



SOUTH WEST
DEVELOPMENT COMMISSION



SOUTH WEST DEVELOPMENT COMMISSION



2008-2009
ANNUAL REPORT



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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. 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 Hon. Brendon Grylls MLA Minister for Regional Development

In accordance with Section 63 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 2009.

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.



Mr Stan Liaros
Chairman of the Board
4 September 2009



Mr Don Punch
Chief Executive Officer
4 September 2009

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Chairman's Report

2008-09 has been a very significant year for the Commission. On the one hand, the Global Financial Crisis resulted in a great deal of uncertainty for local business and development, while on the other, the fundamental strength of the South West economy has resulted in continued growth and development.

Our focus on supporting the region through four major areas of activity during the year has contributed to quality of life in the south west. The first principal activity has been the development and implementation of the Royalties for Regions South West Regional Grants Scheme. A total of \$3.5 million was made available for contestable grants and a further \$900,000 for the Commission to allocate to projects of strategic importance to the region.

In our report you will find an overview of this major grants scheme which underpins a long term regional focus and which has been a significant catalyst for the improvement of local community infrastructure and services. Projects have included urban renewal, health research, tourism product development, headworks for aged care services and support for community organisations. A total of 66 grants have been approved for projects with a total estimated project value of \$21 million. With additional Government commitments to the region this means that the Commission is currently responsible for \$42 million in grants to local governments and the community.

The second area focuses on improving the quality of life of all South West residents. This year the Commission has been engaged in extensive mapping of gaps in Indigenous services, and reviewing the needs of our ageing

population. The outcomes will lead to new opportunities for engaging Indigenous people in access to employment opportunities and will provide a framework for planning so that the social dividend can flow from major projects. At a broader level, the Commission is working with local governments to develop diversified life style and cultural choices for residents through improved community infrastructure including urban form and planning, walk trails, art and transport options.

Infrastructure has been a third area of significant activity. The Commission is facilitating the development of the Shotts Industrial Park on the back of the proposed \$3.5 billion urea plant for the area. The time lines for this project are critical and have prompted a new level of collaboration amongst agencies and industry to fast track the release of the land for development. At the same time the Commission has supported structure planning for Kemerton and Picton industrial estates.

Similarly, the Commission's support for the signing of an agreement for the Australian Centre for Digital Innovation, to be located in Bunbury, signifies the diversification of our region into a knowledge-based economy.

International trade is a major part of the region's economy and has been a fourth objective of the Commission. Traditionally this has been in bulk minerals but the Commission through an alliance with Austrade has been expanding opportunities for small and medium enterprises to engage in export. Using extensive networks, a number of trade delegations to the region have been facilitated and the Commission's TradeStart Officer has been active in value adding to the domestic market and



linking local domestic suppliers to overseas markets. The Commission has facilitated export sales of \$10.6 million for South West businesses in the past 12 months.

The South West is a region that makes a very significant contribution to the nation and the State through its economic activity. More importantly it remains a region that local people are passionate about. It is vibrant, growing and people are actively involved in determining its future. If these are the signs of a healthy region then our future is very positive.

I would like to thank all the staff of the South West Development Commission for their enthusiasm and commitment and the professional manner in which they deliver the Commission's programs. I would also like to acknowledge the contribution of our Board members in particular our outgoing members Mr Peter Monagle and Mr Nick Oaks who have both served for six years.

Finally I would like to thank the Minister for Regional Development for his energy and enthusiasm not only for the South West but for regional Western Australia as a whole. Collectively all of the regions will benefit from the policy focus he has generated.

A stylized handwritten signature in black ink, consisting of a large loop followed by a series of smaller strokes.

Mr 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 Hon. Brendon Grylls MLA
Minister for Regional Development

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.

South West Region of Western Australia



Corporate objectives

Vision

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

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.

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.

Board members



Back Row L-R: Cr Stephen Harrison, Mr John Borlini, Mr David Trench, Mr Nick Oaks, Mr Stan Liaros (Chairman), Cr Peter Monagle, Mr Don Punch (CEO South West Development Commission).
Front Row L-R: Mrs Patricia Hughes, Ms Posy Barnes, Cr Margaret Smith.

Mr Stan Liaros, Chairman

Stan Liaros is general manager of Group Training South West Inc, and currently sits on the board of AQWEST (the Bunbury Water Board). Stan has extensive experience in senior management and industrial relations.

Cr Peter Monagle, Deputy Chairman

Harvey Shire Council President Peter Monagle has been a shire councillor since 1996. Peter is also a member of the South West Region Planning Committee and the Greater Bunbury Region Planning Committee.

Mr Nick Oaks

Nicholas Oaks is a commissioner with the Forest Products Commission. He is a former president of the Bridgetown-Greenbushes Shire Council and is a board member of the Forest Heritage Centre.

Cr Stephen Harrison

Small business owner and Augusta-Margaret River Shire President, Cr Stephen Harrison, is part owner of retail outlets in Margaret River and Fremantle and is former president of the Margaret River Chamber of Commerce.

Ms Posy Barnes

Posy Barnes has a Master's of Business Administration and is chief executive officer of Jobs South West Inc. in Bunbury. Prior to this Posy managed the State's second largest training provider, SMYL Community Services.

Mr Cr John Borlini

John Borlini is the deputy president of the Collie Shire Council, with a long history of involvement in the town and the South West. Mr Borlini has served on the Collie Coal Mineworkers Welfare Board since 1984.

David Trench

David Trench is an active contributor to the Bunbury business community and is currently deputy chairman of the Bunbury-Wellington Economic Alliance and immediate past president of the Bunbury Chamber of Commerce and Industries. David is director of CSE Semaphore – Asia & Oceania and has a military background having served five years in the 10th Light Horse Regiment.

Cr Margaret Smith

Margaret Smith is a long serving Capel councillor with a distinguished history of community service. A retired trained nurse, she has been involved in a range of community organisations and a number of shire-related committees. Margaret is also deputy for non-metropolitan local government representatives on the Western Australian Planning Commission.

Mrs Patricia Hughes

Gelorup resident Patricia Hughes has a history of community involvement stemming from a lifetime association with farming and living in rural areas. She is currently involved in numerous agricultural groups and has a significant background in both agriculture enterprise and education.

Mr Don Punch, Chief Executive Officer

Chief Executive Officer of the South West Development Commission, Don Punch has extensive experience working throughout regional Western Australia for the Western Australian public service.

Executive officers as at 30 June 2009 (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 12 years experience in regional development. He has been at the South West Development Commission for three years and has a planning and operations background with the military.

Vanessa Lewis – Principal Policy Officer

Bachelor of Economics

Vanessa has more than 30 years experience in regional development, particularly in the areas of research, regional planning and policy development.

Anna Oades - Principal Communities Officer

Bachelor of Arts, Graduate Diploma in Education, Teachers Certificate

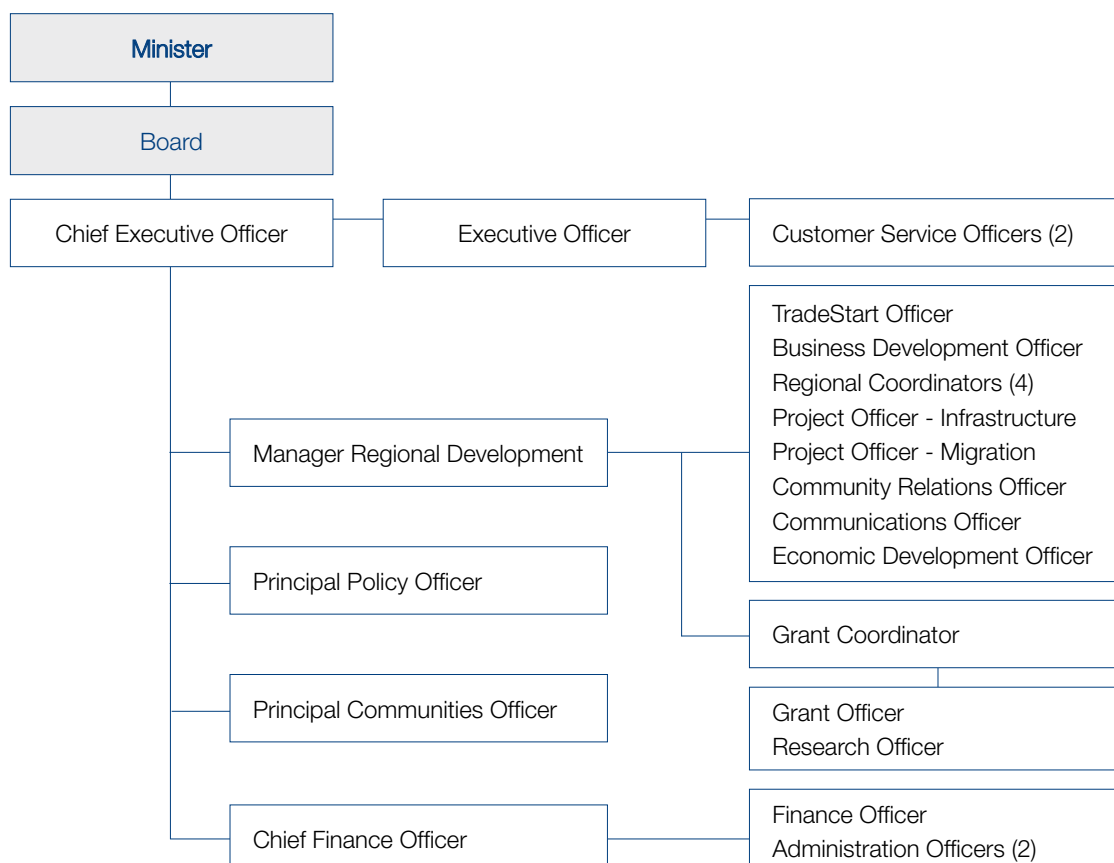
Anna has wide-ranging experience in the WA public sector, working in diverse areas such as community development and funding, social policy and research, and social planning.

Val Cartwright – Chief Finance Officer

Advanced Diploma of Accounting

Val is responsible for the management of the Commission's finance, human resource, information technology and administration services.

Organisation chart as at 30 June 2009



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 three key areas – People, Infrastructure and Place, and Knowledge, Enterprise and Innovation.

The Commission aims to build quality of life in the South West Region through the development of new industries, more diverse opportunities for its residents, and community and industry infrastructure, while advancing sustainable jobs growth.

People

We focus on projects which engage the community in developing a vibrant region. This includes planning, civic engagement, community leadership and community infrastructure.

Infrastructure and Place

Our aim is to build modern infrastructure which supports industry, maintains a sense of place for our communities and values our natural environment.

Knowledge, Enterprise and Innovation

We aim to create jobs, develop greater job diversity and increase incomes through attraction and development of a diverse industrial 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 the State Government's strategic aim of a 'stronger focus on the regions' and the Royalties for Regions policy framework.

Changes to outcome based management framework

There have been no changes to the outcome based management framework during 2008-09.

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.

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 152,000 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 \$9.9 billion for 2007-08.
- The Port of Bunbury is the export port of the South West Region for bulk product. 13.3 million tonnes of trade passed through the port in 2008-09.

Issues and trends

- The South West now has a gross regional product estimated at \$9.9 billion.
- New industry enquiries have significantly increased focus on Picton, Kemerton and the proposed industrial park at Shotts (Collie).
- The South West continues to be Western Australia's major growth region.
- The region's population is estimated to be 152,000 with growth as high as 4.8 per cent per annum in some local government areas.
- Infrastructure provision and biodiversity issues continue to be major themes.
- Bunbury is undergoing a new wave of investment that will transform the city's skyline.
- Career diversity remains a key theme and is linked to job and educational opportunities in the region.
- Affordable housing strategies will be a key objective for social planning.
- The number of people in the region aged 55 years and above is expected to grow from 24 per cent in 2006 to 35 per cent in 2031.
- Marketing of the mineral sector's achievements in mine site rehabilitation will be critical to future public acceptance of the industry.
- Some sectors of the regional economy continue to experience skills shortages.

AGENCY PERFORMANCE

Resource Agreement

Financial targets

	2008-09 ⁽¹⁾ target	2008-09 actual	2008-09 ⁽²⁾ variation
Total cost of services (i.e. endorsed expense limit)	\$8,787	\$8,256	\$531
Net cost of services (details in the Income Statement)	\$7,829	\$5,140	\$2,689
Total equity (details in the Balance Sheet)	\$9,175	\$17,695	\$8,520
Net increase/decrease in cash held (details in the Cash Flow Statement)	(\$1,355)	\$10,025	\$11,380
Full-time equivalent (FTE) staff level	25	23	2

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

(2) Explanations are contained in Note 38 Explanatory Statement.

Key performance indicators

	2007-08 ⁽¹⁾ target	2007-08 actual	2007-08 ⁽²⁾ variation
Regional Development			
Key effectiveness indicator – customer satisfaction survey	76%	83%	7%
Key efficiency indicator – average cost per hour of service	\$165	\$169	\$4

(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.

Client Survey 2009

The South West Development Commission's 2009 client survey, undertaken by Savant Strategies & Surveys, asked local government representatives and key clients, made up of Commonwealth and State government agencies and private organisations having regular contact with the Commission over the past 12 months, to rate the Commission's role, activities and performance.

