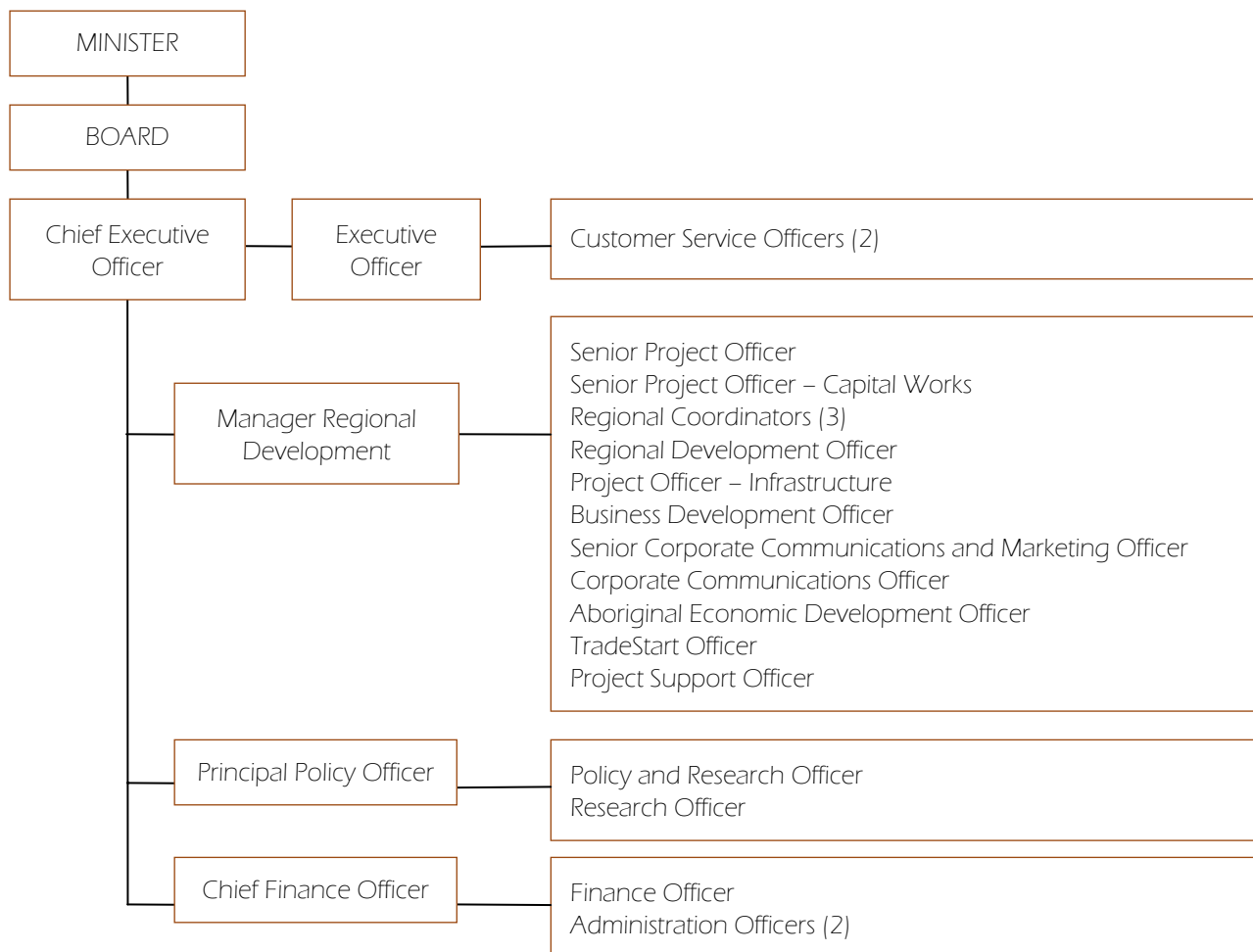
Policy and Research

Provides policy and research services to assist in regional planning and decision-making.

Corporate Services

Is the administrative arm of the Commission.

ORGANISATION CHART – as at 30 June 2007



PERFORMANCE MANAGEMENT FRAMEWORK

OUTCOME BASED MANAGEMENT FRAMEWORK

SWDC service delivery

In accordance with the SWDC Strategic Plan 2005-2020, the Commission delivers its services through: Investing in People; Investing in Infrastructure and Place; and Investing in Knowledge, Enterprise and Innovation. The Commission aims to support the development of new industries, more diverse opportunities for people, and community and industry infrastructure, while advancing sustainable jobs growth. The Commission undertakes capital works programs on behalf of the State Government and is supported in its work by Corporate Services, the administrative section of the Commission.

Investing in People

We focus on projects which engage the community in building the region's activities, including the development of key community infrastructure, leadership and learning projects.

Investing in Infrastructure and Place

We recognise the environment is a key aspect of the region's infrastructure, supporting all facets of the economy. The interplay of the environment and building infrastructure is a central aspect of our projects.

Investing in Knowledge, Enterprise and Innovation

We aim to create jobs, develop greater job diversity and increase incomes through attraction and development of a diverse industry base. Projects focus on attracting knowledge-based industries and maximising the region's trade potential.

Linkage with overall government goals

The Commission's three strategic themes incorporate the goals and outcomes of 'Better Planning: Better Futures', the State Government's strategic management framework. Goal 4 of the framework, Regional Development, is our main focus, and as a result, our diverse activities also contribute to the other goals of: Better Services, Jobs and Economic Development, Lifestyle and Environment, and Governance and Public Sector Improvement.

Similarly, the Commission's activities are aligned with the strategic outcomes of the State Government's regional development policy.

Within the high level government goal of "ensuring that regional Western Australia is strong and vibrant", the Commission's desired outcome is an environment which is conducive to the balanced economic development of the South West Region.

CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK

There have been no changes to the outcome based management framework during 2006/07.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

The South West Development Commission has no shared responsibilities with other agencies but does work collaboratively with other agencies to achieve government desired outcomes in the South West Region.

AGENCY PERFORMANCE

RESOURCE AGREEMENT

Financial targets

	2006/07 ⁽¹⁾ Target	2006/07 Actual	2006/07 ⁽²⁾ Variation
Total Cost of Services (i.e. endorsed expense limit)	\$ 12,996	\$ 12,828	\$ 110
Net Cost of Services (details in the Income Statement)	\$ 12,104	\$ 12,408	\$ 304
Total Equity (details in the Balance Sheet)	\$ 3,418	\$ 4,326	\$ 908
Net Increase/(Decrease) in Cash Held (details in Cash Flow Statement)	(\$ 2,358)	(\$ 2,087)	\$ 271
Full Time Equivalent (FTE) staff level	25	24	1

(1) As specified in the budget statements for the year in question.

(2) Explanations are contained in note 37 "Explanatory Statement".

Key performance indicators

	2006/07 ⁽¹⁾ Target	2006/07 Actual	2006/07 ⁽²⁾ Variation
Regional Development			
Key Effectiveness Indicator – Customer satisfaction survey	76%	72%	4%
Key Efficiency Indicator – Average cost per hour of service	\$ 175	\$ 182	\$ 7

(1) As specified in the budget statements for the year in question.

(2) Explanations for the variations between target and actual results are presented in the Performance Indicators.

The South West will be recognised internationally as a region of excellence.....
that is our vision for the future

The Commission's operational activities are guided by the SWDC Strategic Plan 2005-2020 and the State Government's strategic management framework, regional development policy and sustainability strategy.

Three strategic themes have evolved that ensure the economic, social, environmental and cultural aspects of regional development are comprehensively covered. The Commission's resources are dedicated to ensuring that the South West is recognised internationally as a region of excellence through:

- Investing in People;
- Investing in Infrastructure and Place; and
- Investing in Knowledge, Enterprise and Innovation.

The strategic themes are integrated to enable the Commission to develop the region's economy, and enhance those qualities that make the South West the best place in which to live, work and invest, in a balanced and coordinated manner. Value adding to the region's resources, facilitating the synchronous development of economic and social infrastructure, pursuing excellence in innovation, knowledge and enterprise, while preserving the region's environmental assets, are all important parts of the Commission's ethos.

STRATEGIC HIGHLIGHTS

INVESTING IN PEOPLE

Bringing people together to participate in the economic and social life of the community is a key ingredient to being a region of excellence.

The Commission recognises that engaging with communities, lifelong learning and access to knowledge will prepare and empower the communities of the South West to deal with the challenges of the future.

Learning communities

FUTURES PROGRAM

Outcome: The community is aware of the futures perspective in regional development

Achievements

Over 200 people attended the inaugural South West Futures Conference. Evaluation reports were very positive.

Formed the Critical Horizons Innovation Roundtable to continue with the 'Over the Horizon' agenda.

Future Actions

Implement an innovation roundtable for the region to foster innovation and futures thinking.

The Critical Horizons roundtable series will continue to act as a focal point for innovation and knowledge-based ideas development.

SOUTHERN REGION LEADERSHIP DEVELOPMENT STRATEGY

Outcome: Increased leadership capacity in the South West, Peel and Great Southern

Achievements

Initiated a range of programs through the annual forum to support existing and emerging community leaders through skill development, mentoring, recognition and networking opportunities.

Delivered 15 capacity building/leadership workshops across the Peel, South West and Great Southern regions.

Future Actions

Convene the 2007 Southern Region Leadership Forum in partnership with the Peel Development Commission and the Great Southern Development Commission.

Encourage youth to lead a "Call to Action" component of the regional leadership forum.

Encourage participation by Indigenous and multi-cultural communities.

LIFELONG LEARNING

Outcome: Increased availability of non-vocational adult learning

Achievement

Established four pilot online lifelong learning nodes across the region, with the aim of assisting telecentres to cater for adult non-vocational learning and learning centres to adopt internet technologies to improve access to adult learning.

Future Actions

Complete evaluation of online lifelong learning pilots.

Review the need for a telecentre-based online resource library through the Online Resource Working Group.

VASSE HOME-BASED BUSINESS DEVELOPMENT

Outcome: Improved awareness of home-based business IT needs in Vasse

Achievement

Provided grant funds to assist the Busselton Chamber of Commerce to conduct a survey to evaluate the status and potential for development of the home-based business sector in the Vasse region based on improved broadband access.

Future Action

Evaluate survey outcomes and implement a strategy for greater broadband take-up by small business in Vasse.

SOUTH WEST ACADEMY OF SPORT (SWAS)

Outcome: Young people in the region are able to participate in local talent development programs

Achievements

Contributed \$145,000 to help develop SWAS.

Achieved incorporation for SWAS.

Negotiated a Deed of License for locating SWAS with the South West Sports Centre (City of Bunbury).

Developed a sponsorship package to fund the Academy.

Future Action

South West Academy of Sport to be operational as an independent entity.

Community infrastructure

COLLIE SWIMMING POOL

Outcome: Improved facilities at Collie Swimming Pool

Achievement

Negotiated a grant agreement with the Shire of Collie to provide \$250,000 for further redevelopment of the Collie swimming pool.

Future Action

Complete covering over a planned 30 x 15-metre area that will include a two-lane 15-25-metre lap pool, a beach entry area and children's recreational area.

BUNBURY COURT HOUSE

Outcome: Refurbish the old Bunbury Court House

Achievements

Undertook partial refurbishment in consultation with the Department for Planning and Infrastructure (DPI).

Facilitated community access to the building whilst its long-term future is determined by DPI.

Future Action

Project completed.

BINNINGUP LIBRARY

Outcome: Library access at Binningup

Achievement

Building and internal fit-out of the new library facility has been completed.

Future Action

Library will open in late 2007.

LAKE KEPWARI

Outcome: Develop a premier fresh water recreational facility at Collie

Achievements

Completed all infrastructure plans for Lake Kepwari at Collie, including the final due diligence report on water quality.

Undertook a complete risk assessment for the site.

Future Actions

Finalise a management plan for the site.

Finalise hand back arrangements.

Undertake Stage 1 infrastructure works.

Identify options for Indigenous participation in management and guiding.

REGIONAL DEVELOPMENT SCHEME 2006/07

Outcome: A grants program to support regional projects

Achievement

Administered the 2006/07 Regional Development Scheme and provided grants to 18 successful applicants.

Future Action

Administer the 2007/08 Regional Development Scheme.

PEMBERTON TOURISM PRECINCT

Outcome: Redevelopment of Pemberton Tourism Precinct

Achievement

Provided \$19,800 to repair and upgrade the Pemberton pool kiosk and public facilities.

Future Action

Work with Friends of the Pool and the Pemberton Visitors Centre and the national trust to open the pool.

SOUTH WEST COMMUNITY FOUNDATION

Outcome: Establish the South West Community Foundation

Achievement

Secured \$220,000 in local contributions to complement the \$100,000 start-up funds provided by the State Government.

Future Actions

Achieve a target of \$500,000 funds under management by the end of 2007.

Complete the founding project, the 'Out There' Mobile Youth Space to provide recreational, leisure and life skills services for regional youth.

YOUTH

Outcome: Increased participation of young people in community life

Achievements

Established a youth coordinator position for the region with involvement in a variety of activities, including Leavers Week.

Provided \$20,000 to implement a Work Readiness program with the Collie Police and Citizens Youth Club (PCYC).

Contributed \$5,000 to assist PCYC to purchase metalwork and vehicle maintenance equipment to provide basic training and skills for disengaged youth in Collie.

Coordinated a promotional campaign to schools, in partnership with the Department of Education and Training, to attract young people into the meat industry under the banner of 'Meat Your Future'.

Future Action

Develop a model for the engagement of young people in State Government planning for the South West.

HOUSING

Outcome: Improved access to affordable housing in the region

Achievement

Appointed a project officer to work with the Department of Housing and Works to increase the ratio of affordable lots in regional housing developments.

Future Actions

Work with the City of Bunbury and other stakeholders to revitalise the Glen Iris location under the Glen Iris Structure Plan.

Evaluate alternatives, such as affordable housing, for the development of Commission-owned land in Glen Iris.

AGED CARE

Outcome: A plan for active participation of older people in community life

Achievements

Commenced development of an active ageing strategy for the region.

First residents have moved into the Balingup VINTAGE aged care facility.

Future Actions

Work with the Shire of Manjimup to develop a seniors strategic plan.

Lead the development of an active ageing framework for the South West Region.

Complete the Brunswick aged care project.

SOUTH WEST HUMAN SERVICES PLANNING COMMITTEE

Outcome: Effective coordination of human services planning

Achievements

Established a partnership arrangement with the Department for Community Development to enhance the Commission's human services planning expertise.

Chaired the South West Human Services Planning Committee in developing a framework for ensuring human services match changing needs in the region.