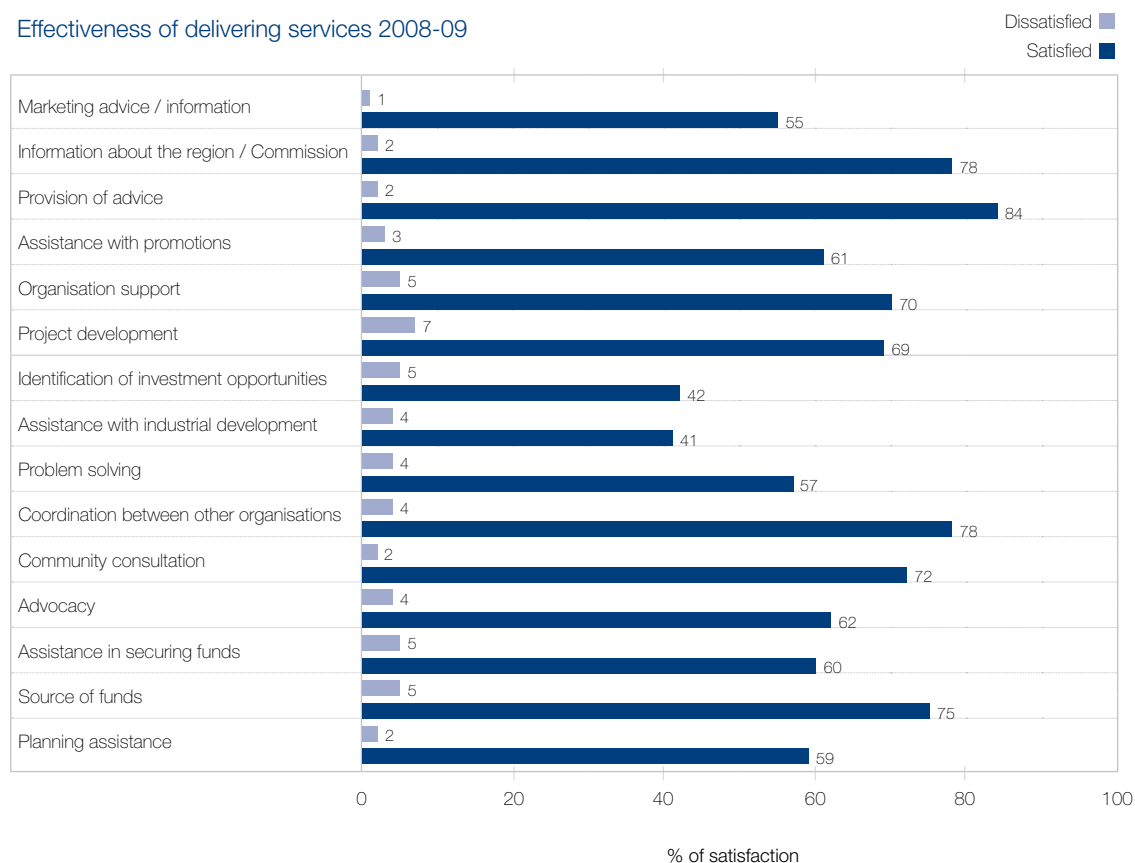
This year involved using an online self completion methodology. The vast majority of contacts were sent an email invitation to complete the annual client survey online. The survey questionnaire was distributed to all of the key clients (269) and all local government representatives (24). A total of 157 clients were interviewed, out of a possible 252 (useable sample). This resulted in a maximum survey error of +/- 5 per cent at 95 per cent level of confidence.

Service usage and rating

A satisfaction survey was undertaken of the level of service provided by the Commission in 2009. The key areas of satisfaction were:

- Provision of advice;
- Information about the region / Commission;
- Co-ordination between other organisations and groups;
- Source of funds;
- Community consultation; and
- Organisation support.

Effectiveness of delivering services 2008-09

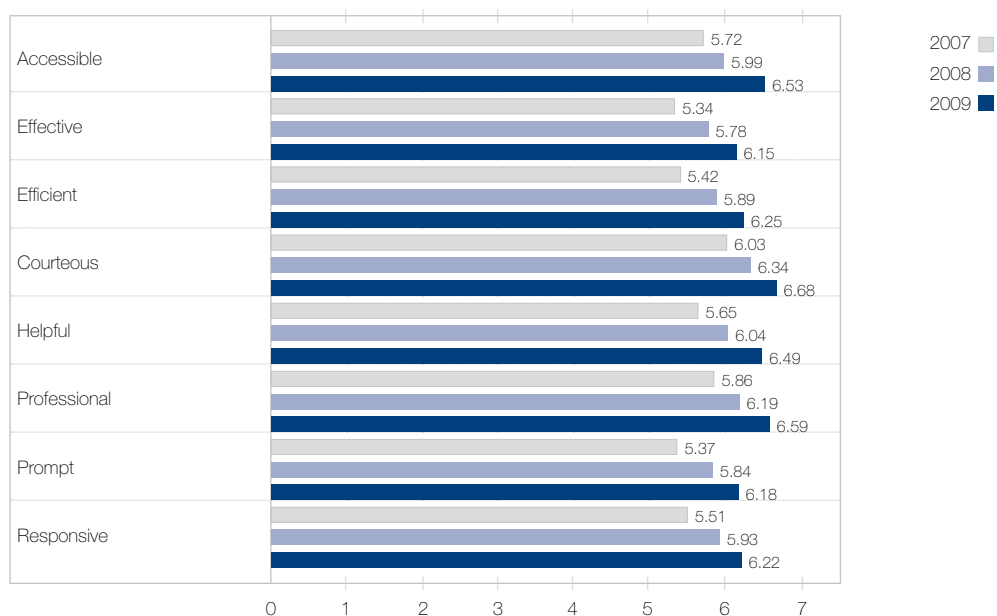


High quality of experience with the Commission

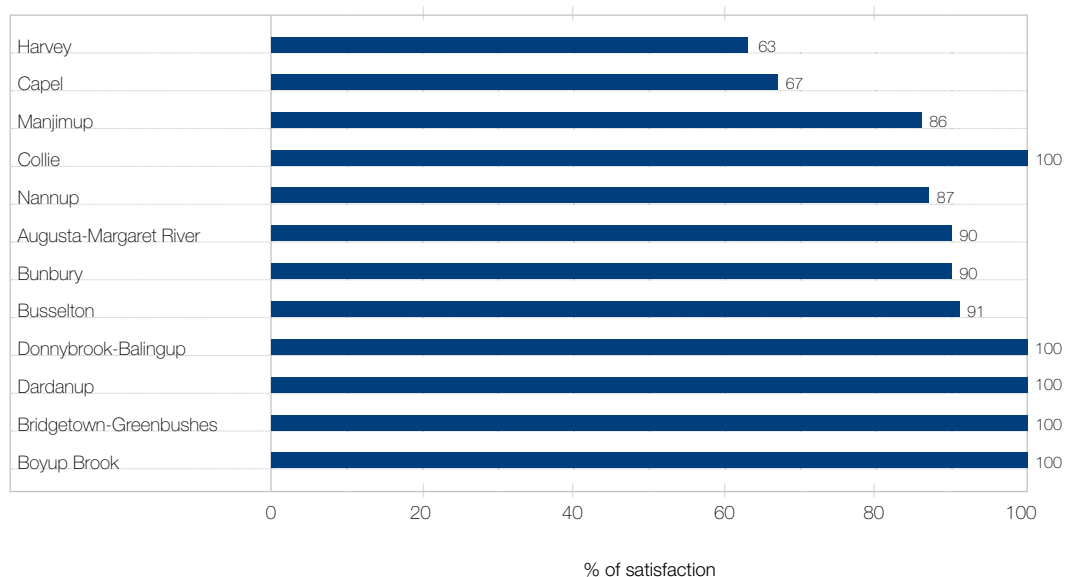
All elements of customer service received positive feedback in 2009, with 'courteous' performing the best with a mean rating of 6.68 out of a possible 7.

Overall level of satisfaction with the quality of performance provided by the South West Development Commission according to local government area:

Quality of performance



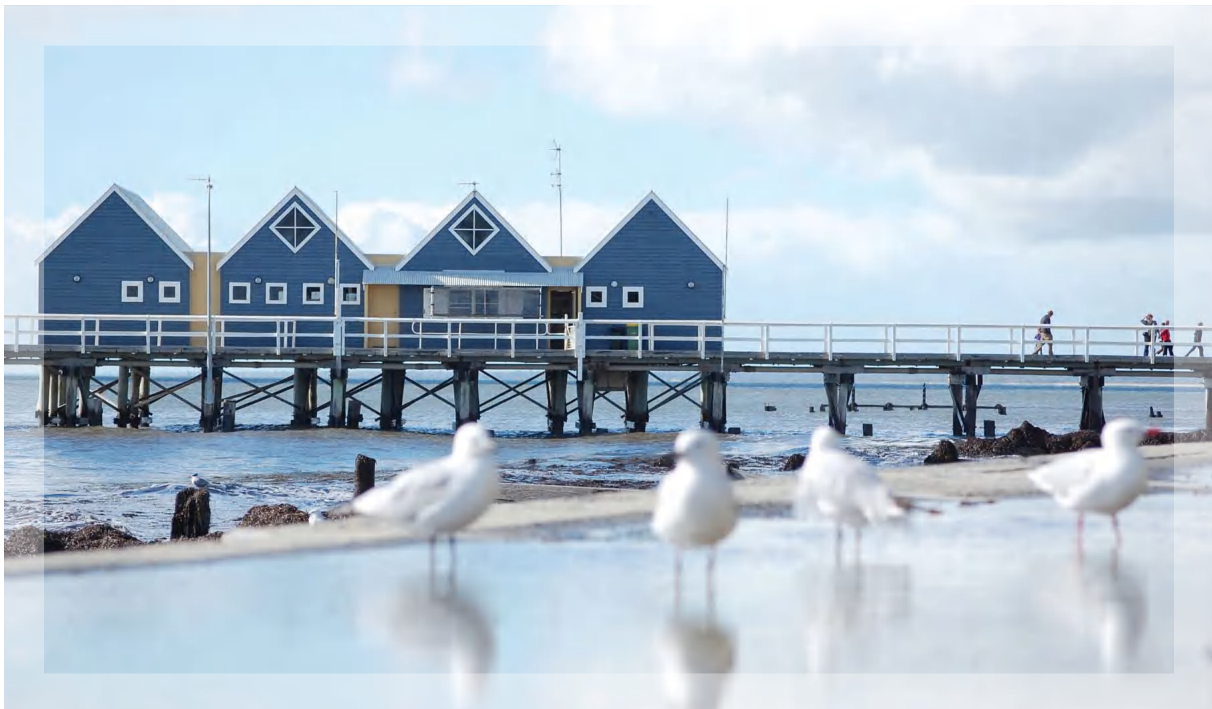
Satisfaction by local government area



Performance summary

Major achievements for 2008-09

- Commencement of the \$24 million Busselton Jetty Refurbishment.
- Developed the Busselton Foreshore Working Group with the Shire of Busselton.
- Administration of 96 grants with a value of \$42 million.
- Project-managed 43 projects within the SWDC Strategic Plan.
- Assisted 173 skilled migration applications.
- Value-added to domestic markets and linked business with 143 trade facilitations worth \$10.6 million.
- Developed the Bunbury-Jiaxing Business Relations Office.
- Invested \$6 million into Urban Renewal projects to improve local town centres.
- Promoted two conference series South West Focus and Critical Horizons.
- Completed a review on gaps in Indigenous services and on the needs of our ageing population.
- Undertook a planning strategy and preliminary structure plan for the Picton Industrial Park with LandCorp.



One of the South West's most popular tourist attractions is getting a makeover. The Busselton Jetty, which attracts more than 400,000 people each year, is in the process of being refurbished. Plans are also underway to breathe new life into the Busselton Foreshore.

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.

Developing community infrastructure, increasing learning opportunities for communities and planning for both youth and the over 55s were key aims of the South West Development Commission in 2008-09.

Community infrastructure

The year in review was important in terms of the Commission's enhanced ability to assist in improving community infrastructure. The introduction of Royalties for Regions and the \$3.5 million South West Regional Grants Scheme significantly boosted the level of funding assistance the Commission could provide to help community projects get off the ground. It also increased the number of grants the Commission processed, with the completion of the last round of the Regional Development Scheme and the continued work involved with successful delivery of the South West Events Program taking place in 2008-09.

The total value of grants administered by the Commission during the year was \$42 million and this required

significant additional resources and a review of the grant management process. The major focus has been on ensuring accountability and transparency in the assessment, administering and monitoring of all grant activities. Grant acquittals have also been a focus and a 62 per cent reduction in outstanding acquittals has been achieved. All projects are monitored to ensure that the achievements of the projects are completed and the best outcome for the region is attained.

Also keeping the Commission active in 2008-09 was the role it plays in coordinating the work of the human services sector through the South West Human Services Planning Committee. The group consists of regional managers of public sector agencies and aims to coordinate responses to issues including housing, early childhood, and drugs and alcohol.

As part of its commitment to improving human services in the region, age-friendly planning was conducted in the Shire of Augusta-Margaret River. In this study, World Health Organisation methodology was used to assess how age-friendly the shire was and highlight the barriers that will require planning and intervention.

Similarly, a South West Active Ageing Strategy was developed to guide planning for the region's ageing population. The need for the provision of outdoor gym equipment in the region, to encourage more people to adopt healthy and active lifestyles, was one of the initiatives that came out of the study.

Another way the Commission has worked to improve community infrastructure is through focusing on the needs of Indigenous residents. As a result, the Commission has been working with Indigenous groups such as Ngalang Boodja Aboriginal Corporation, which is developing an aquaculture project at Collie, and ACES, which is increasing Aboriginal employment in the region. In other areas, Indigenous artists have been supported to gain an international profile for their works through exhibitions and visits. The South West Indigenous Map and Gap Study was undertaken to provide greater understanding of the issues affecting Indigenous clients of human services providers.

How we invest in people

Community infrastructure

- South West Indigenous Map and Gap Study
- Regional Development Scheme
- Age-friendly planning
- South West Active Ageing
- South West Academy of Sport

Learning communities

- Critical Horizons
- Southern Regions Community Leadership Forum

South West Regional Grants Scheme

- Women's Health and Information Centre
- Collie Police & Community Youth Centre
- Donnybrook Medical Centre
- Lot 208 Youth Inc
- Agencies for South West Accommodation
- Busselton Community Garden
- Manjimup Family Centre
- Jarrah Glen Lifestyle Village

Learning communities

The South West Development Commission has continued to help leaders better prepare for the future through Critical Horizons, a seminar series designed to inform decision-makers about global trends and their possible impact on the South West Region. Water: Defining the Limits of Our Future was held in July 2008. This seminar invited participants to examine how a shortage of water might affect the future development of the region. In December 2008, Carbon Futures: The impact of climate change and the Carbon Pollution Reduction Scheme on Australia's South West, was held. The conference examined the impact of climate change and the Carbon Pollution Reduction Scheme on Australia's South West, noting the carbon market will change the way the region does business.

The most recent Southern Regions Community Leadership Forum took place at Pemberton in September 2008. The event included the announcement of the winners of the

annual leadership awards, which recognise outstanding examples of leadership by groups or individuals. The forums, held annually, aim to recognise and develop local leadership and participation in decision-making.

The year saw the successful conclusion of a two-year trial into a not-for-profit service that helps members of community organisations improve their management and administration skills. Run by Rotary with administration support from Volunteer South West and initial financial assistance from the Commission, Club Doctors is aimed at empowering community leaders, improving the effectiveness of community organisations and promoting self-governance. The service sees volunteer counsellors offer advice to groups on effective committees, growth programs, conflict resolution, financial matters, volunteer recruitment and fundraising. During 2008-09 Club Doctors began expanding from its starter operations in Bunbury into other areas of the South West including Margaret River.

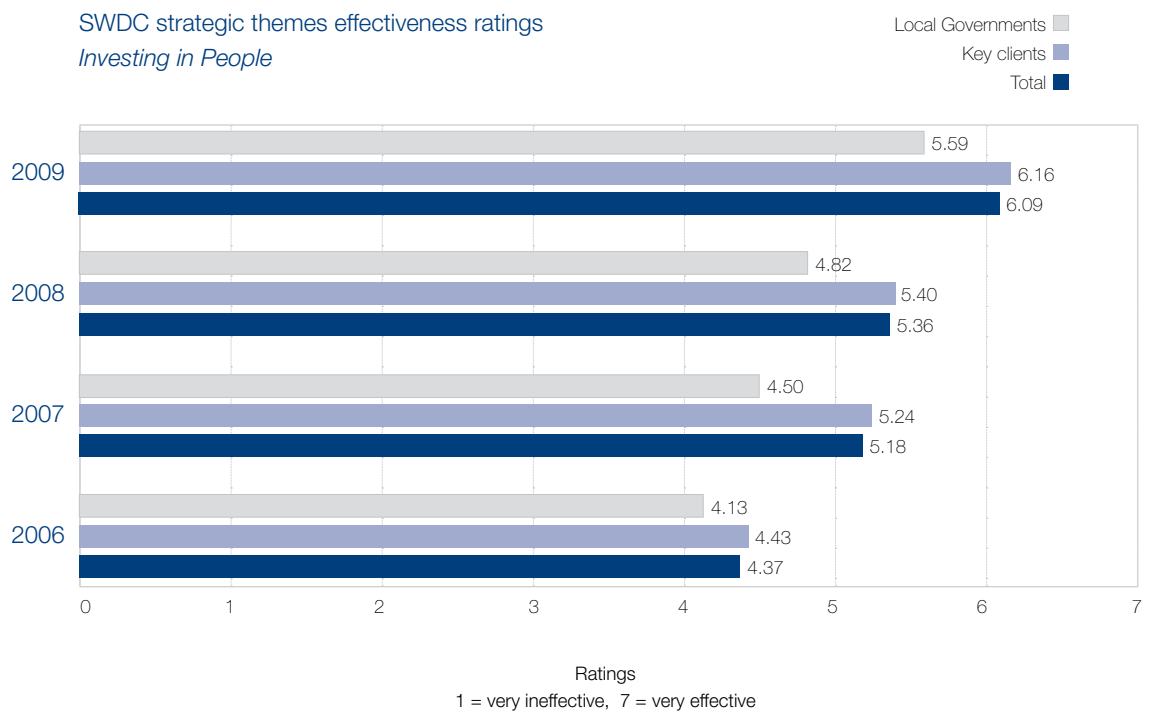


Roelands Village is shaking off its past to become a place of opportunity for Noongar people, many of whom were among the hundreds who spent their childhoods there as members of the Stolen Generation. A grant of \$53,000 has been put towards refurbishing the former mission's ageing buildings for cultural and tourism purposes.

How we performed

SWDC's 2009 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 improved significantly and indicate that the Commission is seen to be effective in this area.



South West Academy of Sport

The South West Academy of Sport was established to address the obstacles the region's top young athletes faced in travelling to Perth to attend training.

The South West Academy of Sport is a joint initiative of the South West Chambers of Commerce and the South West Development Commission. Its aim is to provide a regional alternative to young athletes and their families, many of who relocate to Perth to finesse their sporting development.

In 2008-09 almost 150 junior athletes had access to high performance programs, specialist services and top tier coaches without having to travel to Perth.

Many of these athletes excelled in their chosen sport and were selected to represent the State or Australia.

Success stories included representation of academy athletes at the Junior World Rowing Championships in France, UCI BMX World Championships, and in State soccer, hockey, football and basketball teams.

An example of the positive influence of the academy was in April 2009 when 16 of the 20 basketball players chosen for Western Australian's country team competing at the U18 Australian Basketball Championships had scholarships with the academy.

The achievements of the academy are a reflection of the hard work of the athletes, coaches and program coordinators, as well as generous sponsorship from local

groups and businesses.

A feature of the academy has been its ability to draw corporate sponsorship from a wide section of the South West and Western Australian business community. Companies like foundation partner The Griffin Group are playing an important role in the successful operation of the academy through financial support.

The first regional sports academy in Western Australia, the South West Academy of Sport was established to help the region's athletes reach their potential through the provision of talent development pathways in the South West Region.

Highlights of 2008-09 include the announcement of the inaugural football, basketball, soccer and hockey squads, the naming of the individual scholarship recipients, fundraisers hosted by AFL identity Kevin Sheedy and hockey great Ric Charlesworth and training sessions coached by top sportsmen Neil Hawgood and Chris Waterman, as well as national teams including the Kookaburras.

Plans are underway for an inaugural sports dinner to recognise the achievements of the academy's top athletes.



The academy is helping young athletes in the region reach their potential by providing access to talent development programs that had previously only been available in Perth.

Royalties for Regions

The South West Development Commission was allocated \$3.5 million in a contestable program and \$900,000 to directly fund projects through the South West Regional Grants Scheme, an initiative of Royalties for Regions.

With the opportunity for groups to get their projects off the ground by sharing in \$3.5 million, the launch of the inaugural South West Regional Grants Scheme in February 2009 attracted a great deal of interest.

An initiative of Royalties for Regions, the scheme provided new opportunities for local communities to improve and develop infrastructure and services, with an emphasis on funding projects that help attract investment, increase jobs or improve quality of life.

The Commission widely advertised the funding opportunity and conducted a series of public information sessions to give people the chance to learn more about applying for grants before the 25 March deadline.

The response to the scheme was overwhelming with the Commission receiving an unprecedented 192 applications requesting about \$58.1 million in grant funds. This was a greater number of applications received by any of the State's eight other regional development commissions. As administrators of the scheme the Commission was tasked with forming an assessment panel to ensure all applications were assessed against transparent criteria.

The Commission's board approved applications up to and including \$250,000. Applications up to and including \$500,000 were approved by the board and endorsed by the Minister. Grants more than \$500,000 were approved by the Minister and endorsed by Cabinet.

Sixty six projects ranging from a community garden to a world-class cycle trail were awarded grants through the scheme.

To complete the round, the Minister for Regional Development attended morning and afternoon teas for successful grants recipients in Collie, Bunbury, Manjimup, Pemberton and Augusta.

The Munda Biddi Trail

The Munda Biddi Trail was one major beneficiary of Royalties for Regions funding, receiving \$3 million over three years to extend the world-class cycling track to Albany.

The funding, through the South West and Great Southern development commissions, will enable the 498 kilometre trail to stretch approximately 1,000 kilometres across some of the State's most stunning bushland by 2012.

The popular cycling track, which boasts purpose-built cycling and camping facilities, showcases the unique natural and cultural features of the State's South West, while enhancing quality of life for the 17,000 Western Australians and visitors it attracts each year.

The expansion project will create jobs during the construction phase and open up new tourism, health and lifestyle opportunities.



Mountain bike enthusiasts will be able to pedal through scenic forest and bushland from Mundaring to Albany, thanks to \$3 million in Royalties for Regions funding from the South West and Great Southern development commissions, allowing for the extension of the popular cycling trail.

The Ngalang Boodja Employment through Enterprise Project

The South West Regional Grants Scheme will help bring to fruition an aquaculture project that involves the use of old coal mines near Collie for the commercial farming of marron by local Indigenous people.

The Ngalang Boodja Council Aboriginal Corporation received \$251,585 through the first round of the grant scheme towards the unique project.

The project boosts Noongar employment, education and training opportunities in the region, while recycling former coal mining facilities and creating a viable business.

The funding will be put towards installation of a processing and purging system, bird netting over ponds and a security fence around the site. It will also be used to construct gravel roads around the ponds and a building that will be used in farm operations as a well as training and research.

The Val Lishman Health Research Foundation

The lives of hundreds of South West residents could be saved thanks to \$147,198 in funding to support new medical research by The Val Lishman Health Research Foundation.

The foundation plans to significantly improve health in the region by developing a way to detect people with Familial Hypercholesterolaemia, an inherited form of raised cholesterol.

The condition progressively blocks arteries from childhood, causing premature death from heart attack or stroke.

Only 10 per cent of people in Australia with the condition have been found and are on treatment because a detection method has not yet been developed.

The Val Lishman Health Research Foundation will work to close this health gap over a three-year study period.

Pemberton mainstreet

The South West Regional Grants Scheme provided \$220,000 for townscape improvements to Pemberton.

The renewal project is one of significant strategic importance and involves major works including road modifications and the installation of underground power.

It also includes work on pedestrian access footpaths and streetscaping.

The Shire of Manjimup has made a commitment to start work on the project with the available funds but this grant will enable work to move forward significantly.

This project will not only improve the amenity for local residents but also help to increase the town's popularity with tourists.

Dolphin Discovery Centre

The Dolphin Discovery Centre was allocated a total of \$323,000 to kick-start a major redevelopment of the popular eco-tourism attraction.

The funding will allow the award-winning Dolphin Discovery Centre to better cater for tourists in winter months through the creation of an exciting new interpretation hub.

The redevelopment will take the centre to the next level by transforming it into a year-round, family-friendly experience.

Plans include the construction of a purpose-built theatrette offering animated underwater tours.

Investing in infrastructure and place

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

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

To achieve this, the Commission targets crucial infrastructure requirements, townsite renewal and redevelopment of existing assets to meet new purposes.

Urban renewal, industrial land supply and water have been major areas of activity during 2008-09.

How we invest in infrastructure and place

Modern competitive transport network

- Port Access Road
- Perth to Bunbury Highway

Land for industry

- Picton Industrial Park
- Shotts Industrial Park
- Raw Materials Study

Natural Resource Management

- Review of fish stocks in the Leschenault Estuary
- Lake Kepwari
- Busselton Wetlands
- Collie River Restoration

Competitive utility/infrastructure

- New IT industries
- Wireless hotspots
- Mobile phone coverage

Urban renewal

- Bunbury Coastal Enhancement Project
- Balingup Mainstreet Redevelopment
- Collie Town Centre Redevelopment
- Building a Better Harvey
- Busselton Jetty Refurbishment
- Busselton Foreshore Revitalisation
- Augusta-Margaret River townsite strategy

Modern competitive transport network

2008-09 has seen the construction of the New Perth to Bunbury Highway move towards completion. The new road will shave up to 30 minutes off the travel time between Perth and Bunbury when it opens on 20 September 2009, resulting in additional tourism opportunities for the South West region. Construction has included 70.5 kilometres of dual carriageway from Kwinana Freeway at Safety Bay Road in Baldivis, around the eastern side of the Peel Inlet and Harvey Estuary and joining the existing dual carriageway on Old Coast Road at Lake Clifton. The route will link Perth and the South West, bypassing the heavily populated areas in Mandurah and the Dawesville peninsula. The Port Access Road and first stage of the Bunbury Outer Ring Road are also under construction. The Commission facilitates a stakeholder consultative group to review progress.

Competitive utility/infrastructure provision

During the year in review, the Commission worked in partnership with the Department of Water to investigate water treatment and supply options in the Collie basin. This work was in anticipation of increased demand for water from new projects planned for the Collie area.

Land for industry

With the Kwinana and East Rockingham industrial areas nearing capacity, there is a pressing need for land specifically designated for the State's industrial sector. The Commission is working to ensure sufficient major land is available within industrial parks in the South West to support industry.

The Shotts Industrial Park is an important project that will help accommodate the needs of future industry and provide a boost to the Collie and South West economies. A major development in 2008-09 was the State Government approving the assembly of land at Shotts for the purpose of establishing a new industrial park. This announcement cleared the way for Perdaman Chemicals and Fertilisers to begin planning a \$3.5 billion urea plant at the 246-hectare estate.

The year in review was also significant for the Kemerton Industrial Park. 2008-09 saw the completion of the Kemerton Strategy Plan and subsequent commencement of the formal structure planning process. Eight lots along Kemerton's Marriot Road were submitted for subdivision approval. The Commission coordinated five enquiries related to companies interested in basing operations at the industrial park.

Natural resource management

The South West's natural resources are important in the sustainable development of the region. Work is underway on conserving the South West's natural attractions for the future.

The Lake Kepwari project at Collie, which involves transforming a former mine void into a recreational lake, is one example of Commission-supported urban renewal linked to natural resource management. In 2008-09, the Department of Environment and Conservation worked towards formally handing the mining lease on which the lake is situated back to the State. During the same period, a tender was awarded to undertake an environmental

impact assessment on the potential for redirecting the Collie River South Branch through Lake Kepwari.

Progress towards revitalising an eight kilometre section of the Collie River through central Collie was made, with Shire of Collie staff commencing works in November 2008. The project continues to be guided by a local committee, which will oversee permanent removal of the river stop-boards, installation of strategically placed riffles and restoration of the riparian vegetation.

A study to determine the health of the Leschenault Estuary was commenced by Murdoch University to determine whether there have been changes to fish and crab populations in the estuary since the mid-1990s. A report that will help guide authorities in the future management of the estuary will be compiled following Murdoch's final sampling of the water body in April 2010.

Progress was made on reopening the popular Pemberton Pool recreation area and developing a vision for its future. With help from the Commission, public liability insurance was secured and in early 2009 people were once again permitted to use the pool. The Commission continued



The former Premier Coal open cut mine is in the process of being transformed into a lake.

to work with local groups and residents to develop a blueprint for how the park should be managed in the future.

Efforts to develop the Busselton Bird Observatory and Wetlands into an ecotourism attraction made progress in 2008-09. A site survey of the area was completed and a major focus has become the development of a wetland demonstration area to allow close observation of birds and other wildlife.

Urban renewal

Urban renewal is about creating a new sense of purpose for old assets and bringing about an environment supportive of investment in the region. Replacement of worn and under-utilised public spaces with more vibrant space is a key outcome.

Projects are currently either planned or underway in towns across the South West including Brunswick Junction, Harvey, Collie, Pemberton, Busselton, Augusta, Margaret River and Dunsborough.

These projects aim to preserve what is unique about the localities and develop new opportunities for small businesses through the improvement of local amenities and facilitating new development opportunities.

In Brunswick Junction for instance, the installation of underground power is seen as vital to the renewal of the dairy town. It is an integral part of the Brunswick Junction redevelopment, which involves the upgrading of the main street and the establishment of a tourism precinct which will house the "Mooseum". Once these attractions are up-and-running, it is expected they will be draw cards for the town.