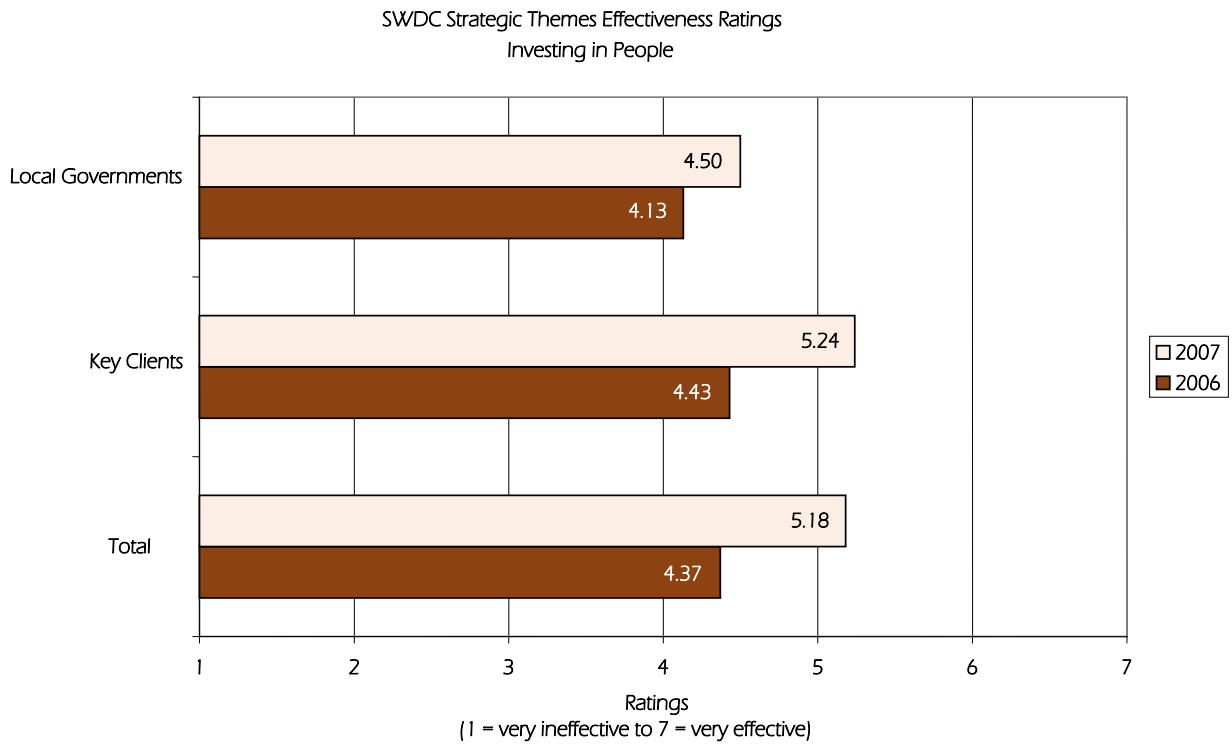
Future Action

Support a coordinated approach to the School Leavers Program, alcohol and drug services, and urban development planning.

HOW WE PERFORMED

SWDC's 2007 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in Investing in People. The rating scale ranged from 1 – very ineffective to 7 – very effective.

The results achieved are above mid-range and indicate that the Commission is seen to be effective in this area.



SPECIAL REPORT

South West Academy of Sport

The South West Academy of Sport is designed to identify and assist our best athletes, who face unique challenges to access high quality training in regional areas.

The concept is similar to the WA Institute of Sport and regional academies in the Eastern States.

Run by independent incorporated bodies, sports academies are designed to foster young sporting talent and prepare them for elite development programs at the State, national and international level.

Previously, to succeed young athletes in regional areas were forced to travel to and from metropolitan areas or permanently relocate to access top level training.

The South West Academy of Sport would provide that top level training across the region, negating the need to travel.

The development of the South West academy was first put forward by the South West Chambers of Commerce and Industry through an informal approach to the South West Development Commission.

The SWCCI engaged WA sporting identity Wally Foreman to develop a feasibility plan that has provided guidance as to what would be required to develop a successful regional sports academy.

The South West Development Commission has led a community committee to turn the academy dream into reality, with help from the SWCCI as well as groups such as the Department of Sport and Recreation and the Western Australian Institute of Sport.

Expressions of interest will be sought to determine the sporting disciplines that will initially be supported by the academy, with the range of sports increasing in the future as financial support increases.

A working group, drawing representation from relevant agencies, corporate and community groups across the South West has been formed to develop the South West Academy of Sport.

This body is now formally incorporated and will operate as an independent board.

The Commission has already contributed \$145,000 towards setting up the academy. With support from corporate and government sources it is hoped the academy would begin full scale operations in the summer of 2007/08.

SPECIAL REPORT

Critical Horizons Regional Futures Conference 2007 and Innovation Roundtable

The South West Development Commission's Critical Horizons Conference held earlier this year brought the future of regional Australia into sharp focus.

The two-day event looked at environmental, technological and social change and how it was likely to impact regional areas.

More than 200 delegates heard from a range of expert speakers, including several nationally acclaimed futurists.

The national conference, held in Bunbury in February, was designed to better prepare regions to manage their future, rather than be dictated to by it.

The event was organised by the Commission in partnership with the City of Bunbury, Edith Cowan University and the Bunbury Chamber of Commerce and Industries.

One of the challenges at the close of the event was to keep global trends in the consciousness of regional leaders so it became part of considered planning for the future.

A steering committee was formed to initiate the Critical Horizons Innovation Roundtable to maintain the momentum created by the initial event.

The concept of the roundtable is regular meetings between key government, business, education and community leaders, with expert speakers addressing a range of future-shaping issues.

The aim is that leaders will take the information presented during the roundtable series back to their workplaces so it becomes an integral part of their planning.

Roundtable events are expected to run quarterly, with the first one planned for November.

The topic for the inaugural roundtable seminar will be renewable energy, looking at solar, wind, wave and tide and geothermal technologies.

Other planned roundtable events will consider water issues and factors involved with Mediterranean climates.

INVESTING IN INFRASTRUCTURE AND PLACE

A balance between infrastructure needs and the environment is fundamental to our future.

Our aim is to have competitive infrastructure that meets community and industry needs, and an environment that is recognised and protected for its unique diversity and a vital part of the region's assets.

Modern competitive transport infrastructure

AUSTRALIND TRAIN

Outcome: Efficient passenger rail service between Bunbury and Perth

Achievement

Worked with the Public Transport Authority to review and retain the Australind rail service to Bunbury.

Future Action

Continue to work with Government to emphasise the importance of the 'Australind' and options for a high speed rail link along the Old Coast Road.

TOURISM ROADS OF SIGNIFICANCE

Outcome: Tourism roads of significance are integrated into budget planning at State and local levels

Achievement

Identified Mowen Road and Pile Road as tourism roads of significance that connect coastal areas to the hinterland.

Future Action

Work with Main Roads and local governments to promote the economic importance of Mowen and Pile roads.

BUNBURY PORT ACCESS ROAD AND OUTER RING ROAD

Outcome: Timely planning and construction of the Port Access Road and the Bunbury Outer Ring Road

Achievement

Established the Bunbury Outer Ring Road (BORR) Stakeholders' Group to develop a business case and assist in securing funding for the construction of the Outer Ring Road.

Future Actions

Through the stakeholders' reference group, the Commission will escalate lobbying for BORR.

Encourage inclusion of BORR on the Auslink register.

Competitive utility and infrastructure provision

SOUTH WEST WATER PLAN

Outcome: Secure water supplies for the South West

Achievements

Provided technical expertise to assist the development of the South West Water Plan.

Initiated discussions with the Chamber of Minerals and Energy for member mining companies that are rainfall dependent for water supplies, to complete risk assessments with contingency planning for a two-year low rainfall period.

Future Action

Continue to work with the Department of Water, Water Corporation and Harvey Water to develop strategic plans for the South West's water supplies.

BROADBAND

Outcome: The South West is serviced by 'Serious Broadband'

Achievements

Worked with the City of Bunbury and Connect South West to develop the Australian Centre for Digital Innovation concept in the new library facility.

Conducted a series of seminars throughout the region, with the City of Bunbury, to raise awareness and promote the take-up of VOIP (Voice Over Internet Protocol).

Future Actions

In conjunction with the private sector, drive broadband connections into the South West in accordance with the Commission's vision for regional broadband services: 1-10 gigabits for business, 10-100 megabits for domestic and wireless all round.

Assist with the completion of a sustainability program for Connect South West.

Work with the City of Bunbury and Connect South West to incorporate the Australian Centre for Digital Innovation in the new library facility.

Work with the Bunbury Chamber of Commerce and Industries to investigate opportunities to develop wireless 'hotspot' coverage for the Bunbury CBD.

Land for industry

PICTON LAND

Outcome: Picton Industrial Estate is developed as a modern general industry park

Achievements

Developed a strategic partnership with LandCorp for the development of Commission and LandCorp holdings at Picton that will be underpinned by a formal Heads of Agreement.

Committed \$2 million for the Preston sewer extension.

Future Actions

Work with the Department for Planning and Infrastructure to complete district structure planning for Picton, in accordance with environmental clearances and constraints.

Finalise a Joint Venture Development Agreement with LandCorp to develop Picton industrial land by December 2007.

Engage consultants, by December 2007, to develop a local structure plan that includes infrastructure, lot yield and design and costs.

Negotiate an agreement with the Department of Treasury and Finance on the terms for the land development and sale when district and local structure planning is completed.

RAW MATERIAL SUPPLY

Outcome: Secure supplies of sand, gravel and limestone to meet future development needs

Achievement

Identified a need to complete a study to locate and reserve supplies of raw materials to meet growth demands in the South West.

Future Action

In partnership with the Department of Industry and Resources, review the raw material supply sources for the region by the end of 2008.

LIGHT INDUSTRIAL AREAS

Outcome: Identified towns have access to light industrial land

Achievements

Provided funding and technical assistance to the shires of Harvey and Boyup Brook to progress industrial land development.

Provided a contribution to the Shire of Boyup Brook to assist with the bundling of power cables in the main street.

Future Actions

Assist the Shire of Boyup Brook to finalise a light industry land program.

In conjunction with LandCorp, undertake a land opportunities audit of Crown land in the South West.

Continue to support local governments to develop land for light industry.

COLLIE SHOTTS INDUSTRIAL PARK

Outcome: Collie has a strategic industrial site at Shotts

Achievement

Reached preliminary agreement with stakeholders to progress planning for the Collie Shotts Industrial Park.

Future Actions

Engage consultants to complete flora, fauna and wetland studies of the proposed estate by December 2007.

Submit the environmental studies and the 2004 due diligence report to the Department of Environment and Conservation for consideration and approval to proceed with development of the estate.

Urban renewal

BIG SWAMP

Outcome: Improved public access and interpretation of the Big Swamp nature reserve

Achievement

Supported completion of a master plan for the Bunbury Big Swamp.

Future Actions

Work with the City of Bunbury to:

- complete boardwalks that provide disabled access by December 2007; and
- scope and install interpretive material by June 2008.

PIONEER PARK

Outcome: Enhanced landscape at Bunbury's Pioneer Park

Achievement

Worked with the City of Bunbury to finalise designs for the construction of a memorial park to honour the City's early settlers.

Future Action

Work with the City of Bunbury to complete the redevelopment of Pioneer Park by June 2008.

COLLIE RIVER RESTORATION

Outcome: Restoration of the township section of the Collie River

Achievement

Worked with local stakeholders to scope a restoration strategy for the Collie River.

Future Actions

Provide financial assistance for the Shire of Collie to develop a 5-10 year action plan to manage weed infestation and restore the Collie River to a healthy state.

Assist the Shire of Collie to implement the recommendations of the action plan when the study and report have been completed.

YARLOOP COMMUNITY CENTRE

Outcome: New community centre at Yarloop

Achievement

Completed external renovations of the old Doctor's House in preparation for use as the Yarloop Community Centre.

Future Action

Complete redevelopment of the Yarloop Community Centre by the end of 2007.

TURKEY POINT DEVELOPMENT

Outcome: Improved public facilities at Turkey Point

Achievement

Administered a grant of \$75,000 to construct ablution facilities at the parking area.

Future Action

Work with the City of Bunbury to complete the suite of public facilities by constructing a fish cleaning station by December 2007.

BUNBURY'S BACK BEACH – STAGE 2

Outcome: Redeveloped Back Beach at Bunbury to improve public access and control erosion

Achievement

Provided \$2 million for the Bunbury Back Beach Coastal Enhancement project.

Future Actions

Continue representation on the Project Control Group to assist with planning and financial management of the project.

Complete the Bunbury Back Beach Coastal Enhancement project by February 2008.

BUSSELTON JETTY

Outcome: Refurbishment of the Busselton Jetty as a tourism icon

Achievements

Completed the initial feasibility of the Busselton Jetty refurbishment project.

Committed \$500,000 to the Busselton Jetty project to develop design concepts, survey work, technical analysis and community consultation.

Contributed \$9,900 and led the development of the Busselton Jetty tourism plan.

Future Actions

Complete feasibility studies for the refurbishment of the Busselton Jetty and foreshore land by July 2007.

Subject to Cabinet and Busselton Shire Council approval, finalise a project agreement to guide the future development of the project.

URBAN RENEWAL

Outcome: Local towns have a physical presence which improves investment attraction

Achievements

Finalised community design plans for the Yarloop townscape development in partnership with the Shire of Harvey and the Yarloop community.

Contributed \$75,000 to the Shire of Augusta-Margaret River to initiate the formulation of the Augusta-Margaret River Development Strategy.

Provided \$2.5 million toward the reconstruction of Bunbury's Catholic Cathedral.

Future Actions

Provide funding to the Shire of Harvey to landscape public open space in the townsite precinct adjacent to the Harvey drain.

Work with the Shire of Augusta-Margaret River to complete economic planning strategies for Margaret River and Augusta based on their respective townscapes.

Work with the shires of Harvey, Capel and Manjimup to complete town planning strategies for Yarloop, Brunswick, Capel and Pemberton by June 2008.

Provided funding and expertise to the City of Bunbury to assist in planning and civil works throughout the municipality.

Provided \$10,000 to the Shire of Augusta-Margaret River to assist with the construction of a memorial to the victims of the Gracetown tragedy.

Supported the City of Bunbury to develop the 'City Vision' project and promote Bunbury as an area for growth and development.

Our natural environment

LESCHENAULT ESTUARY

Outcome: Improved recreational use of Leschenault Estuary

Achievements

Finalised funding to dredge an existing navigable channel through the mouth of the Collie River in the Leschenault Estuary.

Developed a Leschenault Estuary fish habitat research project with Murdoch University.

Future Actions

Complete dredging works at the Collie River mouth by October 2007.

Partner Murdoch University to complete a survey of fish stocks in the estuary.

TUART WALK

Outcome: A walk trail through the tuart forest connecting Dalyellup and Bunbury

Achievements

Completed the Tuart Walk linking Usher with Dalyellup, including interpretive material and signage.

The Tuart Walk was opened by the Minister for South West on 8 October 2006.

Developed and published Eco Walks nature trails brochure for Bunbury and surrounds in partnership with the City of Bunbury, Department of Environment and Conservation and Shire of Dardanup.

Future Action

Project completed.

BUSSELTON WETLANDS

Outcome: Develop an eco-tourism/environment project at the Busselton wetlands

Achievement

Busselton Wetlands Enhancement plan to guide the restoration of the preferred site for the Busselton Bird Observatory and Wetlands Centre has been completed.