Other examples of urban renewal projects planned or taking place include:

- The restoration of the Busselton Jetty – Work is underway to refurbish this tourism icon, resulting in the reopening of the jetty, the jetty train and underwater observatory;
- The Busselton Foreshore - A working group is consulting with the public to come up with a vision that will breathe new life into Busselton's beachfront;
- Margaret River Townscape Strategy – Western Australian Planning Commission approval was received and the Augusta-Margaret River Townsite Implementation Plan developed in draft form. The plan details specific capital projects for both Augusta and Margaret River;
- Collie Town Centre Redevelopment – The planning and design phase for this project was carried out, with initial works expected to commence in July 2009;
- Pemberton – The project to rejuvenate Pemberton's mainstreet received \$220,000 in funding through Royalties for Regions; and
- Harvey Diversion Drain Enhancement – Harvey Mainstreet is currently waiting on detailed information on costs, designs and priorities from consultants before they can commence transforming a concrete channel into a May Gibbs-themed tourist attraction.

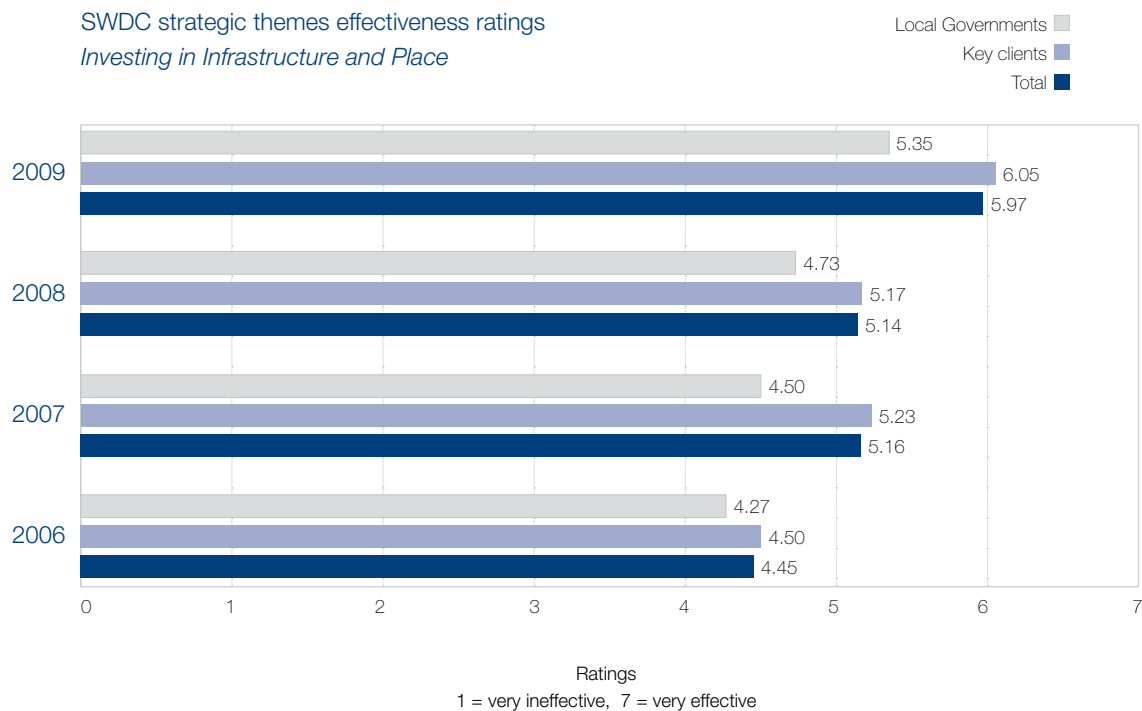
The Bunbury Coastal Enhancement Project, which involved revitalising Bunbury's Back Beach, was completed. The \$16 million project funded by the South West Development Commission, City of Bunbury and Western Power was originally designed to protect the Back Beach from erosion but expanded to include the beautification of the foreshore. The new-look beach was celebrated in January when hundreds of local families attended a free community event.

How we performed

SWDC's 2009 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.

SWDC strategic themes effectiveness ratings
Investing in Infrastructure and Place



Busselton Foreshore Working Group

Public engagement is the focus of a new group working towards rejuvenating the Busselton Foreshore.

The South West Development Commission facilitated the development of a Shire working group to revitalise the Busselton Foreshore.

The newly-formed committee is made up of stakeholders that have accepted responsibility to assist the Shire of Busselton in the development of a public consultation and concept development process for the future of the foreshore.

Focusing on what is best for the future of Busselton, the working group will consult with the community to consolidate proposals and design an appropriate concept plan that will breathe new life into the town's beachfront.

The Commission this year committed a total of \$50,000 to enable the working group to undertake public consultation about possible development of the Busselton foreshore, which is bordered by West and Brown streets and Marine Terrace.

The end result of the proposal is expected to be a concept plan for staged development of the foreshore that will be presented to the Shire of Busselton for consideration.



Hundreds of people converged on the Busselton Foreshore for the 2009 Busselton Jetty Swim in February. The Busselton Foreshore Working Group aims to breathe new life into the foreshore.

Busselton Jetty

A range of stakeholders, including the South West Development Commission, are working together to ensure the restoration of the iconic Busselton Jetty.

As construction workers went about the lengthy process of reconstructing the Busselton Jetty, the South West Development Commission played its own role in the rebuilding of the dilapidated jetty.

It worked behind the scenes to manage the State Government's financial contribution to the \$27.1 million project, beginning the two-year task of administering a grant of \$24 million.

The Commission worked alongside fellow stakeholders, the Shire of Busselton (\$2.1 million) and the Busselton Jetty Environment and Conservation Association (\$1 million), to move the project forward.

The Commission oversaw the project's funding agreement, ensuring the project was managed in accordance to budget. It also provided support to the Shire to clear necessary approvals through the then Department of Planning and Infrastructure.

Through the collaborative effort of all stakeholders, the project was able to proceed smoothly and by 15 April 2009 the Shire of Busselton accepted a tender for works from Marine and Civil Construction for refurbishment of the now-closed and unsafe jetty.

To celebrate the start of works and being a step closer to having the jetty train and underwater observatory reopened, a Jetty Jamboree was held on 9 May 2009.

This popular community event kicked off the largest ever construction project in the Shire of Busselton, with Marine and Civil Construction getting works underway.

The project itself, which is managed by the Shire of Busselton, involves the replacement of approximately 50 per cent of the 1.84 kilometre existing jetty structure –

900 metres of which will be demolished.

The jetty train and underwater observatory are expected to reopen in March 2010, marking a return to form for the popular eco-tourism site that attracts around 400,000 visitors a year.

In the meantime, access to the first 200 metres of the jetty, including the first fishing platform and interpretative centre, has been permitted.

Busselton Jetty refurbishment – what the project involves:

- The complete replacement of approximately 50 per cent of the 140-year-old existing jetty structure. This requires demolition of approximately 900 metres of the existing 1.84 kilometre long jetty;
- Temporary dismantling for substantial repairs to the remaining 50 per cent;
- Driving of approximately 200 new timber piles and 108 steel piles predominantly for the new sections;
- Reconstruction of various parts with timber decking for heritage values and extra general facilities such as fish cleaning areas, interpretive material and waste management; and
- Refurbishment of the small 'Scout Road Jetty' located 100 metres east of the main Busselton Jetty.

Works are to proceed continuously throughout the construction period from two major barges on two separate work fronts, supported by a number of smaller work craft. Materials will be loaded onto barges at the shoreline by the Scout Road Jetty.

Investing in knowledge, enterprise and innovation

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

Agriculture, mining, tourism and manufacturing industries in the South West are all adopting new technologies to remain competitive, with many international companies in the region leading the way in the world's best practice for efficiency and quality.

Many companies are establishing or expanding large-scale projects in the region, from Perdaman Chemicals and Fertilisers to The Griffin Group and Worsley Alumina.

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

Increased business investment in the South West will work to safeguard existing jobs and create new and diverse career opportunities.

Export has been a key strategy to expand markets and build economic diversity.

Tourism

The Commission aims to increase local and interstate tourism. To achieve this objective the Commission supports promotional strategies and the development of infrastructure.

The Escape for a While tourism initiative aims to promote the Harvey-Brunswick areas as a desirable destination for tourists. As part of this strategy, a local tourism committee has been developing a range of initiatives designed to raise the profile of the region and entice visitors to the region. The project involves encouraging people to visit Harvey and includes the placement of a billboard on the New Perth to Bunbury Highway and the distribution of brochures.

The South West Events Program provides groups with funding to promote and coordinate events such as festivals and markets. In 2008-09 a total of \$70,000 was provided towards 38 music, food and wine, youth, sporting and arts events including the 2009 Augusta River Festival, Margaret River Readers and Writers Festival – Words Uncorked and Busselton film festival Cinefest Oz 09.

The Commission has worked with the South West Working Life Association to develop the Working Life Heritage Trail, a special tourist route that showcases the region's unique past and rich culture. The association began putting together new brochures and working to attract new sites to become part of the heritage-themed trail.

Other work has included restoring the Busselton Jetty and access to its underwater observatory, supporting the redevelopment of the Dolphin Discovery Centre in Bunbury and funding the expansion of the Munda Biddi cycling trail.

The Commission has also supported high-profile events including the 2009 Drug Aware Pro in Margaret River, which was broadcast to 48 countries and seen by millions of viewers worldwide, including a large spectator crowd.



The Shearing Shed in Yallingup is one of the 19 South West attractions benefiting from being part of the Working Life Heritage Trail.

Industry

The Commission has coordinated a number of industry enquiries regarding the Kemerton Industrial Park and the proposed industry park at Shotts, near Collie. Access to industrial land will remain a key requirement to support investment growth and the Commission will continue to support this through 2009-10.

The Commission worked with the City of Bunbury and Edith Cowan University to establish a digital animation industry in Bunbury. It provided financial and technical assistance to develop a multimedia centre at the new City of Bunbury library, resulting in the Australian Centre for Digital Innovation deciding to base its operations in Bunbury. The project involves the establishment of digital special effects and animation studio, a super computer and associated technologies to allow for the production of digital animation for the film industry.

Labour

The Commission has continued to facilitate skilled migration by providing information and certification services. It regularly helps local businesses successfully employ overseas skilled migrants through the Employer Sponsored Migration Scheme. During the 2008-09 financial year, the Commission certified 130 Regional Sponsored Migration Scheme (RSMS) and 43 Temporary 457 employer nominations. Over the past five years RSMS and 457 applications to the Commission have grown at an average rate of 32 per cent.

Agriculture

The Pinjarra Brunswick Sustainability Strategy (PBSS) resulted in further work on horticultural diversification in the northern half of the region. Intensive Agriculture Futures is a joint project with Harvey Water and the Peel Development Commission that works with farmers to identify new opportunities for agriculture.

A trial at Wokalup is helping farmers in the Harvey region make the transition from a channel to pipe water distribution system. To help irrigators assess and make choices about new irrigation techniques, demonstrations have been set up at the WA College of Agriculture – Harvey as part of an irrigation trial. During the three year investigation, pasture production measurements will be taken from five sites, including sub-surface irrigation and fixed overhead lateral sprinklers. The trial completed its first year during 2008-09.

Education

The Commission has provided funding to support a Murdoch University PHD program at the Dolphin Discovery Centre toward a three-year ecology and biology research study of the local dolphin population. An analysis and final report is due at the end of 2009. This project supports a second university presence in the South West while providing valuable information about Bunbury's dolphin population.

Business

Networking is a key strategy for business development. The Commission worked with the South West Chambers of Commerce and Industry to support the 2009 South West Focus Conference as a major investment platform for the region. This conference, which had "engaging global industries" as its theme, was complemented by a one-day CEDA conference in Perth that aimed to promote developments and investment opportunities in the South West to business leaders in the metropolitan area.

Finding new markets for the South West's small to medium businesses is an important strategy for the Commission. The Commission and Austrade work with local partners to achieve this aim. This alliance has resulted in the establishment of the Bunbury-Jiaxing Business Relations Office and sales for local supplies including wineries and artists.

How we invest in knowledge, enterprise and innovation

The education economy

- Dolphin Discovery Centre – PhD program
- Pemberton Hydro Educational Program

Building business and investment

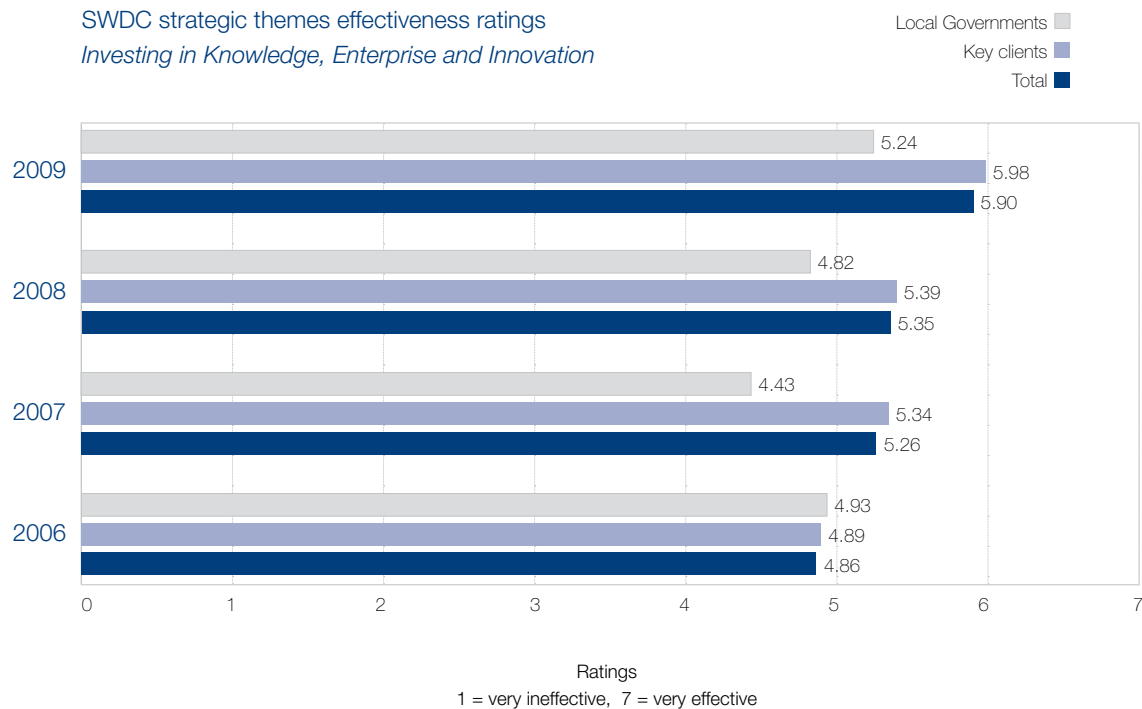
- South West Events Program
- South West Focus Conference
- Invest South West
- Business Grow
- Intensive Agriculture Futures
- Escape for a While
- TradeStart
- Bunbury-Jiaxing Business Relations Office
- Wine tourism marketing package
- Australian Centre for Digital Innovation

How we performed

SWDC's 2009 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.

SWDC strategic themes effectiveness ratings
Investing in Knowledge, Enterprise and Innovation



Trade

The opening of the Bunbury-Jiaxing Business Relations Office served as a symbolic statement of the emerging commercial relationship between Jiaxing, Bunbury and the broader South West Region of Australia.

Bunbury-Jiaxing Business Relations Office

In 2008-09 the South West Development Commission built on Bunbury's flourishing sister city relationship with Jiaxing through the establishment of an international trade office.

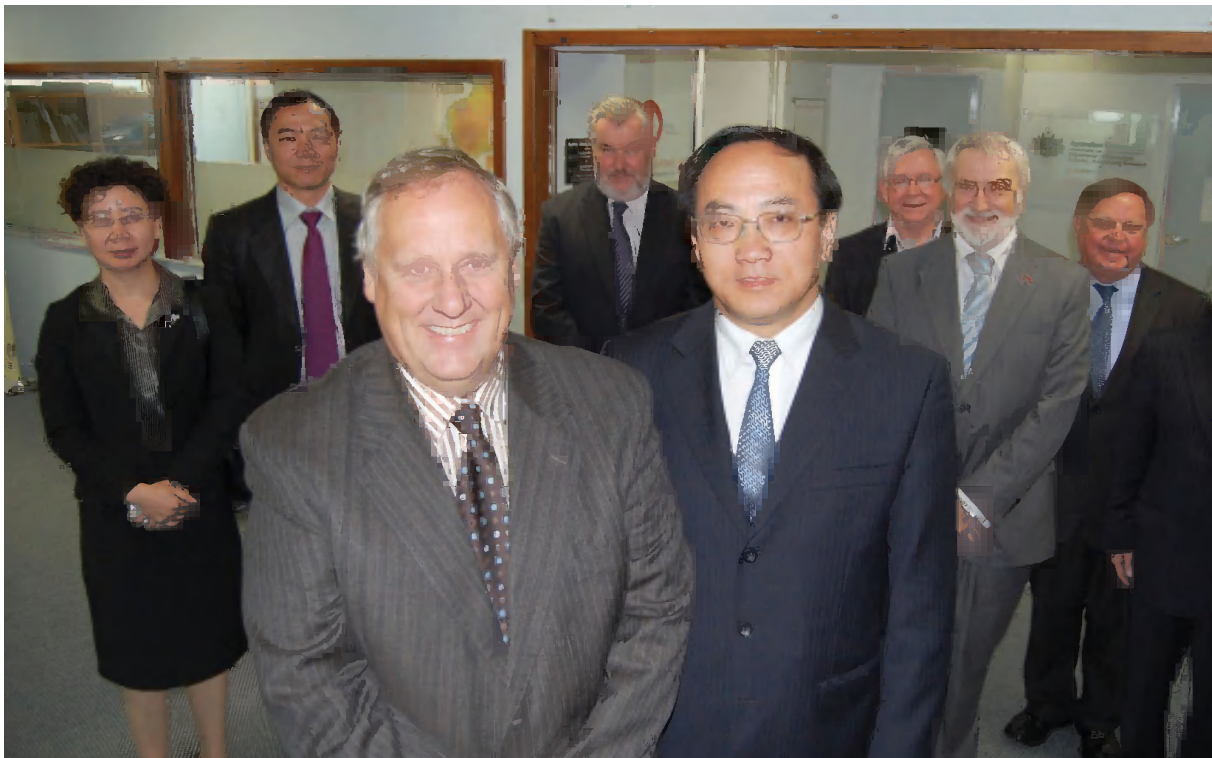
Launched in November 2008 during a ceremony attended by delegates from China, including Jiaxing deputy mayor Zhao Shumei, the Bunbury-Jiaxing Business Relations Office in the Bunbury Tower has come to serve as the first point of contact for organisations in the South West wishing to trade with China.

It is the result of efforts by the Commission and the Bunbury-Jiaxing Business Relations Committee after months spent working to strengthen trade opportunities between the South West Region of Australia and China.

Their work included forming a partnership with the Jiaxing Municipal Government and securing a representative from the Jiaxing Foreign Affairs Office to staff the office in its initial months. Additional funding was sourced from the former Department of Industry and Resources, Bunbury Port Authority, Bunbury City Council, Bunbury Chamber of Commerce and Industries and Edith Cowan University.

Now operational, the office provides a platform for visiting delegations from China, and is useful in providing advice and assisting with communication, and facilitating trade opportunities.

It is complemented by an equivalent centre in Jiaxing, which was opened in 2009.



The Bunbury-Jiaxing Business Relations Office has become a point of contact for visiting delegations from China.

New opportunities for premium products

The Commission has continued to focus on building trade relationships as a means of expanding and developing new markets for South West products.

To this end, the Commission has helped to facilitate trade opportunities for the South West through hosting trade exhibitions.

An event aboard Dennis Connor's yacht at San Diego in September 2008, for example, gave South West wineries the opportunity to introduce their products to US wine buyers, distributors and restaurateurs.

The event was successful in heightening the profile of South West wines in California and was popularly received among those who attended the event.

The Commission hosted several delegations in 2008-09. The Commission's TradeStart Officer oversaw several visits including Kadin Indonesian Chamber of Commerce in August 2008, Shinsegae Korea (wine buying mission) in

August 2008, Crystal Wines from Singapore in November 2008, NTUC Fair Price and Fresh Gourmet (Singaporean food buyers) in March 2009, a Bonnie Graves Wine journalist and sommelier in June 2008 and Sonance Wine buyers from China in July 2009.

A delegation of major wine importers from Japan, Nepal, South Korea, Sri Lanka, Taiwan and Thailand in May 2009 was particularly successful. In their quest to source wine for major department stores, shops and restaurants, these importers were given the opportunity to meet South West wine-makers face-to-face. The tour has so far resulted in more than \$100,000 in sales to 12 different South West wineries.

Work also began on supporting timber companies to form an alliance and market the region's timber products to China. Investigations for establishing a mutual brand and securing international investment are underway.



The SWDC / Austrade TradeStart Officer Mat Lewis and America's Cup winner Dennis Connor at the promotional event in San Diego.

South West Focus Conference

The South West Development Commission hosts the biennial South West Focus Conference to promote the capabilities of the local business community and to examine current issues and opportunities.

Over the past 10 years the South West Focus Conference has emerged as the region's premier economic forum, attracting decision-makers from the South West and metropolitan areas.

It has become an important forum for promoting the capabilities of the local business community and examining current issues and opportunities.

With this in mind, the South West Development Commission and its partner the South West Chambers of Commerce and Industry decided to use the 2009 conference as an opportunity to highlight the developments in the region and the opportunities for doing business in economic hot spots around the world.

To organise the event and provide direction for the conference, a committee comprising of industry representatives was put together.

The committee settled on the theme "engaging global industries" and invited relevant experts from around the world to be guest speakers at the conference.

Guest speakers sourced for the event included AFL coaching legend and corporate speaker Kevin Sheedy, LandCorp general manager of business development and marketing Kerry Fijac, former Western Australian

agent general in London Noel Ashcroft and Vue Group managing director Alan Lindsay.

Other speakers included Australia Arab Chamber of Commerce WA chair Edmund Damouni, The Confucius Institute at the University of WA business development manager Vada Ng, Perdaman Chemicals and Fertilisers projects director Joseph McCarthy and Austrade Western Australia's Adam Denniss.

The event was held at Bunbury's All Seasons Sanctuary Golf Resort on 2 April 2009 and received positive feedback from attendees who learnt how to position their businesses to take advantage of the changing global marketplace.

Some of the topics explored at the conference included "Innovative technology and global opportunity for smart industries", "Diverse opportunities for the Middle East", "Chinese business culture", "Perdaman Collie Urea Plant: Opportunities for the South West" and "Global opportunities in challenging times."

Additional support came from businesses, led by marketing and research company SMR, which sponsored the conference.



South West Focus Conference chairman David Kerr received some inspirational words of wisdom from one of the event's guest speakers, AFL legend and corporate speaker Kevin Sheedy.

Commission grants

The South West Development Commission administered three contestable grant programs during 2008-09: the South West Regional Development Scheme, the South West Events Program and the South West Regional Grants Scheme.

South West Regional Development Scheme

The previous State Government's Regional Development Scheme, which was undertaken for the first time in 2001-02, aimed 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 previous 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 22 successful grant applications were approved in 2008-09:

Recipient	Project name	Grant (ex GST)
Shire of Donnybrook-Balingup	Donnybrook Medical Centre	\$60,000
Shire of Augusta-Margaret River	Augusta Foreshore Dual Use Path - Stage 3	\$22,200
City of Bunbury	Australian Centre for Digital Innovation Laboratories	\$75,000
Woolkabunging Kiaka Inc	Renovate, Refit & Equip 2 Houses	\$53,000
Northcliffe Family Centre Inc	Expanding Northcliffe's Heart	\$29,500
Friends of the Cape to Cape Track Inc	Access for More Track	\$50,000
Busselton Community Garden Inc	Busselton Community Garden - Stage 2 Eco Building	\$25,000
Motoring South West Inc	Event Management and Control Tower	\$35,000
Origins Centre Inc	Origins Centre Renewal and Outreach	\$15,000
Screen West Inc	X Media Lab	\$15,000
Cundinup Volunteer Bush Fire Brigade (under the auspice of the Shire of Nannup)	Cundinup Emergency Assembly Area Water Facility	\$5,000
Balingup Progress Association Inc	Outside Multi-use Performing Arts Venue	\$12,000
Shire of Dardanup	Eaton Precinct Recreation Plan	\$10,000
Ferguson Valley Marketing and Promotions Inc	Destination Ferguson Valley	\$5,000
Augusta Telecentre Inc	Augusta Community Radio	\$20,000
Dunsborough Yallingup Chamber of Commerce and Industry Inc	Dunsborough Foreshore Tourism Development Community Consultation Project – Stage 2	\$17,000
Shire of Bridgetown-Greenbushes	Continuation of Shared Environmental Officer Program - Warren Blackwood Region	\$20,000
Eaton Primary School P&C Association Inc	Restoration of Amphitheatre - Stage 4	\$5,300
Shire of Capel	Marketing Diversity	\$6,000
Manjimup Regions Domestic Violence Education and Support Group Inc	Barrier Busters Men's Relationship Communication Workshop	\$5,000
Country Music Club of Boyup Brook WA Inc	Arts & Cultural Building Needs & Feasibility	\$13,030
UnitingCare West Inc	True Colours Enhancement Project	\$6,000

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 38 successful grant applications were approved under this program in 2008-09:

Recipient	Project name	Grant (ex GST)
Arts Margaret River Inc	Margaret River Readers and Writers Festival - Words Uncorked	\$3,500
Bunbury Carnival Association Inc	Bunbury Carnival Week	\$2,000
Busselton Historical Society Inc	Historical Railway Centenary Walk (1909-2009)	\$500
City of Bunbury	Australia Day Celebrations and Fireworks Spectacular	\$2,000
City of Bunbury	Elevator 09	\$2,000
City of Bunbury	M.A.X. Youth Festival	\$4,000
Donnybrook Wineries and Producers Inc	Gourmet Wine and Food Fest 2009	\$2,000
Koombana Bay Sailing Club Inc	Koombana Bay Sailing Club - Public Open Day	\$1,000
Leukaemia Foundation	Light the Night	\$1,000
Lions Club of Harvey Inc	Lions Spring Fair 2009	\$1,500
Margaret River and Districts Horsemen's Association and Pony Club Inc	Margaret River Wine Region Dressage Spectacular 2009	\$1,000
NACRA Association of Western Australia Inc	NACRA 30th National Titles	\$1,000
Senior's Recreation Council of WA Inc	Be Active Seniors Have a Go Aged Care Games	\$1,500
Shire of Capel	Youth is Alive	\$1,000
South West Phoenix F.C. Inc	Country Coastal Junior Soccer Carnival	\$2,000
The Dardanup Bull and Barrel Festival Inc	The Dardanup Bull and Barrel Festival	\$1,500
WA Performing Arts Eisteddfod including City of Bunbury Eisteddfod Inc	WA Performing Arts Eisteddfod	\$4,000
Western Australian Car Club Inc	Shannons Busselton Sprint	\$1,000
Artatac - Busselton Beach Festival Inc	Busselton Beach Festival 2009	\$2,000
Augusta Chamber of Commerce Inc	The Great Escapade - Augusta	\$1,500
Augusta Margaret River Tourism Association Inc	The Great Escapade - Margaret River	\$1,500

South West Events Program, continued

Recipient	Project name	Grant (ex GST)
Augusta River Festival Inc	2009 Augusta River Festival	\$2,500
Bare Naked Theatre Company Inc	Western Australian Shakespeare Festival (Bard on the Bay)	\$3,000
Cape To Cape Catchment Group Inc	Margaret River Festival at the River Mouth	\$2,000
EH Holden Car Club of WA Inc	EH Holden All State Run 2009	\$500
Geo Bay Swim Inc	Geo Bay Swim	\$2,000
Geographe French Australian Festivals Inc	Cinefest Oz 09	\$3,000
Jobs South West Inc	Get Up Stand Up 2009	\$2,000
Manjimup Family Centre Inc	QUAKE 09	\$2,000
Manjimup Speedway Club Inc	V8 Dirt Modified National Title	\$3,000
Margaret River Wine Industry Association Inc	Margaret River Wine Region Festival	\$2,000
Nannup Arts Council Inc	Cultural Activities for Nannup	\$500
Nannup Historical Society Inc	Historical Railway Centenary Walk (1909-2009)	\$500
Nannup Music Club Inc	Nannup Music Club 2009 Calendar Events	\$2,000
Northcliffe Community Development Inc	Northcliffe's 85th Anniversary	\$1,500
Pemberton Chamber of Commerce and Industry Inc	The Great Escapades - Pemberton	\$1,000
Pemberton Events Association Inc	Pemberton Autumn Festival	\$4,000
Walpole Community Resource Telecentre Inc	Avag'day in Walpole	\$1,000



Young musicians throughout the South West have received a boost through grants this financial year. Funding was given to The Boiler Room rehearsal and studio facility in Manjimup, as well as Elevator, a youth battle of the bands competition in Bunbury.

Royalties for Regions South West Regional Grants Scheme - contestable grants

The scheme is administered by the Commission as part of the Royalties for Regions Program. Royalties for Regions is a State Government program designed to promote long-term development in Western Australia's regions.