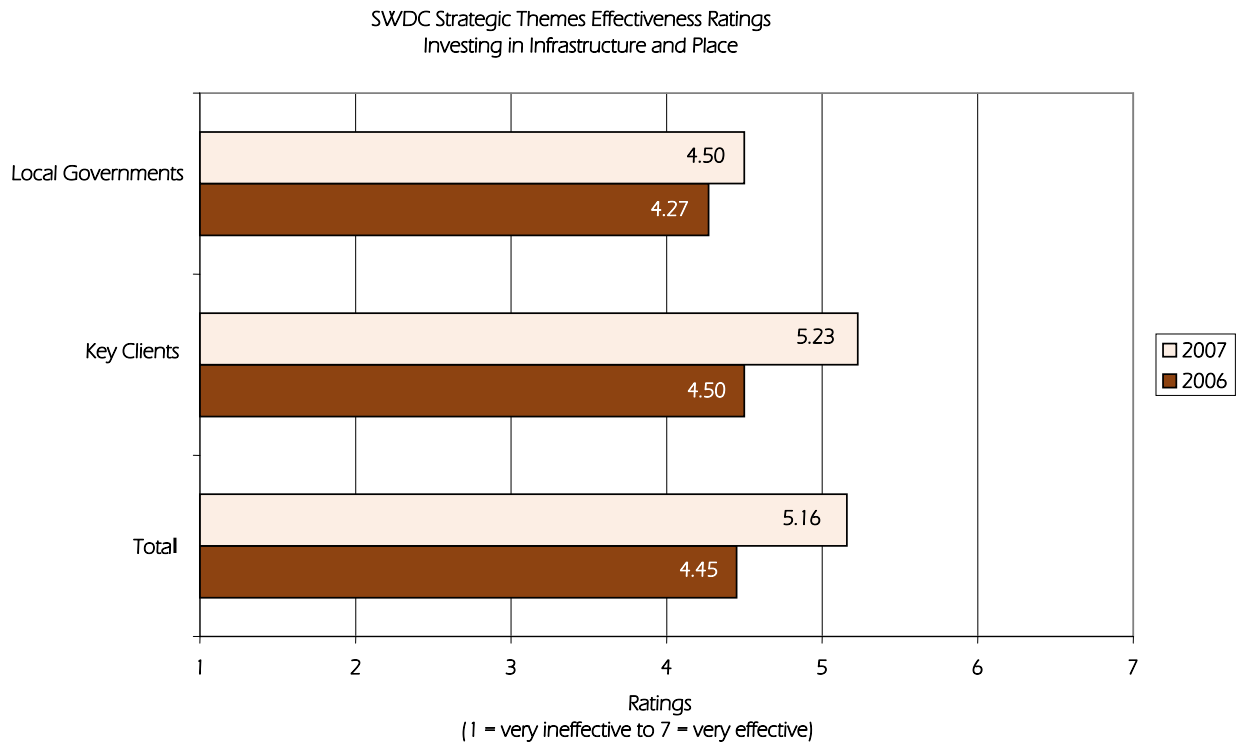
Future Action

Engage a consultant to complete wetlands trails master plan and an operations plan.

HOW WE PERFORMED

SWDC's 2007 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in Investing in Infrastructure and Place. The rating scale ranged from 1 – very ineffective to 7 – very effective.

The results achieved are above mid-range and indicate that the Commission is seen to be effective in this area.



SPECIAL REPORT

Pemberton Pool and Hydro-Electricity projects

The South West Development Commission has been closely involved in two projects in Pemberton designed to retain two facilities that are historically significant to the town.

Pemberton Pool

The Pemberton swimming pool is a natural pool originally created by the local community shortly after the Great War by damming Lefroy Brook.

By the 1920s it was a prime recreation area for the town and remained so until the mid 1970s.

But by the 1990s the pool had fallen into disrepair. That, combined with increasing public liability and insurance issues, resulted in the pool eventually being closed for use.

It looked like a culturally and historically important site for the people of Pemberton was going to be lost, but a Friends of the Pool group formed and approached the South West Development Commission to help restore the site to the glory days.

The Commission has supported the group in the past 12 months by providing \$49,000 funding towards installation of architectural security fencing, reconnection of potable water supplies, paving of the main shelter area and removal of dead trees from the parking lot.

Another \$18,000 has been provided by the Commission this year to assist with upgrading of ablution facilities in the change rooms and kiosk improvements.

The South West Development Commission has worked closely with Friends of the Pool, National Trust, Pemberton Visitor Centre and the South West Area Consultative Committee to bring the pool back to life.

The pool is expected to be refurbished within two years.

Pemberton Hydro-Electricity

The Pemberton hydro station started life as a private company called the Pemberton Power Supply Company in the early 1920s.

The company built a timber pipeline from karri forest boards that took water from the Pemberton Weir to a turbine station 450 metres away.

This electricity source served the needs of the whole town during the winter season, with boilers and diesel engines at the timber mill supplying power during the summer period.

As the Western Power-owned South West Interconnected System extended throughout the region, it became easier to connect the town of Pemberton to the grid and use the hydro as supplementary supply.

When a large storm caused several karri trees to smash through the pipeline in the early 1950s the hydro station was decommissioned.

In the late 1990s it was proposed that a replica hydro station be reconstructed to act as a demonstration of the industrial heritage of the region.

The South West Development Commission has helped oversee the construction of a replica hydro station and pipeline.

This began operation in the spring of 2006 and is operating again this year. It currently generates enough power for 60-80 homes daily and produces no carbon emissions.

The new hydro station operates under the management of a local committee, the Pemberton Hydro Energy Association.

Profit accrued for the hydro station's operations will be put into the Future of Pemberton community fund, managed under the auspices of the Western Australian Community Foundation.

As these funds build up they will be made available to support not-for-profit community projects in the Pemberton region.

An interpretive presentation is now being prepared so that the hydro station can be included in local tourist tours and to raise environmental awareness through educational material.

SPECIAL REPORT

Busselton Jetty Working Group

One of the South West's most well-known icons is the 1.6 kilometre Busselton Jetty, which contributes significantly to tourist income for the town annually.

But the structure is in desperate need of repairs, with an estimated \$18 million needed to bring it back to a good and safe standard and a further \$41.3 million needed over a 50-year period to maintain it, so it doesn't fall into disrepair again.

A comprehensive plan has been devised by the Busselton Jetty Working Group that will achieve the goal, with a commitment from the State Government to put in \$6 million contingent upon the Shire of Busselton and the Commonwealth Government also putting in \$6 million.

The State's \$6 million would be recouped through redevelopment of Crown land in the town, with a commitment to reimbursing the shire for its share dependent on the return of the redevelopment.

The plan will create a stronger linkage between the CBD and foreshore, development of new walkways, promenades, public open space, better parking and roads as well as community facilities and a new caravan park, playground and skate park.

It will also create four leasehold lots which, along with two existing lots, will help provide finances to meet the long-term maintenance costs.

The plan is an excellent example of working partnerships between local and State governments, with the joint working group comprised of five members of each.

The State Government is represented by Hon Adele Farina MLC as co-chair and officers from the Commission, LandCorp, Department for Planning and Infrastructure and Tourism Western Australia.

The Shire of Busselton is represented by Bev Clarke Shire President as co-chair, a councillor and three Shire officers.

The State Government, through the South West Development Commission, allocated up to \$500,000 for feasibility studies and community consultation.

While extensive community consultation has been undertaken in the development of the plan to date, further consultation will occur as part of the planning process if council decides to proceed with the project.

The working group is presently working with sporting groups that use Churchill Park to identify suitable alternative locations which can accommodate their growth into the future should the plan go ahead.

INVESTING IN KNOWLEDGE, ENTERPRISE AND INNOVATION

Links between knowledge, creativity and business will form the foundation to drive forward new investment.

To maintain a competitive edge we need to continually build our knowledge and adopt new ways of improving efficiency and competitiveness through the knowledge economy.

The education economy

REGIONAL TRAINING PLAN

Outcome: A South West Regional Training Plan

Achievement

Completed the South West Regional Training Plan for the Department of Education and Training (DET).

Future Action

Provide data, on request from DET, regarding the status of labour and skills demand for major projects in the South West to support the South West Regional Training Plan.

PEMBERTON HYDRO-ELECTRICITY

Outcome: A community-based renewable energy project celebrating Pemberton's history

Achievements

The hydro station brought into operation in August 2006.

Completed contractual access to the Western Power Networks grid for the sale of electricity and renewable energy certificates.

Completed construction of a concrete paved roofed shelter and contributed \$15,000 to develop and display interpretive material, including an interactive touch screen.

Engaged Edith Cowan University (South West Campus) to develop curriculum material to enable the hydro project to be used for educational and environmental awareness purposes.

Future Actions

Complete an education strategy for the Pemberton hydro plant for use by school science programs.

Complete landscaping and interpretive material.

BUNBURY DOLPHIN DISCOVERY

Outcome: Establish Bunbury Dolphin Discovery as a centre of excellence for dolphin and whale-based tourism

Achievements

Allocated \$27,000 to sponsor the 'Ecology and Biology of the Local Dolphin Population' scholarship.

Assisted the Dolphin Discovery Centre to implement a dolphin research program in Bunbury.

Future Action

In partnership with the Dolphin Discovery Centre and Murdoch University, market the centre as a leading marine research centre.

The knowledge economy

SUSTAINABLE ECONOMIC GROWTH FOR REGIONAL AUSTRALIA (SEGRA) 2008 CONFERENCE

Outcome: Regions taking the initiative and control of their own economic development destinies

Achievement

Worked with the South West Area Consultative Committee (SWACC), the Bunbury Wellington Economic Alliance (BWEA) and the City of Bunbury to submit a bid to host the 2008 SEGRA conference.

Future Action

Represent the South West in partnership with SWACC, BWEA and the City of Bunbury to secure the 2008 SEGRA conference for the South West.

SOUTH WEST AQUACULTURE INDUSTRY

Outcome: Increased aquaculture in the South West

Achievement

Facilitated the completion and publication of Stage 1 of the aquaculture research program, which included a focus on mine lake acidity, with Curtin University.

Future Action

This project has not attracted industry support for ongoing development. All research has been completed and is available to future proponents.

Building business and industry

INVEST SOUTH WEST

Outcome: Growth of investment in the region

Achievements

Won a new four-year contract with Austrade to provide export services in the region.

Certified over 300 skilled migrant applications during the year in review.

Finalised a business and industry relocation strategy for the South West to be implemented in 2008.

Co-hosted a lunch time pre-conference briefing for the Perth business sector in partnership with the Committee for Economic Development Australia (CEDA).

In partnership with the South West Chambers of Commerce and Industry, organised the South West Focus conference for May 2007.

Participated in the United States Export Development Strategy events in New York, Philadelphia, San Diego and Orlando.

Contributed \$15,000 to the Business Grow program to assist established businesses to expand and increase employment opportunities.

Supported the Peel and South West Investors' Tour in June 2007.

Contributed \$14,000 to continue support for the South West and Peel Fabricators' Cluster.

Future Actions

Continue to deliver the New Export Development Program in partnership with Austrade.

TradeStart will increase its target for new exports to 25 new export start-ups.

Implement recommendations of the South West Business Relocation Strategy in respect of website and marketing to attract new business to the region.

Develop a South West Investment Prospectus.

Implement targeted Perth-based promotion of investment and relocation opportunities in the South West.

Commence planning for the 2009 South West Focus Conference.

Continue the role of regional certifying body for the attraction of suitably qualified skilled migrants to the South West.

Participated with the Small Business Development Corporation in the 'Go West Now' campaign in Sydney to attract skilled workers to Western Australia.

The TradeStart Officer coordinated the marketing platform for Western Australia titled 'Beyond the Backyard'.

SHARED LAND INFORMATION PLATFORM (SLIP)

Outcome: Integrate GIS data across agencies into one common system

Achievement

Worked with Landgate to establish a dedicated SLIP server that will contain and provide access to relevant spatial data to assist planning in the South West.

Future Actions

Implement a regional node of SLIP as a GIS planning tool for the South West.

Establish a link from the Commission's website direct to South West-related data sets contained in SLIP, to allow for easy access for regional users.

PINJARRA-BRUNSWICK SUSTAINABILITY STRATEGY (PBSS)

Outcome: Increased investment in the Pinjarra-Brunswick region

Achievements

Worked with the Peel Development Commission on the 'Local Jobs for Local People', 'Intensive Agriculture Futures' and 'Escape for a While' committees to implement the PBSS.

Undertook briefings with consortium proponents to maximise local content from construction of the Peel Deviation.

Initiated local industry briefings as sub-contracts become available.

Future Actions

Implement the 'Intensive Agriculture Futures' program for Pinjarra-Brunswick in partnership with the Peel Development Commission.

Fund and support an agricultural development officer to promote and implement the 'Intensive Agriculture Futures' program.

Provide funding and expertise to market the Brunswick-Yarloop locality to the Perth tourism market.

Facilitate the creation of an online bulletin board to promote job opportunities flowing from major projects in the Pinjarra-Brunswick region as part of the 'Local Jobs for Local People' strategy.

INDIGENOUS GOVERNANCE

Outcome: Indigenous organisations have access to governance development

Achievement

Worked with the local Indigenous community, through the Indigenous Economic Development Officer to develop an Indigenous governance project to assist Indigenous organisations with management.

Future Action

Facilitate an Indigenous governance project within the Greater Bunbury and Collie region by June 2008.

INDIGENOUS MAPPING AND GAP ANALYSIS PROJECT

Outcome: Identification of gaps in Indigenous programs within the South West

Achievement

Review with the Department of Indigenous Affairs existing services and programs for Indigenous people in the South West.

Future Action

Manage a South West Indigenous Mapping and Gap Analysis project on behalf of the Department of Indigenous Affairs. Target completion date is June 2008.

INDIGENOUS EMPLOYMENT

Outcome: Identify Indigenous employment opportunities in major projects in the South West

Achievements

Worked with Noongar community leaders to identify suitable candidates for employment and training.

Contributed \$50,000 in partnership with the Department of Industry and Resources to assist with the establishment of the South West Football Academy to provide education, mentoring, sporting and employment opportunities for Indigenous male youth.

Future Actions

Establish a partnership with Noongar community leaders to identify and address regional priorities for Indigenous people.

Assist local Indigenous people into employment opportunities offered through major projects under the PBSS 'Local Jobs for Local People' banner.

Identify options for sustainable Indigenous economic activity as part of the development of Lake Kepwari.

INDIGENOUS ARTS STRATEGY

Outcome: Promote Indigenous art

Achievements

Contributed \$20,000 towards the employment of an Indigenous arts officer at the Bunbury Regional Art Galleries.

Assisted with Indigenous art displays at the:

- Wagin Woolarama,
- BIROC, the International Water Polo Festival , and
- Busselton International Ironman Event through ArtGeo.

Coordinated an Indigenous art display for 12 Noongar artists at HD Buttercup's upmarket retail store in Los Angeles.

The TradeStart Officer established contact with an Australian themed hotel in San Diego to display Indigenous art and conduct Indigenous ceremonies on Australia day.

Supplied Austrade Toronto's art team leader with a catalogue of art to assist the Sandra Ainsley Gallery (Toronto) with future promotions.

Future Action

Review and redevelop the Indigenous art strategy in consultation with the Noongar community leaders and the Bunbury Regional Art Galleries.

WINE TRAIL MARKETING

Outcome: Increased number of international visitors to the region

Achievements

Assisted in developing a website, branding strategy and overseas promotion program to support wine trails in the South West.

Hosted nine wine importers from Veneto, Italy and the head of the Italian Sommeliers Association on a 5-day South West wineries familiarisation tour.

Showcased premium Australian wines, including South West wines, at the Ozfest in Chicago in October 2006.

Discussed future wine marketing and promotion with Austrade and Wine Australia in New York.

Future Action

The South West Wine Trail is established within the tourism industry and the operating body is actively targeting increased international visitation.

OVERSEAS TOURISM STRATEGY

Outcome: Facilitate an overseas tourism development strategy

Achievements

Participated in a South West wine, food, tourism and creative sector promotion visit to India in March 2007.

Coordinated representation by Western Australian wineries and gourmet food producers at the MasterCard Indulgence in the City – Luxury of Western Australia exhibition in Singapore to facilitate contacts and sales with South East Asian buyers.

Future Action

Follow up initial contacts in Singapore, India, the United States and Canada to promote the South West to the overseas tourism market.

NEW FUTURES PROGRAM

Outcome: Agricultural land is used for new market opportunities to provide a sustainable future

Achievement

As part of the New Futures program, assisted the establishment of a green tea company in the South West, and provided further assistance to build the export market for seed potatoes.

Future Action

Finalise a commercial evaluation of the green tea opportunities.