Under this scheme, the Government provided \$3.5 million during the reporting period for the South West Development Commission to administer grants to assist in:

- Infrastructure
- Services
- Provision of headworks

The Commission through the scheme provides new opportunities for local communities to improve and develop infrastructure and services in the South West Region.

The following 66 successful grant applications were approved under this scheme in 2008-09:

Recipient	Project name	Grant (ex GST)
Agencies for South West Accommodation Inc	Men's Emergency Accommodation Service	\$22,590
Augusta Croquet Club Inc	Lawn Lighting	\$15,000
Augusta Margaret River Tourism Association	CowParade Margaret River 2010	\$50,000
Augusta Margaret River Tourism Association	Jewel Cave Preservation and Redevelopment Project	\$93,828
Augusta Telecentre Inc	Air-conditioning for Radio Station Studios	\$7,331
Augusta Volunteer Sea Rescue Group Inc (Augusta Volunteer Sea Search and Rescue Group)	Training / Meeting Room Renovation, Disabled Toilet / Shower and Plumbing Project	\$33,776
Balingup and Districts Tourism Association Inc	Balingup Visitor Centre Relocation and Upgrade	\$14,408
Boyanup Capel Dardanup Football Club Inc (Trading as Eaton Boomers Football Club)	Oval Lighting	\$19,000
Boyanup Foundation Inc	Renovation of Boyanup Museum: Stage 4 Toilet Block and Surrounds	\$64,105
Boyup Brook District Pioneer Museum Inc	Zoo Train (1954) Restoration	\$19,600
Boyup Brook Telecentre Inc	Increased Capacity of Boyup Brook Telecentre	\$28,824
Bridgetown Family and Community Centre Inc	Building Extension Management Project	\$2,500
Bridgetown Family and Community Centre Inc	Maggie Dent Tour: Understanding and Preparing Our Children for Life's Ups and Downs	\$6,500
Bunbury Regional Arts Management Board Inc	South West Survey 2010	\$24,200
Bunbury Rotary Club Inc	Leschenault and Districts Men's Shed	\$30,000
Bunbury Wellington Economic Alliance Inc	South West Medical Attraction Taskforce	\$20,000
Busselton Community Garden Inc	Eco House Project	\$30,000
Capel Primary School Parents and Citizens' Association	Capel Primary School Bicycle Enclosure	\$8,465

Royalties for Regions South West Regional Grants Scheme - contestable grants, continued

Recipient	Project name	Grant (ex GST)
City of Bunbury	Bunbury Regional Library Digital Public Art	\$45,000
Collie Art Group Inc	New Kiln	\$2,000
Collie Police and Community Youth Centre	Collie PCYC Auto Workshop	\$47,085
Collie Race Club Inc	Collie Race Club Facility Improvement	\$16,487
Collie Senior Citizens and Meals on Wheels Association Inc	Refurbishment of Building	\$8,062
Country Women's Association of WA Inc Busselton Branch	New Roof for Busselton Rooms	\$10,000
Dardanup Aeromodellers Society Inc	Radio Control Model Flying Site Development	\$19,825
Department of Environment and Conservation (in partnership with Munda Biddi Trail Foundation)	Munda Biddi Trail Construction - Nannup to Albany	\$500,000
Ferguson Valley Marketing and Promotions Inc	Drive and Discover Ferguson Valley	\$44,300
Geegeelup Village Inc	Geegeelup Village - Stage 1 infrastructure - Accommodation Units	\$65,000
Greenbushes Telecentre Inc	Feasibility Study and Business Plan	\$5,548
Investing in Our Youth Inc	Development and Implement a Marketing Plan	\$5,000
Lions Club of Leeuwin Inc	Augusta Adventure Centre Upgrade	\$60,000
Lot 208 Youth Inc	Youth Linx	\$61,196
Manjimup Chamber of Commerce and Industry Inc	Manjimup Cherry Harmony Festival - Stage Infrastructure Project	\$38,735
Manjimup Family Centre Inc	The Boiler Room	\$63,484
Morrissey Homestead Inc	Morrissey Day Centre Extension	\$132,067
Ngalang Boodja Council Aboriginal Corporation	Ngalang Boodja Employment through Enterprise Project	\$251,585
Northcliffe Workers' Club Inc	Water Supply at the Workers Club	\$15,000
Pemberton Visitor Centre Inc	Pemberton Community Tennis Courts Upgrade	\$20,790
Peppermint Grove Beach Community Association Inc	Peppermint Grove Beach Community Playground	\$9,250
Quinninup Community Association Inc	Quinninup Facility Enrichment	\$31,048
Rapid Ascent Pty Ltd	Anaconda Adventure Race	\$15,000
Riding for the Disabled Association of Western Australia Collie Group Inc	Arena Fencing Project	\$6,960
Riverlinks Child Care and Community Centre Inc	Outside Play Area Upgrade	\$13,400

Royalties for Regions South West Regional Grants Scheme - contestable grants, continued

Recipient	Project name	Grant (ex GST)
Shire of Augusta-Margaret River	Cowaramup Mainstreet Underground Power	\$132,153
Shire of Boyup Brook	Boyup Brook Industrial Land - Feasibility Study	\$19,000
Shire of Bridgetown-Greenbushes	Power Supply - Maranup Bush Fire Brigade Station	\$7,501
Shire of Bridgetown-Greenbushes	Greenbushes Pool Boardwalk and Loop Trail	\$122,390
Shire of Busselton	Installation of Night Time Playing Lights at Dunsborough Playing Fields	\$145,000
Shire of Dardanup	Eaton Recreation Centre Additional Courts - Stage 1	\$17,050
Shire of Donnybrook-Balingup	Donnybrook Medical Centre	\$85,000
Shire of Harvey	Brunswick CBD Underground Power Project	\$283,727
Shire of Manjimup	Northcliffe Sewerage and Wastewater Reuse Feasibility Study	\$50,000
Shire of Nannup	Recreation Precinct Upgrade	\$50,000
Shire of Nannup	Nannup Amphitheatre Completion	\$25,500
South West Model Engineers Association (WA) Inc	Extensions to Engine Storage, Workshop and Storage Facilities	\$35,344
South West VETlink Inc	Future Possibilities Forum	\$4,500
South West Women's Health and Information Centre Inc	Wellness Programme for Women	\$75,000
St John Ambulance Australia WA Inc (Walpole-Nornalup Sub Centre)	Walpole Sub-Centre Improvements	\$12,224
The Scout Association of Australia, Western Australia Branch (1st Collie Scout Group)	Scout Hall and Grounds Renovations	\$32,400
The Scout Association of Australia, Western Australian Branch (Bridgetown Scouts Troop)	Bridgetown Scouts Equipment Grant	\$5,000
Val Lishman Health Research Foundation Inc	Systematic Discovery of Familial Hypercholesterolaemia (FH) in the South West of Western Australia	\$147,198
Walpole and Districts Senior Accommodation Inc	Jarrah Glen Lifestyle Village	\$125,000
Walpole Community Resource Telecentre Inc	Extension of Telecentral Building Housing the Telecentre	\$72,500
Warren Blackwood Strategic Alliance Inc	Warren Blackwood Recreational Trails Project	\$19,500
West Pemberton Avocados	Electricity Upgrade	\$48,964
Wood Turners Association of Western Australia Inc (on behalf of the Collie Woodturners Group)	New Wood Lathe	\$8,100

Royalties for Regions South West Regional Grants Scheme - non contestable grants

Recipient	Project name	Grant (ex GST)
Shire of Busselton	Busselton Foreshore Community Consultation	\$50,000
Shire of Harvey	Brunswick Junction Underground Power	\$100,000
Shire of Manjimup	Pemberton Urban Renewal	\$220,000
Bunbury Dolphin Discovery Centre	Development of the Centre as the marine "Sci-Tech" of the South West	\$323,000
South West Academy of Sport	High Performance Programs	\$136,000



Visitors to the Dolphin Discovery Centre in Bunbury are treated to regular sightings of dolphins. The tourist attraction has received funding through the South West Regional Grants Scheme to transform it into the "Scitech of the South West" by adding an exciting new interpretation hub to its facilities.

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 2009

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 2009, 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 www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.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 2009

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 2009 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 2009.



COLIN MURPHY
AUDITOR GENERAL
3 September 2009

Certification of Financial Statements

for the year ended 30 June 2009

The accompanying financial statements of 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 2009 and the financial position as at 30 June 2009.

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.



Mr Stan Liaros
Chairman of Accountable Authority
31 July 2009



Mr Don Punch
Member of Accountable Authority
31 July 2009



Ms Val Cartwright
Chief Finance Officer
31 July 2009

Income Statement

for the year ended 30 June 2009

	Note	\$ 2009	\$ 2008
COST OF SERVICES			
<i>Expenses</i>			
Employee benefits expense	<u>6</u>	1,998,969	1,881,433
Supplies and services	<u>7</u>	1,116,031	1,396,638
Depreciation and amortisation expense	<u>8</u>	111,795	108,725
Finance costs	<u>9</u>	253,639	337,108
Accommodation expenses	<u>10</u>	288,814	315,188
Grants and subsidies	<u>11</u>	4,296,997	6,477,248
Loss on disposal of non-current assets	<u>16</u>	-	12,883
Other expenses	<u>12</u>	190,195	194,290
Total cost of services		8,256,440	10,723,513
<i>Income</i>			
REVENUE			
User charges and fees	<u>13</u>	121,042	73,167
Grants and contributions	<u>14</u>	159,166	715,662
Other revenue	<u>15</u>	2,347,738	144,177
Total revenue		2,627,946	933,006
Total income other than income from State Government		2,627,946	933,006
NET COST OF SERVICES	<u>32</u>	(5,628,494)	(9,790,507)
INCOME FROM STATE GOVERNMENT	<u>17</u>		
Service appropriation		11,504,000	8,975,000
Grants from government agencies		500,000	1,080,000
Resources received free of charge		-	1,258
Royalties for Regions Funds		4,440,000	-
Total income from State Government		16,444,000	10,056,258
SURPLUS FOR THE PERIOD		10,815,506	265,751

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

Balance Sheet

as at 30 June 2009

	Note	\$ 2009	\$ 2008
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	<u>31</u>	1,137,170	2,343,643
Restricted cash and cash equivalents	<u>18</u>	12,390,613	1,164,794
Receivables	<u>20</u>	455,482	75,495
Amounts receivable for services	<u>21</u>	30,000	30,000
Total current assets		14,013,265	3,613,932
<i>Non-current assets</i>			
Restricted cash and cash equivalents	<u>18</u>	24,040	18,785
Inventories	<u>19</u>	1,209,152	1,209,152
Amounts receivable for services	<u>21</u>	802,000	689,000
Property, plant and equipment	<u>22</u>	5,237,790	5,187,275
Infrastructure	<u>23</u>	1,150,000	941,379
Intangible assets	<u>24</u>	16,539	7,872
Total non-current assets		8,439,521	8,053,463
TOTAL ASSETS		22,452,786	11,667,395
LIABILITIES			
<i>Current liabilities</i>			
Payables	<u>26</u>	63,507	71,681
Borrowings	<u>27</u>	4,066,282	935,168
Provisions	<u>28</u>	489,979	483,766
Other liabilities	<u>29</u>	1,894	93,099
Total current liabilities		4,621,662	1,583,714
<i>Non-current liabilities</i>			
Borrowings	<u>27</u>	-	4,066,282
Provisions	<u>28</u>	111,451	149,627
Total non-current liabilities		111,451	4,215,909
TOTAL LIABILITIES		4,733,113	5,799,623
NET ASSETS		17,719,673	5,867,772
<i>Equity</i>	<u>30</u>		
Contributed equity		7,323,177	6,388,177
Reserves		3,888,259	3,786,864
Accumulated surplus / (deficit)		6,508,237	(4,307,269)
TOTAL EQUITY		17,719,673	5,867,772

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

Statement of Changes in Equity

for the year ended 30 June 2009

	Note	\$ 2009	\$ 2008
Balance of equity at start of period		5,867,772	4,325,477
CONTRIBUTED EQUITY	<u>30</u>		
Balance at start of period		6,388,177	5,483,177
Capital contribution		935,000	905,000
Balance at end of period		7,323,177	6,388,177
RESERVES	<u>30</u>		
<i>Asset revaluation reserve</i>			
Balance at start of period		3,786,864	3,389,503
Gains from asset revaluation		101,395	397,361
Balance at end of period		3,888,259	3,786,864
ACCUMULATED SURPLUS / (DEFICIENCY)	<u>30</u>		
Balance at start of period		(4,307,269)	(4,547,203)
Correction of prior period error [b]		-	(25,817)
Restated balance at start of year		(4,307,269)	(4,573,020)
Surplus for the period		10,815,506	265,751
Balance at end of period		6,508,237	(4,307,269)
Balance of equity at end of period		17,719,673	5,867,772
Total income and expense for the period [a]		10,916,901	663,112

[a] The aggregate net amount attributable to each category of equity is: surplus \$10,815,506 plus gains from asset revaluation \$101,395 (2008: surplus \$265,751 plus gains from asset revaluation of \$397,361).

[b] The Commission has changed its asset recognition policy from \$1,000 to \$5,000 as from 1 July 2008 in accordance with the Treasurers instructions.

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

Cash Flow Statement

for the year ended 30 June 2009

	Note	\$ 2009	\$ 2008
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		11,361,000	8,768,000
Capital contributions		935,000	905,000
Holding account drawdowns		30,000	30,000
Grant from State government agency		500,000	1,080,000
Royalties for the Regions Fund		4,440,000	-
Net cash provided by State Government		17,266,000	10,783,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Payments</i>			
Employee benefits		(2,017,745)	(1,807,888)
Supplies and services		(1,129,954)	(1,379,631)
Finance costs		(353,825)	(345,294)
Accommodation		(286,372)	(315,188)
Grants and subsidies		(4,296,997)	(6,928,067)
GST payments on purchases		(576,983)	(821,896)
Other payments		(190,129)	(194,290)
<i>Receipts</i>			
User charges and fees		134,157	174,032
Grants and contributions		184,166	495,175
GST receipts on sales		289,326	201,394
GST receipts from taxation authority		107,277	867,998
Other receipts		2,100,612	345,315
Net cash (used in) operating activities	<u>32</u>	(6,036,467)	(9,708,340)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		-	90
Purchase of non-current physical assets		(31,040)	(53,554)
Net cash (used in) investing activities		(31,040)	(53,464)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,173,892)	(904,423)
Net cash (used in) financing activities		(1,173,892)	(904,423)
Net increase in cash and cash equivalents held		10,024,601	116,773
Cash and cash equivalents at the beginning of period		3,527,222	3,410,449
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>31</u>	13,551,823	3,527,222

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

Notes to the Financial Statements

for the year ended 30 June 2009

1. Australian equivalents to international financial reporting standards

General

The Commission's financial statements for the year ended 30 June 2009 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 2009.

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.

The financial statements are presented in Australian dollars.

The judgements that have been made in the process of applying the Commission's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 'Judgements made by management in applying accounting policies'.

The key 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 are disclosed at note 4 'Key sources of estimation uncertainty'.

Notes to the Financial Statements

for the year ended 30 June 2009

[c] Reporting entity

The reporting entity is South West Development Commission.

[d] Contributed equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers, other than as a result of a restructure of administrative arrangements, 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 Treasurer's Instruction (TI) 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

[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.

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 and some revaluations of non-current assets.

Notes to the Financial Statements

for the year ended 30 June 2009

[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.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Commission's outstanding borrowings during the year, in this case 5.11% (2008: 6.55%).

[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.

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.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where evidence does not provide a clear distinction between market type assets and existing use assets.

Notes to the Financial Statements

for the year ended 30 June 2009

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation reserve relating to that asset is transferred directly to retained earnings.

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 22 'Property, plant and equipment'.

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 using 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 \$5,000 or more and internally generated intangible assets costing over \$50,000 or more 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.

Notes to the Financial Statements

for the year ended 30 June 2009

[i] **Impairment of assets**

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each balance sheet 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 balance sheet 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 balance sheet 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 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.

Notes to the Financial Statements

for the year ended 30 June 2009

[m] Financial instruments

In addition to cash, the Commission has two categories of financial instrument:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial liabilities

- Payables
- WATC borrowings

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or 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 26 'Payables') 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.

Notes to the Financial Statements

for the year ended 30 June 2009

[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 against the allowance account. 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 balance sheet 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 balance sheet 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.

Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional four weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

Notes to the Financial Statements

for the year ended 30 June 2009

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.

[u] Superannuation expense

The following elements are included in calculating a superannuation expense in the Income Statement.

- Defined benefit plans – for 2007-08, the 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
- Defined contribution plans – employer contributions paid to the GSS (concurrent contributions) and the West State Superannuation Scheme (WSS, and the GESB Super Scheme (GESBS).

Defined benefit plans – for 2007-08, 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. Commencing 2008-09, the reporting of annual movements in these notional liabilities has been discontinued and is no longer recognised in the Income Statement.

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.

Notes to the Financial Statements

for the year ended 30 June 2009

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. Judgements made by management in applying accounting policies

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.

4. Key sources of estimation uncertainty

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 5.41% per annum applied to long service leave provisions. The discount rate is based upon the Commonwealth 7 year Treasury Bond rates published by the Reserve Bank of Australia.

5. 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 2008 that impacted on the Commission:

Review of AAS 27 'Financial Reporting by Local Governments', AAS 29 'Financial Reporting by government Departments' and AAS 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:

- AASB 1004 'Contributions';
- AASB 1050 'Administered Items';
- AASB 1051 'Land Under Roads';
- AASB 1052 'Disaggregated Disclosures';
- AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AAS's 27.29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 and AASB 137]; and Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.

Notes to the Financial Statements

for the year ended 30 June 2009

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 do not apply to Statutory Authorities. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance; otherwise there is no financial impact.

Voluntary changes in Accounting Policy

The Commission increased the asset capitalisation threshold to \$5,000 for plant and equipment.

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 101 'Presentation of Financial Statements' (September 2007). This standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Commission does not expect any financial impact when the Standard is first applied.
2. AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to owners [AASB 5 & AASB 110]'. This standard amends AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Commission where the Crown land is to be sold by the Department for Planning and Infrastructure. The Commission does not expect any financial impact when the Standard is first applied prospectively.

	\$ 2009	\$ 2008
6. Employee benefits expense		
Wages and salaries	1,670,813	1,537,204
Superannuation - defined contribution plans [a]	162,724	158,133
Long service leave [b]	34,154	67,436
Annual leave [b]	131,278	118,660
	1,998,969	1,881,433

[a] Defined contribution plans include West State and Gold State and GESB Super Scheme (contributions paid).

[b] 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'. Commencing in 2008-09, the reporting of notional superannuation expense and equivalent notional income has been discontinued.

Notes to the Financial Statements

for the year ended 30 June 2009

	\$ 2009	\$ 2008
7. Supplies and services		
Communication	45,125	43,193
Consultants and contractors	630,283	953,456
Consumables	155,826	124,393
Travel	2,549	2,414
Other	282,248	273,182
	1,116,031	1,396,638
8. Depreciation and amortisation expense		
<i>Depreciation</i>		
Office equipment	20,633	33,575
Buildings	45,398	33,745
Infrastructure	38,541	36,207
Total depreciation	104,572	103,527
<i>Amortisation</i>		
Intangible assets	7,223	5,198
Total amortisation	7,223	5,198
Total depreciation and amortisation	111,795	108,725
9. Finance costs		
Interest paid	253,639	337,108
	253,639	337,108
10. Accommodation expenses		
Lease rentals	248,062	288,950
Repairs and maintenance	20,026	19,455
Cleaning	20,726	6,783
	288,814	315,188
11. Grants and subsidies		
Non public organisations	508,649	1,095,234
Public organisations	3,788,348	5,382,014
	4,296,997	6,477,248
12. Other expenses		
Guarantee fee for loan	11,550	11,316
Repairs and maintenance	56,035	37,219
Employment on-costs [a]	13,759	11,041
Other employment costs	81,651	109,514
Audit costs [b]	27,200	25,200
	190,195	194,290

Notes to the Financial Statements

for the year ended 30 June 2009

	\$ 2009	\$ 2008
[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. User charges and fees		
Austrade Service Agreement (Commonwealth)	121,042	73,167
	121,042	73,167
14. Grants and contributions		
Shire of Collie		200,000
Non public organisations	51,166	141,000
Public organisations	108,000	501,662
	159,166	715,662
15. Other revenue		
Sundry income	87,515	101,899
Busselton Jetty refurbishment	2,000,300	-
Conference fees	-	28,391
Rental from property	10,446	11,670
Government vehicle scheme	2,315	2,217
Revaluation increment (offsetting decrement)	247,162	-
	2,347,738	144,177
16. Net gain / (loss) on disposal of non-current assets		
<i>Costs of disposal of non-current assets</i>		
Office equipment	-	(12,973)
<i>Proceeds from disposal of non-current assets</i>		
Office equipment	-	90
Net (loss)	-	(12,883)
17. Income from State Government		
<i>Appropriation received during the year</i>		
Service appropriation [a]	11,504,000	8,975,000
	11,504,000	8,975,000
Grant from government agencies - Department of Local Government and Regional Development	500,000	1,080,000
	500,000	1,080,000

Notes to the Financial Statements

for the year ended 30 June 2009

	\$ 2009	\$ 2008
<i>Resources received free of charge [b]</i>		
Determined on the basis of the following estimates provided by agencies:		
Crown Solicitor's Office	-	1,258
	-	1,258
<i>Royalties for Regions Fund</i>		
Regional Infrastructure and Headwork's Account [c]	4,440,000	-
	4,440,000	-
Total revenue from State Government	16,444,000	10,056,258
<p>[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.</p> <p>[b] 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. The exception occurs where the contribution of assets or services are in the nature of contributions by owners, in which case the Commission makes the adjustment direct to equity.</p> <p>[c] This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.</p>		

18. Restricted cash and cash equivalents

Current

Restricted projects

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

Lake Kepwari	2,922,931	598,110
AED Priority Projects	17,342	25,119
Regional Development Scheme	15,000	98,490
Intensive Agriculture Futures	-	26,605
Bulletin Board (PBSS)	-	10,000
South West Indigenous Mapping	39,641	79,541
Escape for A While	176,200	119,700
Building a Better Harvey	175,000	175,000
Critical Horizons	11,094	32,229
Busselton Jetty Refurbishment	4,119,465	-

Notes to the Financial Statements

for the year ended 30 June 2009

	\$ 2009	\$ 2008
Active Ageing	59,385	
Bunbury Data Centre	200,000	
Marshall Waller Clifton's Journal	32,000	
Bunbury-Jiaxing Development Office	49,327	
Active Ageing Strategy	153,901	
Kemerton Marketing	16,060	
Coastal Enhancement	20,000	
Royalties for Regions	4,383,267	
Total current restricted cash	12,390,613	1,164,794
<i>Non-current</i>	24,040	18,785
Accrued salaries suspense [a]	24,040	18,785

[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

<i>Non-current</i>		
Land (at cost)	1,209,152	1,209,152
Total non-current	1,209,152	1,209,152

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

20. Receivables

<i>Current</i>		
Government agencies	-	16,500
External	-	12,035
Accrued revenue	6,889	20,004
GST receivable	198,954	19,265
Prepayments	249,639	7,691
	455,482	75,495

21. Amounts receivable for services

Current	30,000	30,000
Non-current	802,000	689,000
	832,000	719,000

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.

Notes to the Financial Statements

for the year ended 30 June 2009

	\$ 2009	\$ 2008
22. Property, plant and equipment		
<i>Office equipment</i>		
At cost	146,837	131,685
Accumulated depreciation	(50,047)	(29,412)
	96,790	102,273
<i>Buildings</i>		
At fair value [a]	1,200,000	1,050,000
	1,200,000	1,050,000
<i>Land</i>		
At fair value [a]	3,929,000	4,023,002
	3,929,000	4,023,002
<i>Works of art</i>		
At fair value	12,000	12,000
	12,000	12,000
Total property, plant and equipment	5,237,790	5,187,275

[a] Freehold land and buildings were revalued as at 1 April 2009 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2009 and recognised at 30 June 2009. In undertaking the revaluation, fair value was determined by reference to market values for land: \$1,200,000 and buildings: \$Nil.

Reconciliations

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

2009	\$ Land	\$ Buildings	\$ Office equipment and works of art	\$ Total
Carrying amount at start of year	4,023,002	1,050,000	114,273	5,187,275
Additions	-	-	15,150	15,150
Revaluation	(94,002)	195,397	-	101,395
Depreciation	-	(45,397)	(20,633)	(66,030)
Carrying amount at end of year	3,929,000	1,200,000	108,790	5,237,790

Notes to the Financial Statements

for the year ended 30 June 2009

2008	\$ Land	\$ Buildings	\$ Office equipment and works of art	\$ Total
Carrying amount at start of year	3,862,902	847,860	138,458	4,849,220
Additions	-	-	46,804	46,804
Revaluation	160,100	237,261	-	397,361
Disposals- change in Recapitalisation	-	(1,376)	(24,442)	(25,818)
Disposals	-	-	(12,972)	(12,972)
Depreciation	-	(33,745)	(33,575)	(67,320)
Carrying amount at end of year	4,023,002	1,050,000	114,273	5,187,275

23. Infrastructure

	\$ 2009	\$ 2008
At fair value	1,150,000	1,050,278
Accumulated depreciation	(11,386)	(108,899)
	1,150,000	941,379

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 April 2009.

Reconciliations

Carrying amount at start of year	941,379	977,586
Revaluation	247,162	-
Depreciation	(38,541)	(36,207)
Carrying amount at end of year	1,150,000	941,379

24. Intangible assets

Computer software

At cost	22,640	36,894
Accumulated depreciation	(6,101)	(29,022)
	16,539	7,872

Reconciliations

Carrying amount at start of year	7,872	6,320
Additions	15,890	6,750
Depreciation	(7,223)	(5,198)
Carrying amount at end of year	16,539	7,872

25. Impairment of assets

There were no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2009.

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.

Notes to the Financial Statements

for the year ended 30 June 2009

	\$ 2009	\$ 2008
All surplus assets at 30 June 2009 have been classified as assets held for sale or written off.		
26. Payables		
<i>Current</i>		
Other payables	-	2,815
Accrued expenses	27,683	43,425
Accrued salaries	35,824	25,441
	63,507	71,681
27. Borrowings		
<i>Current</i>		
Amount due to the WATC	4,066,282	935,168
	4,066,282	935,168
<i>Non-current</i>		
Amount due to the WATC	-	4,066,282
	-	4,066,282
Total borrowings	4,066,282	5,001,450
28. Provisions		
<i>Current</i>		
Employee benefits provision:		
Annual leave [a]	253,341	259,294
Long service leave [b]	232,245	220,157
	485,586	479,451
<i>Other provisions</i>		
Employment on-costs [c]	4,393	4,315
	4,393	4,315
Total current provisions	489,979	483,766
<i>Non-current</i>		
Long service leave [b]	110,438	148,267
	110,438	148,267
<i>Other provisions</i>		
Employment on-costs [c]	1,013	1,360
	1,013	1,360
Total non-current provisions	111,451	149,627
Total provisions	601,430	633,393

Notes to the Financial Statements

for the year ended 30 June 2009

	\$ 2009	\$ 2008
[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	253,341	224,720
More than 12 months after reporting date	-	34,574
	253,341	259,294
[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	137,166	103,715
More than 12 months after reporting date	205,517	264,709
	342,683	368,424
[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'.		
<i>Movements in provisions</i>		
Movements in provisions during the financial year, other than employee benefits, are set out below.		
<i>Employment on-cost provision</i>		
Carrying amount at start of year	5,675	5,140
Additional provisions recognised	111	535
Payments/other sacrifices of economic benefits	(380)	-
Carrying amount at end of year	5,406	5,675
29. Other liabilities		
<i>Current</i>		
Accrued superannuation	1,894	1,141
Accrued interest	-	91,958
	1,894	93,099

Notes to the Financial Statements

for the year ended 30 June 2009

	\$ 2009	\$ 2008
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.		
<i>Contributed equity</i>		
Balance at start of year	6,388,177	5,483,177
<i>Contributions by owners</i>		
Capital contribution [a]	935,000	905,000
Balance at end of year	7,323,177	6,388,177
<i>Reserves</i>		
Asset revaluation reserve:		
Balance at start of year	3,786,864	3,389,503
Net revaluation increments:		
Land	(94,002)	160,100
Buildings	195,397	237,261
Balance at end of year	3,888,259	3,786,864
<i>Accumulated surplus/ (deficit)</i>		
Balance at start of year	(4,307,269)	(4,547,203)
Correction of prior period error	-	(25,817)
Result for the period	10,815,506	265,751
Balance at end of year	6,508,237	(4,307,269)
[a] Capital contributions (appropriations) have been designated as contributions by owners in Treasurer's Instruction 955 and are credited directly to equity in the Balance Sheet.		