CRUISE SHIPPING - BUNBURY

Outcome: Increased cruise visitors to Bunbury

Achievements

Convened a cruise shipping forum in June 2007 in partnership with Edith Cowan University.

Hosted three cruise ships in Bunbury during 2006/07.

Future Actions

Continue to build Bunbury's reputation as a quality cruise ship port of call.

Continue to promote Bunbury to the cruise shipping industry.

WORKING LIFE

Outcome: Showcase the rich industrial heritage and history of the South West as a basis for new tourism product

Achievement

The South West Working Life tourism information hub was opened by the Minister for South West on 17 April 2007 to showcase and market the 20 Working Life heritage sites in the South West.

Future Action

Assist the Bridgetown Heritage and Cultural Centre to develop a local heritage display.

SOUTH WEST EVENTS PROGRAM 2006

Outcome: Small events have access to a local grants support scheme

Achievements

Administered the 2006 South West Events Program.

Provided a grant of \$4,000 to assist Smart Events to complete a valuation and impact study to assist future event staging in the South West.

Future Actions

Administer the 2007 South West Events Program.

Improve access to funding for the coordination of events.

KEMERTON INDUSTRIAL PARK (KIP)

Outcome: Increase awareness of Kemerton as an industry park

Achievements

Promoted KIP to three international inquirers for industrial land.

Commissioned an entry statement for KIP on the South Western Highway.

Future Actions

Support the completion of strategic planning for Kemerton Industrial Park and link to the marketing strategy.

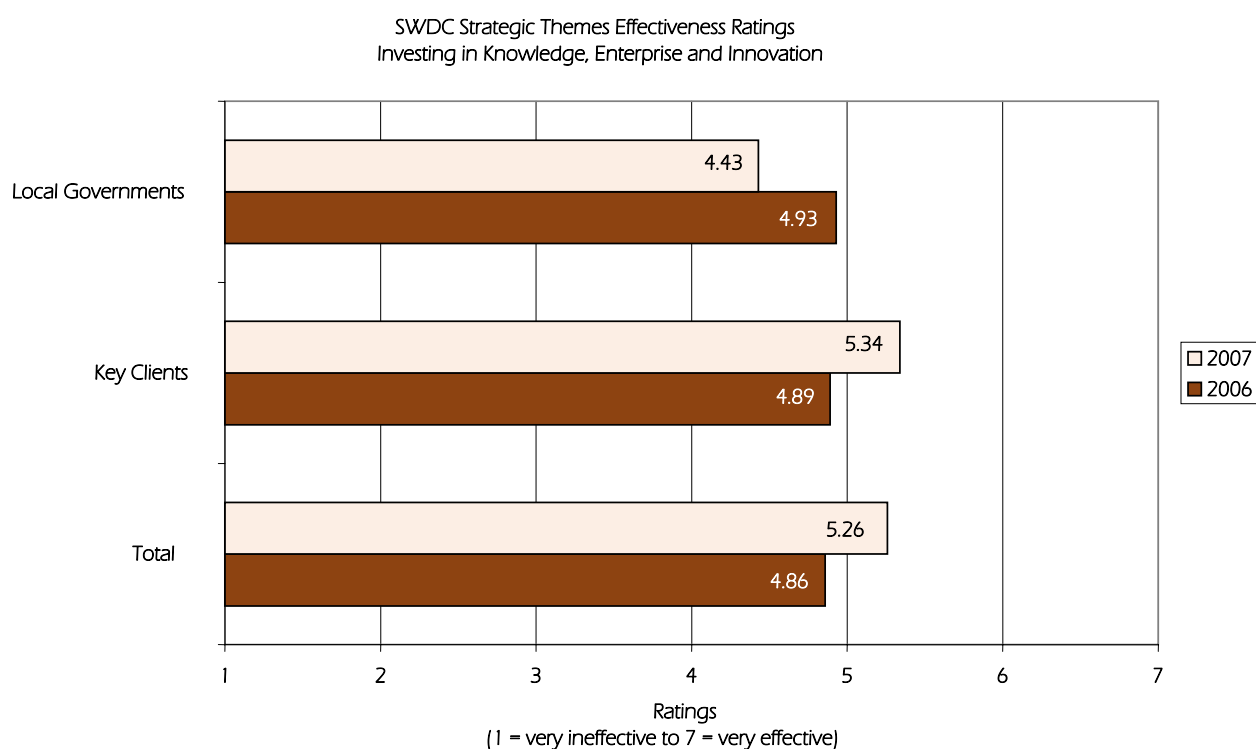
Explore initiatives with Department of Water that can improve the water distribution network into Kemerton from the Harvey Water licensed area.

Complete South Western Highway entry statement.

HOW WE PERFORMED

SWDC's 2007 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in Investing in Knowledge, Enterprise and Innovation. The rating scale ranged from 1 – very ineffective to 7 – very effective.

The results achieved are above mid-range and indicate that the Commission is seen to be effective in this area.



SPECIAL REPORT

Pinjarra-Brunswick Sustainability Strategy

The Pinjarra-Brunswick Sustainability Strategy incorporates a range of projects designed to breathe new life and opportunities into the inland towns between Pinjarra and Brunswick Junction.

The State Government has committed \$2.64 million towards the strategy.

Some of the projects that have been created under the strategy so far include:

Escape for a Day

The Brunswick to Yarloop region along the inland South Western Highway is the main conduit to some of the State's best hidden tourist attractions.

The intention of the Escape for a Day campaign is to promote this region to potential visitors from the urban and coastal regions as an area perfect for day trips or overnight stays.

State Government has committed \$285,000 over three years toward this initiative, which will be used for producing brochures, magazine inserts and television advertising to promote the tourist businesses and attractions of the region.

So far this funding has helped upgrade technology at the Harvey Visitor Centre, support advertising of Yarloop to Brunswick tourist businesses in Summer Breaks, Winter Breaks and Holiday Planner.

It has also seen the publication of 30,000 copies of a comprehensive tourist guide to the Yarloop/Brunswick region.

The project is being overseen with a working group comprised of reps from local tourism operators, Harvey Visitor Centre, Shire of Harvey and South West Development Commission.

Building a Better Harvey

The Harvey Main Street drain was built just after World War II to prevent flooding of the townsite and improve drainage of surrounding farm land.

Most of those who worked on the diversion drain were the ancestors of current residents of Harvey, with many going on to be some of the prominent farmers of the local district.

As a drainage mechanism the "diversion" as it is locally known has been a successful engineering feat, saving the town from floods numerous times.

The State Government, through the South West Development Commission, has committed \$25,000 toward community consultation and the drafting of concept drawings on how to improve the presentation of the drain.

The final product will complement townscaping efforts of the Harvey Shire Council.

A further \$175,000 has already been set aside to assist in the implementation of the final plans as determined by the community of Harvey.

Intensive Agriculture Futures – Agricultural Development Officer

The Pinjarra to Brunswick region has an abundance of good soils and water resources.

This has resulted in a diversity of production that includes wine, table grapes, marron, watermelon, broccoli, citrus, olives, mandarins, dairy, tomatoes, onions, chillies, asparagus, pumpkins and rock melon.

The intention of the Intensive Agriculture Futures project is to employ an industry development officer who will link existing producers into a wider range of new markets.

The State Government has allocated \$100,000 toward this project, with additional support of \$20,000 from the Harvey Water Irrigation Cooperative.

SPECIAL REPORT

TradeStart export adviser – Mat Lewis

One of the successful partnerships that has paid international dividends for the South West in recent times has been between the South West Development Commission and Austrade.

The partnership saw the appointment of South West-based TradeStart export adviser Mat Lewis 18 months ago.

Mr Lewis's mission has been to partner with the Commission in helping small and medium sized businesses that want to expand or commence exporting through the TradeStart program.

Mr Lewis plays a key role in enhancing the export supply capability of the South West. The Commission has been able to provide support for Mr Lewis's efforts, which have seen him travel the world to promote the region.

Mr Lewis has used international events to show off some of the region's export product potential, as well as public speaking events, print and electronic media and a professionally produced newsletter, to increase the region's exports.

He has also provided export coaching for local producers to enhance their ability to meet the demands of the international market.

Mr Lewis has attended numerous global events, including Indulgence in the City in Singapore, Discover Australia in Canada and World Wine and Travel in Margaret River, to raise the profile of the region and its products.

The result has been a significant boost to the South West's international profile and an enhancing of its export ability.

The Indulgence in the City event in Singapore alone resulted in 10 new immediate export deals for the South West, as well as another 12 potential deals in the near future.

A buyer visit from India to Indulgence resulted in four major export orders. The product will also feature at a tasting at the High Commissioner's residence in New Delhi in December.

Later this year Mr Lewis will be presenting the South West at events in India, Philadelphia and New York.

His efforts have resulted in him being named the top TradeStart sales export adviser for 2007 for the highest number of sales.

COMMISSION GRANTS

The South West Development Commission administered two contestable grant programs during 2006/07: the South West Regional Development Scheme and the South West Events Program.

South West Regional Development Scheme

The State Government's Regional Development Scheme, which was undertaken for the first time in 2001/02, aims to improve the economic and social development of regional Western Australia by funding projects that will assist in attracting investment and increasing jobs.

Under this Scheme, the Government provided \$500,000 during the reporting period for the South West Development Commission to administer grants for regional development projects in the South West Region.

The following 18 successful grant applications were approved in 2006/07:

Recipient	Project name	Grant
Capel Equestrian Centre Inc	Capel Equestrian Centre Kitchen Upgrade Project	\$5,000
Shire of Boyup Brook	Bridge Street Power Cable Bundling and Redevelopment Project	\$39,500
Unit Committee T.S. Bunbury Inc	TS Bunbury Unit Headquarters Project	\$10,000
Shire of Donnybrook-Balingup	Balingup Oval Upgrade Project	\$30,000
Shire of Harvey	"The Mooseum" Brunswick Junction Project	\$30,000
Busselton Community Garden	Busselton Community Garden Project	\$7,313
Yarloop Workshops Inc	Implementation of the Yarloop Workshops Interpretation Plan and Design Project	\$51,000
Shire of Manjimup	Pemberton Mainstreet Revitalisation Project	\$54,787
Shire of Nannup	Nannup Community Access Facility Project	\$57,000
The Clontarf Foundation	South West Football Academy	\$30,000
Wallcliffe Bush Fire Brigade	Wallcliffe Wilderness Emergency Waterpoint Project	\$9,000
Harvest Highway Inc	Harvest Highway - Open Farm Day Project	\$7,000
Stirling Street Arts Centre Management Committee Incorporated	Stirling Street Arts Centre - Facility Enhancement Project	\$20,000
Dardanup Equestrian Centre Inc	Dardanup Equestrian Centre Expansion Project	\$18,900
Shire of Capel	Capel Town Streetscape Enhancement Project	\$67,500
Aquatic Resource Management Pty Ltd	Increased Export Demand for Marron Project	\$20,000
Blackwood Basin Group Inc	Investigation of Options to Reduce the Risk of Closing of the Blackwood River Mouth Project	\$25,000
Margaret River Community Kindergarten	Kindergarten Extension Project	\$10,700

South West Events Program

Through the South West Events Program, the South West Development Commission provides financial support to community groups, non-profit organisations and local governments to promote and coordinate festivals and events. The objects are to:

- Promote visitation to the South West to events which are of regional significance; and
- Provide an experience of high quality.

The following 24 successful grant applications were approved under this program in 2006/07:

Recipient	Project name	Grant
City of Bunbury	Bunbury International Jazz Festival	\$3,500
Bunbury Turf Club Inc	Promote Bunbury Carnaval Week	\$4,000
South West Women's Health and Information Centre	International Women's Day Festival	\$1,000
Harvest Highway Inc	Harvest Highway Food & Wine Expo	\$3,000
City of Bunbury	2007 Bunbury Biennale	\$1,000
Harvey Mainstreet Inc	2007 Harvey Harvest Festival	\$2,000
Jobs South West Inc	Stand By Me South West	\$2,000
Harvey Lions Inc	Harvey Lions Spring Fair	\$1,900
Bunbury Regional Arts Management Board Inc	South Western Times Survey 2007 - Opening Night	\$1,500
Withers Primary School P & C Assn	Bunbury Regional Ute Spectacular	\$1,500
Bunbury BMX Club Inc	Bunbury BMX "Battle of the Berms" State Super Series Round	\$1,500
Myalup Community Association Inc	Myalup Easter Fair	\$1,000
Collie River Valley Marketing Inc	Collie Rock and Coal Music Festival	\$2,000
Margaret River Senior High School	Leeuwin's School Spectacular	\$3,000
Leukaemia Foundation in WA	Edwards Vineyard Charity Event	\$1,500
West Australian Car Club Inc	Busselton Tarmac Rally	\$1,500
South West Band Camp Committee	South West Band Camp 2007	\$850
Running West Sled Dog Club	Margaret River Sled Dog Masters	\$1,000
Boyup Brook Tourism Association Inc	Boyup Brook Book Bonanza	\$2,500
Pemberton Community Telecentre	Be Active Cycle Instead Pemberton Classic	\$2,000
Nannup Tourism Assn	Nannup Regional Rose Festival	\$2,000
Manjimup LCDC (Warren Catchment Council)	Warren River Festival	\$1,000
Manjimup LCDC (Warren Catchment Council)	Wonders of Windy	\$1,000
South West Senior Expo Inc	South West Senior Expo 2007	\$2,000

SIGNIFICANT ISSUES AND TRENDS

REGIONAL CONTEXT

- The region faces the Indian and Southern Oceans in the South West corner of Western Australia and covers an area of 23,998 square kilometres.
- Incorporates 12 local government areas: The City of Bunbury and the shires of Harvey, Dardanup, Capel, Busselton, Augusta-Margaret River, Nannup, Donnybrook-Balingup, Collie, Bridgetown-Greenbushes, Boyup Brook and Manjimup.
- Has one of the fastest growing regional populations of Western Australia. The greatest growth is taking place in the Greater Bunbury area and the shires of Augusta-Margaret River and Busselton.
- An estimated 145,000 people live in the South West Region.
- Has the most diversified economy of all the State's nine regions. Activities include agriculture and horticulture; timber and forest products; mineral extraction, processing and manufacturing; retailing; tourism; construction; other manufacturing; service industries; fishing and aquaculture.
- The South West's gross regional product grew to an estimated \$7.9 billion for 2005/06.
- The region's unemployment rate is consistently lower than Western Australia's overall unemployment rate.
- The Port of Bunbury is the export port of the South West Region for bulk product. 12.2 million tonnes of trade passed through the port in 2005/06.

ISSUES AND TRENDS

- The South West continues to be Western Australia's major growth region.
- The region's gross regional product in 2005/06 was estimated at \$7.9 billion, having increased at an average of 8.2 per cent per annum over the last five years.
- The population of the South West continues to grow as people seek new lifestyles and pursue opportunities within the region. Growth continues to exceed medium range forecasts placing pressure on existing infrastructure.
- Bunbury is emerging as a city of national significance as well as the region's capital and is repositioning itself as an alternative to Perth for residential and industry investment.
- Career diversity remains a key theme and is linked to job and educational opportunities in the region.
- There will be continued pressure for industrial land for light and general industry purposes at strategic locations within the region.
- Affordable housing has emerged as a major priority for the region.
- Demographic forecasts continue to show a trend indicating the need for active ageing strategies.
- The interaction of major industry and the community will require greater dialogue as projects are developed.

DISCLOSURES AND LEGAL REQUIREMENTS

FINANCIAL AND OTHER STATEMENTS



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

SOUTH WEST DEVELOPMENT COMMISSION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of the South West Development Commission.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators 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 and key performance indicators.

South West Development Commission
Financial Statements and Key Performance Indicators for the year ended 30 June 2007

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the South West Development Commission at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2007.



COLIN MURPHY
AUDITOR GENERAL
14 September 2007

CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 30 June 2007

The accompanying financial statements of the South West Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2007 and the financial position as at 30 June 2007.

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



STAN LIAROS
CHAIRMAN OF ACCOUNTABLE AUTHORITY

10 August 2007



DON PUNCH
MEMBER OF ACCOUNTABLE AUTHORITY

10 August 2007



VAL CARTWRIGHT
CHIEF FINANCE OFFICER

10 August 2007

INCOME STATEMENT

For the year ended 30 June 2007

	Note	2007 \$	2006 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	1,996,747	1,539,622
Supplies and services	7	3,076,303	941,593
Depreciation and amortisation expense	8	120,449	136,397
Finance costs	9	380,544	451,293
Accommodation expenses	10	280,880	277,755
Grants and subsidies	11	6,193,443	1,101,714
Cost of sales	13	-	403,393
Loss on disposal of non-current assets	16	524,000	129,622
Other expenses	12	255,678	438,322
Total cost of services		12,828,044	5,419,711
Income			
<i>Revenue</i>			
Sales	13	-	1,609,091
Commonwealth grants and contributions	14	191,259	168,604
Other revenue	15	228,266	66,386
Total revenue		419,525	1,844,081
Total income other than income from State Government		419,525	1,844,081
NET COST OF SERVICES	32	12,408,519	3,575,630
INCOME FROM STATE GOVERNMENT	17		
Service appropriation		8,677,000	4,226,000
Liabilities assumed by the Treasurer		4,051	737
Resources received free of charge		4,054	559
Grants from government agencies		698,700	780,750
Total income from State Government		9,383,805	5,008,046
(DEFICIT)/SURPLUS FOR THE PERIOD		(3,024,714)	1,432,416

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

BALANCE SHEET

As at 30 June 2007

	Note	2007 \$	2006 \$
ASSETS			
Current Assets			
Cash and cash equivalents	31	2,347,626	1,022,281
Restricted cash and cash equivalents	18	1,049,440	4,467,228
Inventories	19	-	319,488
Receivables	20	399,624	73,073
Amounts receivable for services	21	30,000	30,000
Total Current Assets		3,826,690	5,912,070
Non-Current Assets			
Restricted cash and cash equivalents	18	13,383	8,738
Inventories	19	1,209,152	889,664
Amounts receivable for services	21	512,000	397,000
Property, plant and equipment	22	4,849,220	5,316,233
Infrastructure	23	977,586	1,013,793
Intangible assets	24	6,320	10,174
Total Non-Current Assets		7,567,661	7,635,602
TOTAL ASSETS		11,394,351	13,547,672
LIABILITIES			
Current Liabilities			
Payables	26	470,338	310,510
Borrowings	27	904,423	874,746
Provisions	28	443,859	340,508
Other current liabilities	29	118,801	149,476
Total Current Liabilities		1,937,421	1,675,240
Non-Current Liabilities			
Borrowings	27	5,001,449	5,905,872
Provisions	28	130,004	84,023
Total Non-Current Liabilities		5,131,453	5,989,895
TOTAL LIABILITIES		7,068,874	7,665,135
NET ASSETS		4,325,477	5,882,537
Equity	30		
Contributed equity		5,483,177	4,607,177
Reserves		3,389,503	3,512,086
Accumulated deficiency		(4,547,203)	(2,236,726)
TOTAL EQUITY		4,325,477	5,882,537

The Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2007

	Note	2007 \$	2006 \$
Balance of equity at start of period		5,882,537	2,580,764
CONTRIBUTED EQUITY	30		
Balance at start of period		4,607,177	3,757,177
Capital contribution		876,000	850,000
Balance at end of period		5,483,177	4,607,177
RESERVES	30		
Asset Revaluation Reserve			
Balance at start of period		3,512,086	3,268,962
Gain from asset revaluation		591,654	1,019,357
Transfer to accumulated deficiency (a)		(714,237)	(776,233)
Balance at end of period		3,389,503	3,512,086
ACCUMULATED DEFICIENCY	30		
Balance at start of period		(2,236,726)	(4,445,375)
Transfer from asset revaluation reserve (a)		714,237	776,233
Result for the period		(3,024,714)	1,432,416
Balance at end of period		(4,547,203)	(2,236,726)
Balance of equity at end of period		4,325,477	5,882,537
Total income and expense for the period		(3,024,714)	1,432,416

(a) Amounts associated with revaluations on Land and Buildings sold have been transferred from Asset Revaluation Reserve to Accumulated Deficiency.

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

CASH FLOW STATEMENT

For the year ended 30 June 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		8,532,000	4,113,000
Capital contributions		876,000	850,000
Holding account drawdowns		30,000	30,000
Grants from State government agencies		713,700	759,386
Net cash provided by State Government		10,151,700	5,752,386
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,867,356)	(1,479,469)
Supplies and services		(3,065,543)	(664,360)
Finance costs		(391,278)	(478,462)
Accommodation		(280,880)	(297,275)
Grants and subsidies		(6,019,983)	(2,591,333)
GST payments on purchases		(1,027,833)	(361,239)
Other payments		(266,435)	(354,455)
Receipts			
Sale of goods and services		-	1,609,091
User charges and fees		97,206	-
Commonwealth grants and contributions		81,377	168,604
Interest received		-	-
GST receipts on sales		151,719	320,492
GST receipts from taxation authority		610,018	39,241
Other receipts		159,954	66,381
Net cash used in operating activities	32	(11,819,034)	(4,022,784)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		501,000	595,000
Purchase of non-current physical assets		(46,718)	(22,413)
Net cash provided by investing activities		454,282	572,587
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(874,746)	(846,109)
Net cash used in financing activities		(874,746)	(846,109)
Net decrease in cash and cash equivalents held		(2,087,798)	1,456,080
Cash assets at the beginning of the financial year		5,498,247	4,042,167
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	31	3,410,449	5,498,247

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2007

1. Australian equivalents to International Financial Reporting Standards

General

The Commission's financial statements for the year ended 30 June 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Commission has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard or Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Commission for the annual reporting period ended 30 June 2007.

2. Summary of significant accounting policies

a) General Statement

The financial statements constitute a general-purpose financial report, which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board 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 Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value except for land inventories held for sale on a cost basis.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

Any judgements that have been made in the process of applying the Commission's accounting policies that have a significant effect on the amounts recognised in the financial statements are disclosed at note 4 'Judgements made by management in applying accounting policies'.

Any key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 5 'Key sources of estimation uncertainty'.

c) Reporting Entity

The reporting entity is the South West Development Commission.

d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by TI 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

e) Income

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Service Appropriations

Service Appropriations are recognised as revenues at nominal value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at Treasury.

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Rendering of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at the fair value when the Commission obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners 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.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they may be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

f) Borrowing Costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. Other borrowing costs are expensed when incurred.

g) Property, Plant and Equipment and Infrastructure

Capitalisation/Expensing of assets

Items of property, plant and equipment and infrastructure costing over \$5,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, the revaluation model is used for the measurement of land and buildings and the cost model for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation on buildings and infrastructure and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are re-valued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the re-valued amount.

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

The revaluation reserve included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings when the asset is sold or derecognised.

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available.

When infrastructure is re-valued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its re-valued amount.

Depreciation

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

Land is not depreciated. Depreciation on other assets is calculated on the straight line methods, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	20 years - 40 years
Office equipment	2 years - 10 years
Infrastructure	30 years

Works of art controlled by the Commission are classified as property, plant and equipment, which are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

h) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing over \$5,000 and internally generated intangible assets costing over \$50,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

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

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Commission have a finite useful life and zero residual value. The expected useful lives of this class of intangible asset are:

Software	2 years
----------	---------

Computer Software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Website Costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

i) Impairment of Assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and impairment is recognised. As the Commission is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of an asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each reporting date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairments at each reporting date.

j) Non-current Assets Classified as Held for Sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell and are presented separately from other assets in the Balance Sheet. Assets classified as held for sale are not depreciated or amortised.

k) Inventories

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

l) Leases

The Commission holds operating leases for head office and a number of branch office buildings. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

m) Financial Instruments

The Commission has two categories of financial instrument:

- Loans and receivables (cash and cash equivalents, receivables); and
- Non-trading financial liabilities (payables).

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost of the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

n) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of change in value.

o) Accrued Salaries

The accrued salaries expense account (see note 18 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pays occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (see note 29 'Other liabilities') 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. Accrued salaries are settled within a few days of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its net fair value.

p) Amounts Receivable for Services (Holding Account)

The Commission receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlement and asset replacement.

q) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

r) **Payables**

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

s) **Borrowings**

All loans are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

t) **Provisions**

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date.

Provisions – Employee Benefits

Annual Leave and Long Service Leave

The liability of annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS) a defined benefit lump sum scheme also closed to new members.

The Commission has no liabilities under the Pension or the GSS schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members, who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Commission to GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS schemes become non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Commission makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS schemes.

The GESB makes all benefit payments in respect of the Pension and GSS schemes, and is recouped by the Treasurer for the employer's share.

Provisions – Other

Employment On-Costs

Employment on-costs, including worker's compensation insurance, are not employee benefits and are recognised as separate liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in Employment on-costs provision. (See note 12 'Other expenses' and note 28 'Provisions'.)

u) Superannuation Expense

The following elements are included in calculating a superannuation expense.

(a) Defined benefit plans – Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and

(b) Defined contribution plans – Employer contributions paid to the GSS and the West State Superannuation Scheme (WSS).

Defined benefit plans – in order to reflect the true cost of services, the movements (i.e. current service cost, and actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS transfer benefits are recognised as expenses. As these liabilities are assumed by the Treasurer (a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement (see note 17 'Income from State Government').

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the costs of services provided in the current year.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

v) Resources Received Free of Charge or for Nominal Consideration

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

w) Comparative Figures

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

3. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2006:

1. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Commission does not currently undertake these types of transactions, resulting in no financial impact in applying the Standard.
2. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease' as issued in June 2005. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At balance sheet date, the Commission has not entered into any arrangements as specified in the Interpretation, resulting in no impact in applying the Interpretation.
3. UIG Interpretation 9 'Reassessment of Embedded Derivatives'. This Interpretation requires an embedded derivative that has been combined with a non-derivative to be separated from the host contract and accounted for as a derivative in certain circumstances. At balance sheet date, the Commission has not entered into any contracts as specified in the Interpretation, resulting in no impact in applying the Interpretation.

The following Australian Accounting Standards and Interpretations are not applicable to the Commission as they have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations	
2005-1	'Amendments to Australian Accounting Standard' (AASB 139 – Cash flow hedge accounting of forecast intragroup transactions)
2005-5	'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'
2006-1	'Amendments to Australian Accounting Standards [AASB 121]'
2006-3	'Amendments to Australian Accounting Standards [AASB 1045]'
2006-4	'Amendments to Australian Accounting Standards [AASB 134]'
2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' – paragraph 9
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'
UIG 6	'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'
UIG 8	'Scope of AASB 2'

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Commission has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

-
1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Commission's exposure to risks, enhanced disclosure regarding components of the Commission's financial position and performance, and possible changes to the way of presenting certain items in the financial statements. The Commission does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.
 2. AASB 2005-10 'Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, & AASB 1038)'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. The Commission does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.
 3. AASB 101 'Presentation of Financial Statements'. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. The Commission is a not-for-profit entity and consequently does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.
 4. AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED151 and Other Amendments (AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 141, 1023 & 1038)'. This Standard introduces policy options and modifies disclosures. These amendments arise as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated, other than those now considered particularly relevant in the Australian reporting environment. The Department of Treasury and Finance has indicated that it will mandate to remove the policy options added by this amending Standard. This will result in no impact as a consequence of application of the Standard. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.
 5. AASB 2007-5 'Amendment to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities (AASB 102)'. This amendment changes AASB 102 'Inventories' so that inventories held for distribution by not-for-profit entities are measured at cost, adjusted when applicable for any loss of service potential. The Commission does not have any inventories held for distribution so does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.
 6. AASB Interpretation 4 'Determining whether an Arrangement Contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. At balance sheet date, the Commission has not entered into any arrangements as specified in the Interpretation or within the scope of Interpretation 12, resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

7. AASB Interpretation 12 'Service Concession Arrangements'. This Interpretation was issued in February 2007 and gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the accounting by grantors (usually a public sector entity). It is currently unclear as to the application of the Interpretation to the Commission if and when public-to-private service concession arrangements are entered into in the future. At balance sheet date, the Commission has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.
8. AASB Interpretation 129 'Service Concession Arrangements: Disclosures [revised]'. This Interpretation was revised and issued in February 2007 to be consistent with the requirements in AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007. Specific disclosures about service concession arrangements entered into are required in the notes accompanying the financial statements, whether as a grantor or an operator. At balance sheet date, the Commission has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

The following Australian Accounting Standards and Interpretations are not applicable to the Commission as they will have no impact or do not apply to not for profit entities:

AASB Standards and Interpretations	
AASB 8	'Operating Segments'
AASB 1049	'Financial Reporting of General Government Sectors by Governments'
AASB 2007-1	'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'
AASB 2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' – paragraphs 1 to 8
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'
Interpretation 10	'Interim Financial Reporting and Impairment'
Interpretation 11	'AASB 2 – Group and Treasury Share Transactions'

4. Key sources of estimation uncertainty

The judgement that has been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

Operating Lease Commitment

The Commission has entered into a commercial lease and has determined that the lessor retains all the significant risks and rewards of the ownership of the property. Accordingly, the lease has been classified as an operating lease.

5. Disclosure of changes in accounting policy and estimates

The key estimates and assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Employee Benefits Provision

A discount rate of 6.18% per annum applied to long service leave provisions. The discount rate is based upon the Commonwealth 10 year Treasury Bond rates published by the Reserve Bank of Australia.

	2007 \$	2006 \$
6. Employee benefits expense		
Wages and salaries	1,555,618	1,363,858
Superannuation - defined contribution plans (a)	148,748	128,912
Superannuation - defined benefit plans (Gold State) (b)(c)	4,051	737
Long service leave (d)	130,746	(23,197)
Annual leave (d)	157,584	69,312
	1,996,747	1,539,622

(a) Defined contribution plans include West State and Gold State (contributions paid).

(b) Defined benefit plans include Gold State (pre-transfer benefit).

(c) An equivalent notional income is also recognised (see note 17 'Income from State Government').

(d) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at note 12 'Other expenses'.
The employment on-costs liability is included at note 28 'Provisions'

7. Supplies and services		
Communication	49,849	42,700
Consultants and contractors	591,477	557,282
Consumables	153,013	121,618
Travel	1,914	2,103
Other	2,280,050	217,890
	3,076,303	941,593

8. Depreciation and amortisation expense		
Depreciation		
Office equipment	39,259	40,258
Buildings	33,745	34,298
Infrastructure	36,207	36,207
Total depreciation	109,211	110,763
Amortisation		
Intangible assets	11,238	25,634
Total amortisation	11,238	25,634
Total depreciation and amortisation	120,449	136,397

9. Finance costs		
Interest paid	380,544	451,293
	380,544	451,293

10. Accommodation expenses		
Lease rentals	243,572	243,580
Repairs and maintenance	29,550	27,303
Cleaning	7,758	6,872
	280,880	277,755

11. Grants and subsidies		
Non public organisations	3,390,922	468,899
Public organisations	2,802,521	632,815
	6,193,443	1,101,714

	2007 \$	2006 \$
12. Other expenses		
Guarantee fee for loan	13,054	14,763
Repairs and maintenance	80,604	32,226
Bad debt written off	-	541
Revaluation decrement	-	285,297
Employment on-costs (a)	23,709	12,832
Other employment costs	113,411	70,781
Audit costs (b)	24,900	21,882
	255,678	438,322

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 28 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) Audit fees, see note 34 'Remuneration of auditor'.

13. Trading profit		
Sales	-	1,609,091
Cost of Sales:		
Opening inventory	1,209,152	1,612,545
Land development	-	-
	1,209,152	1,612,545
Closing inventory	1,209,152	1,209,152
Cost of Goods Sold	-	403,393
Trading profit	-	1,205,698

14. Commonwealth grants and contributions		
Recurrent	191,259	168,604
	191,259	168,604

15. Other revenue		
Sundry income	106,382	34,222
Conference fees	97,206	-
Grants public organisations	12,500	-
Rental from property	10,037	31,827
Government vehicle scheme	2,141	337
	228,266	66,386

16. Net Gain/(loss) on disposal of non-current assets		
Costs of disposal of non-current assets		
Land	(1,025,000)	(612,000)
Buildings	-	(112,622)
Proceeds from disposal of non-current assets		
Land	501,000	487,210
Buildings	-	107,790
	(524,000)	(129,622)

	2007 \$	2006 \$
17. Income from State Government		
Appropriation received during the year:		
Service appropriation (a)	8,677,000	4,226,000
	8,677,000	4,226,000
The following liabilities have been assumed by the Treasurer during the financial year:		
Superannuation (b)	4,051	737
Total liabilities assumed by the Treasurer	4,051	737
Resources received free of charge (c)		
Determined on the basis of the following estimates provided by agencies:		
Crown Solicitor's Office	4,054	559
	4,054	559
Grants received from government agencies	698,700	780,750
	698,700	780,750
Total revenue from State Government	9,383,805	5,008,046

(a) Service appropriations are accrual amounts reflecting the net cost of services delivered. 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.

(b) The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who have a transfer benefit entitlement under the Gold State Superannuation scheme. (The notional superannuation expense is disclosed at note 6 'Employee Benefits Expense'.)

(c) Where assets or services have been received free of charge or for nominal cost, the Commission recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners, in which case the Commission shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

18. Restricted cash and cash equivalents

Current

Restricted Projects

Cash held in the account to be used specifically for the approved projects listed.

Aboriginal Economic Development Project	-	70,047
Bunbury Coastal Enhancement Project	-	93,637
Koombana Groyne	-	50,000
Pioneer Park Cemetery Memorial	-	100,000
E-Commerce PHD	-	24,000
Kemerton Signage	-	48,346
'New Futures' in Agriculture	-	30,000
Yarloop Enhancement	-	70,000
Wine Tourism Trail	-	20,000
Life Long Learning	-	30,885
Yarloop Community House	-	60,000
Working Life Hub	-	48,927
Business Grow	-	45,000

	2007 \$	2006 \$
Invest South West	-	63,860
Pemberton Tourism Precinct	-	54,400
Indigenous Arts	-	25,000
Community Foundation	-	100,000
Busselton Jetty	-	500,000
Preston Sewerage	-	2,000,000
Aquaculture Research	-	45,000
Overseas Tourism Strategy	-	40,000
ECU Outreach Program	-	18,077
Futures Program	-	24,178
Margaret River/Augusta Development Strategy	-	75,000
Restore Collie River Boardwalk	197,182	197,182
Lake Kepwari	435,364	435,364
Repairs Bunbury Court House	37,511	50,000
Collie Industrial Park	53,325	53,325
AED Priority Projects	35,000	95,000
Regional Development Scheme	156,490	-
Intensive Agriculture Futures	24,568	-
Bulletin Board (PBSS)	10,000	-
South West Indigenous Mapping	100,000	-
Total current restricted cash	1,049,440	4,467,228
Non-Current		
Accrued salaries suspense (a)	13,383	8,738
	13,383	8,738

(a) Amount held is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

19. Inventories

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

- Current at cost	-	319,488
- Non-current at cost	1,209,152	889,664
	1,209,152	1,209,152

The Commission values inventories at the lower of cost or net realisable value and is held for sale.

20. Receivables

Current		
Government agencies	131,869	27,689
External	5,049	39,270
GST receivable	257,046	4,585
Prepayments	5,660	1,529
	399,624	73,073

21. Amounts receivable for services

Current	30,000	30,000
Non-current	512,000	397,000
	542,000	427,000

This asset represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

22. Property, plant and equipment

	2007 \$	2006 \$
Office equipment		
At cost	266,814	284,377
Accumulated depreciation	(141,576)	(125,714)
	125,238	158,663
Buildings		
At fair value	882,500	802,500
Accumulated depreciation	(34,640)	(34,450)
	847,860	768,050
Land		
At fair value	3,862,902	4,376,300
	3,862,902	4,376,300
Works of Art		
At valuation	12,000	12,000
At cost	1,220	1,220
	13,220	13,220
Total property, plant and equipment	4,849,220	5,316,233

Freehold land and buildings were revalued as at 1 July 2006 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2007 and recognised at 30 June 2007. In undertaking the revaluation, fair value was determined by reference to market values for land: \$3,862,902 and buildings: \$0. For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost.

To ensure the valuations by Valuation Services were compliant at 30 June 2007 with the fair value requirements under AASB116, Valuation Services provided the Department of Treasury and Finance (DTF) with information that tracked the general movement in the market value of land and in building construction costs from the 1 July 2006 (the date of valuation) to 31 March 2007. DTF reviewed the information and determined that the valuations provided by Valuation Services (as at 1 July 2006) were compliant with fair value requirements for 30 June 2007 reporting without further adjustment.

On the revaluation of buildings the accumulated depreciation is credited to the asset account prior to revaluation and the net amount is restated to the revalued amount.

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out below.

	Land	Buildings	Office Equipment Works of Art	Total
Carrying amount at start of year	4,376,300	768,050	171,883	5,316,233
Additions	33,502	-	5,832	39,334
Revaluation	478,100	113,554	-	591,654
Disposals	(1,025,000)	-	(23,395)	(1,048,395)
Depreciation written back	-	-	23,395	23,395
Depreciation	-	(33,744)	(39,257)	(73,001)
Carrying amount at end of year	3,862,902	847,860	138,458	4,849,220

	2007 \$	2006 \$
23. Infrastructure		
At fair value	1,050,278	1,050,278
Accumulated depreciation	(72,692)	(36,485)
	977,586	1,013,793

The latest revaluation of infrastructure was performed in accordance with an independent valuation by the Western Australian Land Information Authority (Valuation Services). Fair value (depreciated replacement value) was determined by existing use. The effective date of the valuation is 1 July 2005.

Reconciliations

Carrying amount at start of year	1,013,793	1,335,297
Revaluation decrement	-	(285,297)
Depreciation	(36,207)	(36,207)
Carrying amount at end of year	977,586	1,013,793

24. Intangible assets

Computer Software		
At cost	30,144	39,124
Accumulated depreciation	(23,824)	(28,950)
	6,320	10,174

Reconciliations

Carrying amount at start of year	10,174	35,808
Additions	7,384	-
Revaluation	-	-
Disposals	(16,363)	(30,861)
Depreciation written back	16,363	30,861
Depreciation	(11,238)	(25,634)
Carrying amount at end of year	6,320	10,174

25. Impairment of assets

There were no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2007.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2007 have been classified as assets held for sale or written off.

26. Payables

Current		
Other creditors	29,238	78,002
Contractual	441,100	232,508
	470,338	310,510

27. Borrowings

Current		
Amount due to the WATC	904,423	874,746
	904,423	874,746
Non-current		
Amount due to the WATC	5,001,449	5,905,872
	5,001,449	5,905,872
Total borrowings	5,905,872	6,780,618

28. Provisions

	2007 \$	2006 \$
Current		
Employee benefits provision		
Annual leave (a)	236,012	185,915
Long service leave (b)	203,888	151,558
	439,900	337,473
Other provisions		
Employment on-costs(c)	3,959	3,035
	3,959	3,035
Total current provisions	443,859	340,508
Non-current		
Long service leave (b)	128,822	83,259
	128,822	83,259
Other provisions		
Employment on-costs(c)	1,182	764
	1,182	764
Total non-current provisions	130,004	84,023
Total provisions	573,863	424,531

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of reporting date	208,098	162,142
More than 12 months after reporting date	27,914	23,773
	236,012	185,915

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of reporting date	76,835	48,424
More than 12 months after reporting date	255,875	186,393
	332,710	234,817

(c) The settlement of annual and long service leave liabilities give rise to the payment of employment on-costs including workers compensation insurance. The provision is the present value of expected future payments. The associated expense is included at note 12 'Other expenses'.

Movements in provisions

Movements in provisions during the financial year, other than employee benefits, are set out below.

Employment on-cost provision		
Carrying amount at start of year	3,799	1,670
Additional provisions recognised	1,341	2,154
Payments/other sacrifices of economic benefits	-	(25)
Carrying amount at end of year	5,140	3,799

	2007 \$	2006 \$
29. Other liabilities		
Current		
Accrued salaries	18,135	34,855
Accrued superannuation	523	3,744
Accrued interest	100,143	110,877
	118,801	149,476

30. Equity

Equity represents the residual interest in the net assets of the Commission. The State Government holds the equity interest in the Commission on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity		
Balance at start of year	4,607,177	3,757,177
Contributions by owners		
Capital contribution	876,000	850,000
Balance at end of year	5,483,177	4,607,177
Reserves		
Asset revaluation reserve		
Balance at start of year	3,512,086	3,268,962
Net revaluation increments:		
Land	478,100	653,700
Buildings	113,554	365,657
Transfer of asset revaluation after sale to accumulated deficiency:		
Land	(714,237)	(724,603)
Buildings	-	(51,630)
Balance at end of year	3,389,503	3,512,086
Accumulated deficiency		
Balance at start of year	(2,236,726)	(4,445,375)
Transfer from asset revaluation after sale	714,237	776,233
Result for the period	(3,024,714)	1,432,416
Balance at end of year	(4,547,203)	(2,236,726)

Notes to the Cash Flow Statement

31. Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalent	2,347,626	1,022,281
Restricted cash and cash equivalent (refer to note 16)	1,062,823	4,475,966
	3,410,449	5,498,247

	2007 \$	2006 \$
32. Reconciliation of net cost of services to net cash flows provided by (used in) operating activities		
Net cost of services	(12,408,519)	(3,575,630)
Non-cash items:		
Depreciation expense	120,449	136,397
Bad debt written off	-	(541)
Resources received free of charge	-	559
Cost of goods sold	-	403,393
Revaluation decrement		285,297
Net (gain)/loss on sale of non-current assets	524,000	129,622
Adjustment for other non-cash items	8,105	77
(Increase)/decrease in assets:		
Current receivables	(226,551)	24,297
Amount receivable for service	(115,000)	-
Increase/(decrease) in liabilities:		
Current accounts payable	159,825	(1,323,282)
Current provisions	103,351	(23,268)
Other current liabilities	(30,675)	(8,409)
Non-current provisions	45,981	(55,559)
Net GST receipts/(payments)	-	(1,506)
Change in GST in receivables/payables	-	(14,231)
Net cash provided by/(used in) operating activities	(11,819,034)	(4,022,784)

33. Remuneration of members of the accountable authority and senior officers

Remuneration of members of the accountable authority

The numbers of members of the accountable authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$ 0 - \$ 10,000	11	9
\$ 10,001 - \$ 20,000	-	2

The total remuneration of the members of the accountable authority is: 17,618 58044

The superannuation included here represents the superannuation expenses incurred by the Commission in respect of members of the accountable authority.

No members of the accountable authority are members of the Pension Scheme.

Remuneration of senior officers

The number of senior officers other than senior officers reported as members of the accountable authority, whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$70,001 - \$80,000	1	-
\$80,001 - \$110,000	1	3
\$110,001 - \$120,000	1	-
\$130,001 - \$140,000	-	1
\$140,001 - \$150,000	1	-
The total remuneration of senior officers is:	444,249	617,961

2007 \$

2006 \$

The superannuation included here represents the superannuation expense incurred by the Commission in respect of senior officers other than senior officers reported as members of the accountable authority.

No senior officers are members of the Pension Scheme.

34. Remuneration of auditor

Remuneration to the Auditor General for the financial years is as follows:

Auditing the accounts, financial statements and performance indicators	19,000	16,600
--	--------	--------

Payment for auditing services is paid in the following year. Audit fee for 2006/07 will be paid in 2007/08.

35. Lease commitments

Non cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Motor vehicle - not later than one year	54,537	46,124
Motor vehicle - later than one year, not later than five years	19,592	10,835

Office rentals - not later than one year	276,779	271,314
Office rentals - later than one year, not later than five years	916,173	1,227,868

36. Contingent liabilities and contingent assets

There are no contingent liabilities or assets that the Commission is aware of as at 30 June 2007.

37. Explanatory statement

Significant variations between estimates and actual results for income and expenses are shown below.

Significant variations are considered to be those greater than 10% or \$30,000.

Significant variances between estimated and actual results for 2007

	Actual 2007 \$	Estimates 2007 \$	Variance \$
Supplies and services	3,076,303	3,007,000	69,303
Accommodation expenses	280,880	352,000	(71,120)
Grants and subsidies	6,193,443	3,042,000	3,151,443
Loss on disposal of non-current assets	524,000	113,000	411,000
Commonwealth grants and contributions	191,259	-	191,259
Other revenue	228,266	42,000	186,266
Service appropriation	8,677,000	6,177,000	2,500,000
Liabilities assumed by the Treasurer	4,051	55,000	(50,949)

Supplies and services

The variance is due to delayed project expenditure in supplies and services.

Accommodation expenses

The variance is due to the inclusion of some of the accommodation expenses expensed through supplies and services.

Grants and subsidies

Payment for grants and subsidies depends on the stage of completion for projects included in the budget estimates.

Loss on disposal of non-current assets

Sale of non-current assets produced a greater loss than estimated.

Commonwealth grants and subsidies

The variance is due to the successful tendering for the provision of the Tradestart program.

Other revenue

The revenue received to offset the expenses of holding two conferences was not included in the estimates.

Service appropriation

An additional amount was received to provide assistance for the reconstruction of the St Patrick's Cathedral.

Liabilities assumed by Treasury

Staff movements and the unknown effect on the superannuation liability caused the variance.

Significant variances between actual results for 2006 and 2007

	2007 \$	2006 \$	Variance \$
Expenses			
Employee benefits expense	1,996,747	1,539,622	457,125
Supplies and services	3,076,303	941,593	2,134,710
Finance costs	380,544	451,293	(70,749)
Grants and subsidies	6,193,443	1,101,714	5,091,729
Cost of sales	-	403,393	(403,393)
Loss on disposal of non-current assets	524,000	129,622	394,378
Other expenses	255,678	438,322	(182,644)
Income			
Sales	-	1,609,091	(1,609,091)
Other revenue	228,266	66,386	161,880
Service appropriation	8,677,000	4,226,000	4,451,000
Grants from government agencies	698,700	780,750	(82,050)

Employee benefits expense

In 2006/07 there is increased annual and long service leave liabilities provision and all prior year staff vacancies were filled increasing the salaries and wages costs.

Supplies and services

In 2006/07 a payment of \$2,000,000 was made to LandCorp towards the Picton Sewerage Project.

Finance costs

The variance is due to the diminishing Western Australian Treasury Corporation loan portfolio and the associated reduced borrowing cost.

Grants and subsidies

The amount paid for grants and subsidies vary each year in accordance with the amount of grants approved for payment. 2006/07 includes payments for the Bunbury Coastal Enhancement Project.

Cost of sales

There were no land sales in 2006/07.

Loss on disposal of non-current assets

The loss on disposal of non-current assets is associated with the sale of land to the Bunbury Port Authority.

Other expenses

The variance is mainly associated with the recognition of the revaluation decrement associated with the valuation of the Pemberton Hydro Electric Plant in 2005/06.

Sales

There were no sales in 2006/07.

Other revenue

The variance is due to the receipt of funds associated with the holding of the Critical Horizons and Southern Region Leadership conferences.

Service appropriation

Appropriations in 2006/07 included a capital works component of \$2,000,000 for the Bunbury Coastal Enhancement Project and \$2,500,000 for the St Patrick's Cathedral.

Grants from government agencies

Grants from government agencies are dependent upon successfully obtaining grants for projects under schemes such as the Regional Infrastructure Funding Program through the Department of Local Government and Regional Development.

38. Land development

The Commission is currently negotiating a proposed joint venture with the Western Australian Land Authority to continue the development and marketing of the Commission's land inventories.

39. Output: Regional Development

The Commission has one service of Regional Development and the Income Statement reflects the costs associated with the provision of this output.

40. Financial instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Commission are cash and cash equivalents, loans and receivables and payables. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

Liquidity risk

The Commission has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Cash flow interest rate risk

The Commission's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations. The Commission's borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are fixed rates with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Otherwise, the Commission is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and have no other borrowings.

(b) Financial instrument disclosures

Interest risk exposure

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

2007	Weighted average interest rate %	Fixed Interest Rate Maturities			Non interest Bearing \$	Total \$
		Within 1 year \$	1 to 5 yrs \$	Over 5 yrs \$		
<u>Financial Assets</u>						
Cash and cash equivalent		-	-	-	1,906,526	1,906,526
Restricted cash and cash equivalent		-	-	-	1,062,823	1,062,823
Receivables		-	-	-	399,624	399,624
Amounts receivable for services		-	-	-	542,000	542,000
		-	-	-	3,910,973	3,910,973
<u>Financial Liabilities</u>						
Payable		-	-	-	(470,338)	(470,338)
Other Liabilities		-	-	-	(118,801)	(118,801)
Borrowings from WATC	6.14%	(904,423)	(3,656,433)	(1,345,016)	-	(5,905,872)
		(904,423)	(3,656,433)	(1,345,016)	(589,139)	(6,495,011)
Net financial assets/(liabilities)		(904,423)	(3,656,433)	(1,345,016)	3,321,834	(2,584,038)

2006	Weighted average interest rate %	Fixed Interest Rate Maturities			Non interest Bearing \$	Total \$
		Within 1 year \$	1 to 5 yrs \$	Over 5 yrs \$		
<u>Financial Assets</u>						
Cash and cash equivalent		-	-		1,022,281	1,022,281
Restricted cash and cash equivalent		-	-	-	4,475,966	4,475,966
Receivables		-	-	-	73,073	73,073
Amounts receivable for services		-	-	-	427,000	427,000
		-	-	-	5,998,320	5,998,320
<u>Financial Liabilities</u>						
Payable		-	-	-	(310,510)	(310,510)
Other Liabilities		-	-	-	(149,476)	(149,476)
Borrowings from WATC	6.09%	(874,746)	(3,738,635)	(2,167,237)	-	(6,780,618)
		(874,746)	(3,738,635)	(2,167,237)	(459,986)	(7,240,604)
Net financial assets/(liabilities)		(874,746)	(3,738,635)	(2,167,237)	5,538,334	(1,242,284)

Fair values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

CERTIFICATION OF PERFORMANCE INDICATORS

For the year ended 30 June 2007

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the South West Development Commission's performance, and fairly represent the performance of the South West Development Commission for the financial year ended 30 June 2007.

A handwritten signature in blue ink, appearing to be 'SL' with a large loop and a trailing line.

STAN LIAROS
CHAIRMAN OF ACCOUNTABLE AUTHORITY

10 August 2007

A handwritten signature in black ink, appearing to be 'DP' with a large loop and a trailing line.

DON PUNCH
MEMBER OF ACCOUNTABLE AUTHORITY

10 August 2007

PERFORMANCE INDICATORS

OUTCOME

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

Key Output:
Regional Development

RELATIONSHIP WITH GOVERNMENT POLICY

The South West Development Commission delivers its services through three strategic themes: Investing in People, Investing in Infrastructure and Place, and Investing in Knowledge, Enterprise and Innovation.

These three strategic themes integrate together to provide a balanced approach to regional development. They are also aligned with the State Government's strategic planning framework, 'Better Planning: Better Futures', Goal 4: Regional Development, "ensuring that regional Western Australia is strong and vibrant". The activities of the Commission aim to ensure that the South West is a strong and vibrant region.

EFFECTIVENESS INDICATORS

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

2.1 Client Survey 2007

As a requirement of its strategic plan, the Commission undertook an evaluation of its operations in April 2007. Clients were surveyed to determine their views and understanding of the Commission's role, activities and performance. Similar surveys have been undertaken on an annual basis over the past seven years.

Key performance results from the 2007 survey, including results from previous surveys, are detailed below. It should be noted that the questionnaire response scales to questions were changed from a five point scale to a seven point scale in 2006 (five point scale used in previous questionnaires) for greater score refinement.

An independent consultant, Patterson Market Research, undertook the survey. The Commission provided Patterson Market Research with a database comprising 269 key clients and 21 representatives from South West local governments. The key clients were made up of Commonwealth and State government agencies and private organisations having regular contact with the Commission over the last 12 months.

The survey questionnaire was distributed to all of the key clients (269) and all local government representatives (21). The total of 158 completed surveys were received by Patterson Market Research, comprising 14 completed surveys from local government representatives (from a useable population of 20) and 144 from key clients (from a useable population of 246). This represents a 70 per cent response rate from the local governments and a key client response rate of 58.5 per cent. A total of 158 clients were interviewed, out of a possible 266 (useable sample). The overall response rate was 59.4 per cent. The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of clients (i.e. local government representatives and key clients) within a possible sampling error of +/- 5 per cent at 95 per cent level of confidence. The sampling error range for this survey period is +/- 4.98 per cent.

2.1.1 Effectiveness Of The South West Development Commission

Due to the use of a new rating scale, care should be taken in comparing results across survey periods.

(1 = very ineffective to 7 = very effective)

Key Output	Total Output Target	Total Output Target	Total Average		Local Governments Average		Key Clients Average	
	2006/07	2005/06	2007	2006	2007	2006	2007	2006
Regional Development	5.32	5.25	5.05	4.47	4.93	4.40	5.06	4.54
	76%	75%	72%	64%				

(1 = very ineffective to 5 = very effective)

Key Output	Total Output Target	Total Average				Local Governments Average				Key Clients Average			
	2004/05	2005	2004	2003	2002	2005	2004	2003	2002	2005	2004	2003	2002
Regional Development	3.75	3.53	3.51	3.48	3.83	3.21	3.00	2.88	4.00	3.55	3.56	3.55	3.84
	75%	71%	-	-	-								

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

Due to the use of a new rating scale, care should be taken in comparing results across survey periods.

(1 = very ineffective to 7 = very effective)

Services	Local Governments Average	Key Clients Average	Local Governments Average	Key Clients Average
	2007	2007	2006	2006
Planning assistance	4.75	5.52	3.78	5.16
Source of funds	5.07	5.79	4.80	5.17
Assistance in securing funds from other sources	4.58	5.39	5.62	4.98
Advocacy	4.33	5.67	4.12	4.94
Community consultation	5.00	5.78	5.37	5.05
Co-ordination between other organisations and groups	5.17	5.77	4.89	5.05
Problem solving	3.00	5.69	3.67	4.53
Assistance with industrial development	4.89	4.85	5.12	4.63
Identification of investment opportunities	4.00	4.94	4.57	4.36
Project development	5.20	5.70	5.09	4.59
Organisation support	5.00	6.14	4.00	4.64
Assistance with promotions	5.00	6.29	5.00	4.76
Provision of advice	5.20	5.92	5.62	5.17
Information about the region / Commission	5.89	6.11	5.45	5.04
Marketing advice / information	5.00	5.86	4.14	4.47

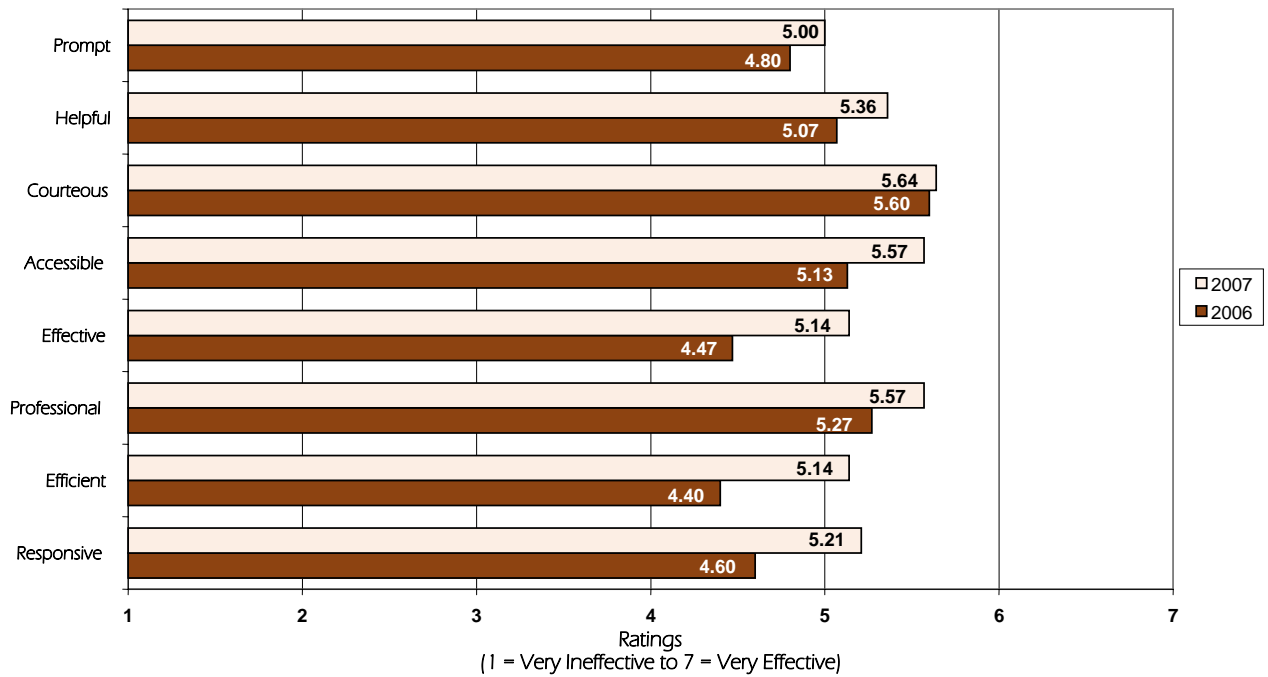
(1 = very ineffective to 5 = very effective)

Services	Local Governments Average					Key Clients Average				
	2005	2004	2003	2002	2001	2005	2004	2003	2002	2001
Planning assistance	3.40	3.33	3.29	3.39	3.58	3.71	3.68	3.61	3.51	3.60
Source of funds	3.21	3.13	3.00	3.59	3.63	3.89	3.88	3.81	3.57	3.64
Assistance in securing funds from other sources	3.86	3.86	3.50	3.81	3.81	3.53	3.54	3.47	3.52	3.63
Advocacy	4.00	3.50	3.50	3.41	3.45	3.87	3.84	3.77	3.71	3.76
Community consultation	3.50	3.50	3.40	3.71	3.80	3.84	3.85	3.82	3.74	3.81
Co-ordination between other organisations and groups	3.75	3.40	3.33	4.00	4.08	3.91	3.95	3.96	3.93	3.98
Problem solving	3.00	3.00	3.33	3.35	3.33	3.59	3.63	3.68	3.55	3.51
Assistance with industrial development	3.57	3.20	3.20	3.21	3.00	3.35	3.33	3.26	3.60	3.85
Identification of investment opportunities	3.50	3.67	3.67	3.16	2.86	3.26	3.24	3.18	3.61	3.48
Project development	3.80	3.80	3.60	3.90	3.93	3.75	3.69	3.64	3.75	3.91
Organisation support	3.00	3.00	3.00	3.76	3.67	3.59	3.66	3.67	3.54	3.79
Assistance with promotions	3.33	3.33	3.40	3.50	3.60	3.69	3.70	3.66	3.88	4.07
Provision of advice	3.80	3.50	3.60	3.81	4.00	4.05	4.03	4.02	3.92	3.92
Information about the region / Commission	4.00	4.00	4.00	4.06	4.08	4.17	4.19	4.12	4.08	4.17
Marketing advice / information	3.50	3.50	3.33	3.50	3.54	3.40	3.44	3.42	3.73	3.92

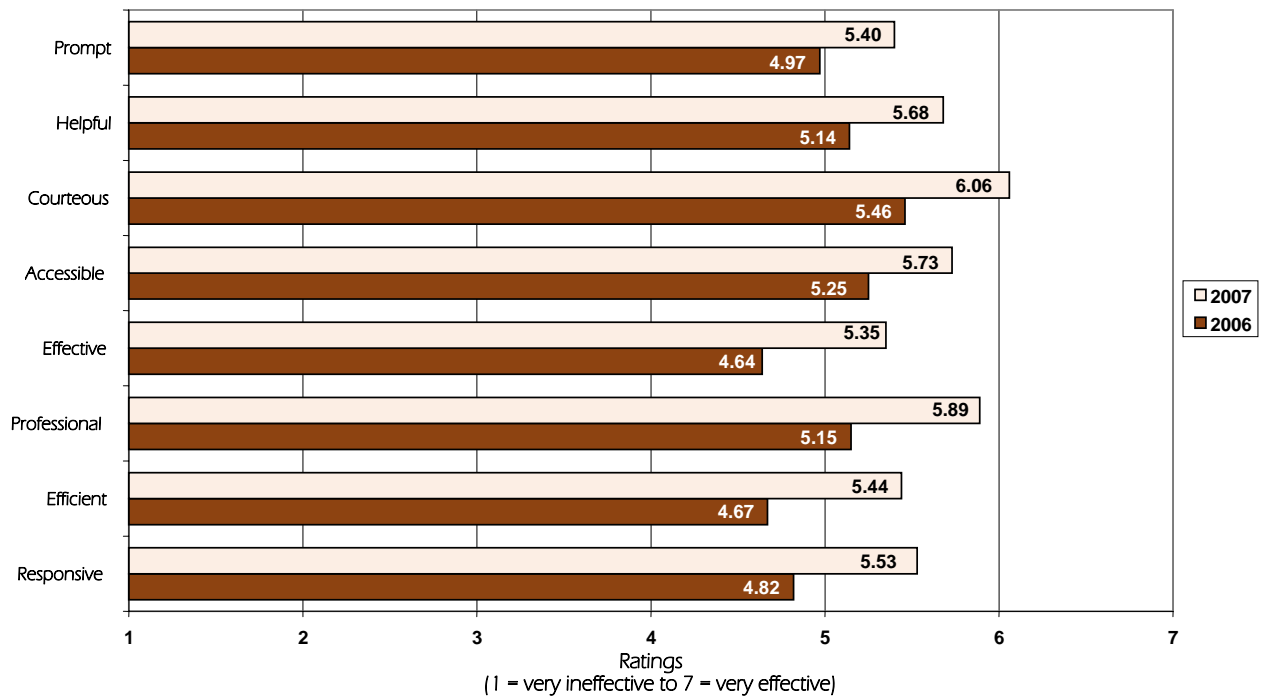
The results for key clients showed a marginally increased level of use for many of the services provided by the Commission. The key areas of service use were (in order of frequency):

- Source of funds;
- Coordination between other organisations and groups;
- Information about the region / Commission;
- Provision of advice; and
- Project development.

Quality of Experience in dealing with SWDC
Local Governments



Quality of Experience in dealing with SWDC
Key Clients



EFFICIENCY INDICATORS

The operating costs of the South West Development Commission are based on the Income Statement total cost of services (excluding grants) for the relevant period. Hourly cost is determined by dividing the expenditure for the period by the total hours worked for the period.

Regional Development	Note	2006/07	2005/06	2004/05	2003/04	2002/03
Operating cost	1	\$4,634,601	\$4,317,996	\$3,830,124	\$3,466,982	\$3,904,291
Project / service hours	2	25,328	27,856	25,827	26,255	50,546
Cost per hour	3	\$182	\$155	\$148	\$132	\$77
Target	4	\$175	\$142	\$241		

Notes on variance between reporting period

Note 1: Operating cost information is sourced from the Income Statement. A net movement of \$317,000 is shown. The variation is due to the Commission having filled prior year vacant positions leading to an increase in salaries and on-costs and the inclusion of a loss on disposal of non-current assets included in the operating costs.

Note 2: Prior to the 2003/04 period total hours worked by all employees were used to calculate and report the cost per hour. The current reporting period reports and uses only hours directly attributable to projects or services.

Note 3: Hours are taken from employees' individual time sheets. Hours directly attributable to projects or services are used to calculate cost per hour.

Note 4: The target cost per hour is an estimated figure based on expected staffing levels and positions.

OTHER FINANCIAL DISCLOSURES

As at the end of June 2007 the Commission had 24 full-time equivalent employees.

Thirty-four per cent of employees were aged over 45 with one employee aged less than 25 years. Fifty-four per cent of employees were female and both Aboriginal and non-English speaking background employees made up four per cent each. On a regular basis the Commission hosts school-based work experience students and TAFE structured workplace learning students.

The Commission recognises the benefits of workplace diversity and has a continued commitment to furthering these principles.

Staff Profile	2006/07	2005/06
Full-time Permanent	17	19
Full-time Contract	3	2
Part-time measured on a FTE basis	4	4
On secondment	0	0
Total	24	25

STAFFING POLICIES

The South West Development Commission has a number of staffing policies that have been developed to guide the Commission in its work. The Commission also incorporates whole-of-government policy, agreements and legislative initiatives in its human resource management practices.

INDUSTRIAL RELATIONS

The Commission's employees are employed under the *Public Service General Agreement 2006*.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety issues can be reported at any time and are addressed as they are identified. An incident book is located centrally for staff to identify and report any possible hazardous situations.

FLEXIBLE WORKING ARRANGEMENTS

The Commission is committed to providing a working environment that takes into consideration the needs of employees and their families. The approach taken by the Commission is to provide flexible working arrangements that include the opportunity for employees to adjust their working hours through the use of flexi-time and to work from home.

TRAINING DEVELOPMENT AND ACHIEVEMENTS

Organisational and employee development is supported through the provision of training and staff development days. Development of employees' skills is a high priority and the Commission attempts to make training not only relevant to the needs of the organisation but of personal benefit to the employee.

Training is identified annually during staff performance reviews. Due to the dynamic environment and variety of activities undertaken by the Commission, training is also considered on an ongoing basis throughout the year.

During 2006/07, employees were involved in a range of skill renewal, development and knowledge-based activities that included: South West Futures Conference, Southern Region Leadership Forum, Access Training, Record Awareness Training, Generating Time, Wellness at Work, Creativity in Groups, Pathways to Leadership, Soul Revival, Project Management Fundamentals and South West Focus Conference.

A professional development system is in place that fosters personal growth across the streams of Leadership and Management, Community and Project Development, and Corporate and Administration.

The Commission spent a total of \$45,600 on development and training activities during the reporting period.

EMPLOYEE VOLUNTEERING POLICY

The South West Development Commission is committed to providing services for the community and as a part of that service we encourage and support our employees to participate in community volunteering on a personal level as well as on behalf of the Commission.

Employees are able to undertake volunteering duties by utilising the Commission's flexible working arrangements, donating during fundraising activities and community organised events, and taking advantage of donation schemes through payroll deductions.

GOVERNANCE DISCLOSURES

CONTRACTS WITH SENIOR OFFICERS

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

DIRECTORS LIABILITY INSURANCE

The Commission maintained Directors Liability Insurance for 2006/07 with the total premium being \$6,028.

OTHER LEGAL REQUIREMENTS

DISABILITY ACCESS AND INCLUSION PLAN

The South West Development Commission has a new Disability Access and Inclusion Plan designed to ensure all people are considered in all its activities and services. The plan ensures access to Commission activities and events, buildings and facilities and information. It also ensures all people receive the same quality of service and opportunities to participate at the Commission as everyone else. The plan can be accessed from the Commission's website or by phoning (08) 9792 2000.

The Commission operated under a Disability Service Plan (DSP) that has now been replaced with the Disability Access and Inclusion Plan (DAIP). The following is a review of the outcomes under the DSP linked to the new DAIP outcomes.

1. All people have the same opportunities to access services of, and any events organised by the Commission – Any barriers to the Commission's services that were identified had appropriate policies or procedures put in place.
2. All people have the same opportunities to access the buildings and other facilities of the Commission – The Commission's offices in Bunbury can be accessed by ramps and self-opening doors. Disabled parking is available at the building entrance. There is lift access to the Commission's offices on the 9th floor that includes lift consoles with floor level numbers in Braille, audible floor indication and situated for convenient wheelchair access.
3. All people receive information from the Commission in a format that will enable them to access information readily – The Commission is committed to providing information to all people in appropriate formats on request; and has a register of services available in the region that can provide formats such as Braille as required.
4. All people receive the same level and quality of service from the staff of the Commission – Customer service officers are fully trained to provide a professional and courteous customer service to all people.
5. All people have the same opportunities to make complaints to the Commission – The South West Development Commission is committed to providing customers with high quality services to meet their needs, and if customers are dissatisfied with the services provided, or the way in which they are provided, the Commission is keen to investigate and if necessary rectify any problems. As such, the Commission has a complaints management policy and procedures. A customer feedback service has been established to ensure that customer complaints are heard and dealt with fairly and quickly without prejudice or bias.
6. All people have the same opportunities to participate in any public consultation by the Commission – The Commission ensured that all people were encouraged to take an active role in their community and worked to overcome any barriers.

EQUAL EMPLOYMENT OPPORTUNITY OUTCOMES

EQUITY INDEX

Regional Development	Actual representation %	Equity index %	2007 objective set by agency %	Above or below objective %
Women management tiers 2&3	66.7	61	*	N/A
People from culturally diverse backgrounds	3.8	-	*	N/A
Indigenous Australians	3.8	-	*	N/A
People with disabilities	0	-	*	N/A
Youth	3.8	N/A	*	N/A

The SWDC Equal Opportunity and Grievance Procedure Policy is a document that supports the achievement of equal opportunity and diversity in achieving the Commission's objectives and is monitored through the Executive, incorporated as a responsibility of managers and is a key consideration in recruitment, appointment and management of employees.

On induction, employee surveys are undertaken to ensure that any special needs are met.

The Commission during 2006/07 identified the need to increase participation of youth within its workforce and successfully employed a customer service officer under 25.

It is very challenging to achieve a diverse workforce in the regions due to limited applicants available for positions when advertised. There needs to be a concerted effort to raise the profile of the Public Sector to attract and retain youth and people from diverse cultures.

In the year ahead the Commission will look at ways to improve the profile and attractiveness of the Commission as an employer and to encourage a more diverse culture within.

PUBLIC SECTOR STANDARDS

The Commission has developed policy, guidelines and processes to support compliance with Public Sector standards and ensures that all associated activities are undertaken in a professional and unbiased manner.

All recruitment panel members are advised of the requirements under the standards prior to any recruitment process. New staff members are appointed after a merit-based assessment and unsuccessful applicants are made aware of their ability to lodge a breach claim if the standards have been breached. Information on the standards is readily available on the Commission's information network.

Procedures designed to ensure compliance have also been put in place and regular internal assessments are undertaken as part of the Commission's internal audit program.

No claims of breach of standards were made during the year in review.

WA CODE OF ETHICS

The Commission incorporates the WA Code of Ethics into both the SWDC Board members and staff codes of conduct. All employees are advised on induction and annually of the key principles of Justice, Respect for Persons and Responsible Care embodied within the code.

The Commission has had one report of non-compliance with the WA Code of Ethics.

CODE OF CONDUCT

The Commission's staff members are guided by a code of conduct, which is a statement of the ethical principles, values and behaviours expected of South West Development Commission employees. A review of the code of conduct is undertaken when any new information is received from either the Office of the Public Sector Standards Commissioner or through Premier's Circulars.

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

The Commission has had no reports of misconduct under the SWDC Code of Conduct.

REPORTING ON RECORD KEEPING PLANS

The South West Development Commission's Record Keeping Plan was approved for a period of five years by the State Records Commission on 12 May 2005. Employee induction in record keeping, ongoing training and annual reviews of the efficiency and effectiveness of the plan are maintained. Seventy-two per cent of employees undertook Recordkeeping Awareness Training through Integrated Records & Information Solutions which attributed to a greater recognition of what a record is and the proper procedures for record retention and disposal. Key employees monitor record keeping activities.

ELECTORAL ACT COMPLIANCE

In compliance with section 175ZE of the *Electoral Act 1907*, the Commission is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations. Details are as follows:

Expenditure with Advertising Agencies	\$0
Expenditure with Market Research Agencies	\$8,888
▪ Patterson Market Research	
Expenditure with Polling Agencies	\$0
Expenditure with Direct Mail Agencies	\$0
Expenditure with Media Advertising Agencies	\$57,286
▪ Hallmark Editions	
▪ Media Decisions	
▪ Australian Publishing Resource Service	
▪ Marketforce express	
Total Expenditure	\$66,174

FREEDOM OF INFORMATION

The Commission maintains a range of documents relating to its business activities in both hard copy and electronic form. These documents include inward and outward correspondence, contracts, agreements, reports, administrative files, personnel records, project files, financial records, internal manuals, statistical information, meeting minutes, promotional material, pamphlets and brochures, human resource information and asset records.

The Commission does not charge for brochures and publications. No charge is levied on requests for information or access to files although the Commission does reserve the right to recoup costs.

The South West Development Commission has a policy of providing personal information on request. Requests can also be made under the provisions of the *Freedom of Information Act 1992* for which a \$30.00 charge applies.

The contact details of the Freedom of Information Officer are as follows:

Chief Finance Officer
South West Development Commission
9th Floor Bunbury Tower
61 Victoria Street
Bunbury WA 6230

The Commission received three Freedom of Information requests during the year.

AGENCY PUBLICATIONS AVAILABLE TO THE PUBLIC

Title	Date
South West Projects Update (quarterly)	2007
Regionwide	Various
Eco Walks – Nature Trails of Bunbury and Surrounds	2007
A Brighter Future – Delivering on the Brunswick – Pinjarra Sustainability Strategy	2006 (December)
South West Economic Perspective	2006 (July)
Our Services	2006 (May)
SWDC Strategic Vision 2005-2020	2005
Working Life (reprint)	2005 (March)
Australia's South West – Better than a Holiday, Lifestyle and Business Guide	2005 (February)
Kemerton Industrial Park – Doing Business in the Kemerton Industrial Park (flyer)	2006 (June)
Kemerton Industrial Park – Tenants in the Kemerton Industrial Park (flyer)	2005 (April)
Kemerton Industrial Park – Bunbury Port servicing Kemerton Industrial Park (flyer)	2005 (January)
Kemerton Industrial Park – General information brochure	2004 (November)
Flavours of the South West	2004 (August)
South West Directions – an action plan for a sustainable future	2004 (July)
South West Profile	2004 (June)
South West Telecommunications Infrastructure and Opportunities Study	2003
Noongar Country Aboriginal Art Catalogue	2003
SWDC Strategic Plan 2000-2005	2000
SWDC New Service Delivery Structure	2000

CDRom	Date
The South West of Western Australia – “a perfect choice” – “where vision becomes reality”	2003

Publications available on SWDC website (www.swdc.wa.gov.au)	Date
Stats News	May 2007
South West Suppliers Database	2006
Annual Report 2005-2006	2006
Annual Report 2004-2005	2005
Annual Report 2003-2004	2004
Annual Report 2002-2003	2003
Annual Report 2001-2002	2002

(Selected publications from the above list are also available on the SWDC website.)

Websites where the Commission publishes information:

www.swdc.wa.gov.au
www.kemerton.com.au
www.noongarart.com.au
www.criticalhorizons.com.au

GOVERNMENT POLICY REQUIREMENTS

CORRUPTION PREVENTION

The South West Development Commission includes in its code of conduct a focus on the prevention of corruption and sets out how confidential matters are to be managed.

Additionally, a gift register has been established to record gifts and benefits offered above \$30.00. The Chief Executive Officer is responsible for determining how the gifts and benefits are dealt with.

COMPLAINTS MANAGEMENT SYSTEM

The South West Development Commission is committed to providing customers with high quality services to meet their needs, and if customers are dissatisfied with the services provided, or the way in which they are provided, the Commission is keen to investigate and if necessary rectify any problems.

As such, the Commission has a complaints management policy and procedures. A customer feedback service has been established to ensure that customer complaints are heard and dealt with fairly and quickly without prejudice or bias.

The Commission's Executive Officer has been appointed the complaints officer.

Access to the policy is available by phone, in person or via our website.

There were no complaints received during the reporting period.

SUSTAINABILITY

In fulfilling its mandate to coordinate and promote the economic development of the South West Region, the South West Development Commission works on the basis that development needs to be sustainable and aims to ensure that the region is resilient and adaptive to ongoing change.

The SWDC Strategic Plan, which provides direction through to 2020, allows the Commission to identify longer term outcomes and then adjust its strategies for achieving these outcomes as circumstances change.

The Commission's focus on supporting job creation (through value adding and knowledge-based industries) and creative communities, and expanding its lifelong learning and futures programs, will be strengthened in the coming year. Well-established programs for industrial land development, urban renewal and community infrastructure will also be continued.

The following are examples of the Commission's commitment to sustainability in this reporting period:

- The Busselton Jetty Refurbishment and Foreshore Redevelopment project has generated a sustainable solution to ensure the long-term maintenance of the jetty, a significant tourism icon for the region and the State.
- The Critical Horizons Innovation Roundtable was established to foster futures thinking in the region. A series of events, flowing from the inaugural conference in February 2007, will act as a focal point for innovation and knowledge-based ideas development.
- The Pemberton Hydro Station, a community-based renewable energy project developed by the Commission, commenced operation August 2006. It is generating electricity for sale and will soon be used for educational and environmental awareness purposes.

The Commission's South West Directions – an action plan for a sustainable future (2004) continues to provide a framework for State government agencies in the delivery of their services in the region.

The SWDC Sustainability Action Plan 2005-2007 is drawing to a close and will be revitalised in the coming year. Sustainability in service delivery has always been, and will continue to be, a core strategy for the Commission. Steady achievements in other agency operations supporting sustainability – for example, downsizing the vehicle fleet to 4-cylinder vehicles, adoption of mechanisms for recycling paper and other materials, and power reduction initiatives – have occurred over the duration of the plan and now form part of ongoing procedures.

SOUTH WEST DEVELOPMENT COMMISSION
ANNUAL REPORT 2006-2007