NOTES TO THE CASH FLOW:

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	1,137,170	2,343,643
Restricted cash and cash equivalent (refer to note 18)	12,414,653	1,183,579
	13,551,823	3,527,222

Notes to the Financial Statements

for the year ended 30 June 2009

	\$ 2009	\$ 2008
32. Reconciliation of net cost of services to net cash flows provided by / (used in) operating activities		
Net cost of services	(5,628,494)	(9,790,507)
<i>Non-cash items</i>		
Depreciation expense	111,795	108,725
Net (gain) / loss on sale of non-current assets	-	12,883
Revaluation increment (offsetting decrement)	(247,162)	-
Adjustment for other non-cash items	-	(401)
<i>(Increase) / decrease in assets</i>		
Current receivables	38,426	88,003
<i>Increase / (decrease) in liabilities</i>		
Current accounts payable	(100,134)	(424,973)
Current provisions	6,214	39,907
Other current liabilities	753	619
Non-current provisions	(38,176)	19,623
GST Nett receipts	(179,689)	237,781
Net cash (used in) operating activities	(6,036,467)	(9,708,340)
33. Remuneration of members of the accountable authority and senior officers		
<i>Remuneration of members of the accountable authority</i>		
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	8	9
\$10,001 - \$20,000	2	1
Total remuneration of the members of the accountable authority is:	60,329	36,561

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.

Notes to the Financial Statements

for the year ended 30 June 2009

	\$ 2009	\$ 2008
<i>Remuneration of senior officers</i>		
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 is:		
\$80,001 - \$110,000	2	2
\$110,001 - \$150,000	1	1
\$150,001 - \$200,000	2	1
The total remuneration of senior officers is:	692,861	442,318

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:	22,900	20,700
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Payment for auditing services is paid in the following year. The audit fee for 2008-09 will be paid in 2009-10.

35. Lease commitments

Non cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Motor vehicle - not later than one year	44,717	65,963
Motor vehicle - later than one year, not later than five years	17,448	14,205
Office rentals - not later than one year	312,815	290,521
Office rentals - later than one year, not later than five years	314,011	600,277

Notes to the Financial Statements

for the year ended 30 June 2009

36. Contingent liabilities and contingent assets

There are no contingent liabilities or assets that the Commission is aware of as at 30 June 2009.

Contaminated sites

Under the *Contaminated Sites Act 2003*, the Commission is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated – remediation required* or *possibly contaminated – investigation required*, the Commission may have a liability in respect of investigation or remediation expenses.

The Commission has no known or suspected contaminated sites.

37. Events occurring after the balance sheet date

There are no events occurring after the balance sheet date that the Commission is aware of as at the date of this report.

38. 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 2009

	Actual \$ 2009	Estimates \$ 2009	\$ Variance
<i>Expenses</i>			
Supplies and services	1,116,031	4,956,000	(3,839,969)
Depreciation and amortisation expense	111,795	143,000	(31,205)
Accommodation expenses	288,814	347,000	(58,186)
Grants and subsidies	4,296,997	771,000	3,525,997
<i>Income</i>			
Grants and contributions	159,166	938,000	(778,834)
Other revenue	2,336,352	20,000	2,316,352
Service appropriation	11,504,000	6,485,000	5,019,000

Notes to the Financial Statements

for the year ended 30 June 2009

Supplies and services

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

Depreciation and amortisation expense

Reduced depreciation is due to revaluation of Buildings and Infrastructure under the depreciated replacement cost method.

Accommodation expense

The variance is due to outgoings expenditure included in supplies and services.

Grants and subsidies

Increased expenditure is due to the Busselton Jetty Refurbishment Project.

Grants and contributions

The variance is due to overestimation of funds to be received for projects from external sources.

Other revenue

Includes funds returned to be applied to the Busselton Jetty Refurbishment Project.

Service appropriations

The variance is due to increased appropriations towards the Busselton Jetty Refurbishment Project.

Significant variances between actual results for 2008 and 2009

	\$ 2009	\$ 2008	\$ Variance
<i>Expenses</i>			
Supplies and services	1,116,031	1,396,638	(280,607)
Finance costs	253,639	337,108	(83,469)
Grants and subsidies	4,296,997	6,477,248	(2,180,251)
<i>Income</i>			
User charges and fees	121,042	73,167	47,875
Grants and contributions	159,166	715,662	(556,496)
Other revenue	2,336,352	144,177	2,192,175
Service appropriation	11,504,000	8,975,000	2,529,000
Royalties for Regions fund	4,440,000	-	4,440,000

Notes to the Financial Statements

for the year ended 30 June 2009

Supplies and services

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

Finance costs

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

Grants and subsidies

Payments are aligned with the activities of the projects funded and will vary accordingly. The current major grant funding is the Busselton Jetty Refurbishment Project.

User charges and fees

The variance is due to timing of the receipt of success payments from the contract for service with Austrade.

Grants and contributions

Amounts vary according to the activity of sourcing funds to undertake project work. Projects include Regional Development Scheme and Pinjarra-Brunswick Sustainability Strategy.

Other revenue

This year includes the return of funds to be utilised for the Busselton Jetty Refurbishment Project (\$2,000,000) from Landcorp previously held for land development.

Service appropriations

The variance is due to the inclusion of funds for the Busselton Jetty Refurbishment Project.

Royalties for Regions Fund

This is the first year that funds have been received for application to the South West Regional Grants Scheme.

Notes to the Financial Statements

for the year ended 30 June 2009

39. Financial instruments

[a] Financial risk management objectives and policies

Financial instruments held by the Commission are cash and cash equivalents, restricted 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.

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission. The Commission measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 39(c).

Credit risk associated with the commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 20 'Receivables'.

Liquidity risk

The Commission is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due.

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.

Notes to the Financial Statements

for the year ended 30 June 2009

Market risk

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

[b] Categories of financial instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	\$ 2009	\$ 2008
<i>Financial assets</i>		
Cash and cash equivalents	1,137,170	2,343,643
Restricted cash and cash equivalents	12,414,653	1,183,579
Receivables (1)	6,889	48,539
Amounts receivable for services	832,000	719,000
<i>Financial liabilities</i>		
Financial liabilities measured at amortised cost	65,401	164,780
WATC Borrowings	4,066,282	5,001,450

(1) The amount of receivables excludes GST recoverable from the ATO (statutory receivable)

[c] Financial instruments disclosure

Credit risk, liquidity risk and interest risk exposure

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date: The Commission's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Commission. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date. An adjustment for discounting has been made where material.

The Commission does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Commission does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Notes to the Financial Statements

for the year ended 30 June 2009

2009	weighted average effective interest rate %	non interest bearing \$	within 1 year \$	1 - 5 years \$	over 5 years \$	adjustment for discounting \$	carrying amount \$
<i>Financial assets</i>							
Cash and cash equivalents		1,137,170	-	-	-	-	1,137,170
Restricted cash and cash equivalents		12,414,653	-	-	-	-	12,414,653
Receivables [a]		6,889	-	-	-	-	6,889
Amounts receivable for services		832,000	-	-	-	-	832,000
		14,390,712	-	-	-	-	14,390,712
<i>Financial liabilities</i>							
Payables		(63,507)	-	-	-	-	(63,507)
Other liabilities		(1,894)	-	-	-	-	(1,894)
WATC borrowings	5.11	-	(4,066,282)	-	-	-	(4,066,282)
		(65,401)	(4,066,282)	-	-	-	(4,131,683)
<i>2008</i>							
2008	weighted average effective interest rate %	non interest bearing \$	within 1 year \$	1 - 5 years \$	over 5 years \$	adjustment for discounting \$	carrying amount \$
<i>Financial assets</i>							
Cash and cash equivalents		2,343,643	-	-	-	-	2,343,643
Restricted cash and cash equivalents		1,183,579	-	-	-	-	1,183,579
Receivables [a]		48,539	-	-	-	-	48,539
Amounts receivable for services		719,000	-	-	-	-	719,000
		4,294,761	-	-	-	-	4,294,761
<i>Financial liabilities</i>							
Payables		(71,681)	-	-	-	-	(71,681)
Other liabilities		(93,099)	-	-	-	-	(93,099)
WATC borrowings	6.55	-	(935,168)	(3,897,390)	(168,892)	-	(5,001,450)
		(164,780)	(935,168)	(3,897,390)	(168,892)	-	(5,166,230)

[a] The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

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. Interest rate sensitivity analysis not required as the Commission holds no Interest Bearing financial assets or liabilities other than the borrowings from Western Australian Treasury Corporation where the risk is managed through portfolio diversification and variation in maturity dates.

Certification of Performance Indicators

for the year ended 30 June 2009

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 2009.



Mr Stan Liaros

Chairman of Accountable Authority

31 July 2009



Mr Don Punch

Member of Accountable Authority

31 July 2009

Key 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 previous 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.

The new 2009-10 goal will be a 'Stronger Focus on the Regions'. This will provide a greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

Effectiveness indicators

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

Client Survey 2009

As a requirement of its strategic plan, the Commission undertook an evaluation of its operations in April 2009. 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 nine years.

An independent consultant, Savant Surveys & Strategies, undertook the survey. The Commission provided Savant Surveys & Strategies with a database comprising 269 key clients and 24 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 (24). The total of 157 completed surveys were received by Savant Surveys & Strategies, comprising 19 completed surveys from local government representatives (from a useable population of 24) and 138 from key clients (from a useable population of 245). This represents a 79 per cent response rate from the local governments and a key client response rate of 56 per cent. A total of 157 clients were interviewed, out of a possible 252 (useable sample). The overall response rate was 62 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 +/- 5 per cent.

Effectiveness of the South West Development Commission

1 = very ineffective, 7 = very effective

	2008-09		2007-08		2006-07		2005-06	
Target	76%	5.32	76%	5.32	76%	5.32	75%	5.25
Total client average	83%	5.75	83%	5.41	72%	5.05	64%	4.47
Local Governments	71%	5.00	55%	4.82	71%	4.93	47%	4.40
Key clients	85%	5.85	85%	5.46	70%	5.06	46%	4.54

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.

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	2008-09	2007-08	2006-07	2005-06	2004-05
Operating cost	1	\$3,959,443	\$3,736,373	\$4,634,601	\$4,317,996	\$3,830,124
Project / service hours	2	23,374	20,793	25,328	27,856	25,827
Cost per hour	3	\$169	\$180	\$182	\$155	\$148
Target	4	\$165	\$160	\$175	\$142	\$241

Notes on variance between reporting period

Note 1

Operating cost information is sourced from the Income Statement excluding grants and project costs paid direct to other agencies. A net movement of \$223,070 is shown. The variation is due to the variable nature of project costs associated with projects managed by the Commission.

Note 2

Hours are taken from employees' individual time sheets.

Note 3

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 2009 the Commission had 23 full-time equivalent employees.

Sixty seven per cent of employees were aged over 45 with no employees aged less than 25 years. Sixty two per cent of employees were female, four per cent Aboriginal and no non-English speaking background employees. 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	2008-09	2007-08	2006-07	2005-06
Full-time permanent	18	20	17	19
Full-time contract	1	3	3	2
Part-time measured on a FTE basis	4	2	4	4
On secondment	0	0	0	0
Total	23	25	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 2008*.

Occupational safety and health

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 2008-09, employees were involved in a range of skill renewal, development and knowledge-based activities that included: Difficult Situations; Segra Conference; Deafness Awareness; Microsoft Word 2007; South West Focus Conference; Carbon Futures Seminar; Professional Presentations; Community Engagement and Permit & Project Approval 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 \$29,632 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 2008-09 with the total premium being \$5,392.

Ministerial Directives

No Ministerial Directives were received during the financial year.

Other Legal Requirements

Disability access and inclusion plan outcomes

The South West Development Commission has a 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.

1. All people have the same opportunities to access services of, and any events organised by the Commission – Ensuring there is flexibility and adaptability in responding to any barriers experienced by people accessing services or events is considered a key initiative to achieve this outcome. Policies and procedures are adapted where required.
2. All people have the same opportunities to access the buildings and other facilities of the Commission – The Commission works in conjunction with the landlords to ensure that all buildings present no barriers to access and are developing a culture of awareness within the Commission to ensuring no barriers to access occur.
3. All people receive information from the Commission in a format that will enable them to access information readily. All information on services and public functions are produced using clear and concise language with an option of accessing this information in alternative formats if required upon request.
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. Access to the Commission's complaints system is offered in a variety of formats.
6. All people have the same opportunities to participate in any public consultation by the Commission. The Commission ensured that all people are encouraged to take an active role in their community and worked to overcome any barriers.

Compliance with public sector standards and ethical codes

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.

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. The plan has been reviewed to align the naming conventions of the plan to the approved Retention and Disposal schedule.

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	\$ 8,250
▪ Savant Surveys & Strategies	
Expenditure with polling agencies	\$ 0
Expenditure with direct mail agencies	\$ 0
Expenditure with media advertising agencies	\$11,250
▪ Bunbury Key	
▪ Tempo Inti Media Harian	
▪ Rural Press Regional Media (WA) P/L	
▪ South West Printing and Publishing Co Ltd	
▪ Adcorp	
Total expenditure	\$ 19,500

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 seven Freedom of Information requests during the year.

Agency publications available to the public

Publications available on SWDC website www.swdc.wa.gov.au	Date
South West Projects Update	June 2009
Stats News	June 2009
South West Trends Report	May 2009
SWDC Annual Reports	1 July 2001 - 30 June 2008
South West Industry Suppliers Database	June 2009
SWDC Disability Access and Inclusion Plan	June 2007
Eco Walks - Nature Trails of Bunbury and Surrounds	2007
A Brighter Future – Delivering on the Brunswick Pinjarra Sustainability Strategy	December 2006
South West Economic Perspective	July 2006
Doing Business in the Kemerton Industrial Park	June 2006
SWDC Strategic Vision 2005-2020	commenced 2005
Tenants in the Kemerton Industrial Park	April 2005
Australia's South West – Better than a Holiday (lifestyle and business guide)	February 2005
Bunbury Port servicing Kemerton Industrial Park	January 2005
Kemerton Industrial Park – general information brochure	November 2004
Flavours of the South West	August 2004
South West Directions – an action plan for a sustainable future	July 2004
Regional Development Policy	2003

The above publications are also available in hardcopy.

CDrom

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

Websites where the Commission publishes information

www.swdc.wa.gov.au

www.kemerton.com.au

www.southwestfocus.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.

Training is undertaken in identifying Conflicts of Interest and a register is kept of all potential activities that could incur a conflict of interest both for the Commission's Board of Management and its employees.

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. Access to the policy is available by phone, in person or via our website. A customer feedback service has been established to ensure that customer complaints are heard and dealt with fairly and quickly without prejudice or bias. A variety of formats such as telephone, email, written and in person are available for the lodgement of complaints to the Commission.

Confidentiality is maintained at all times.

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

There were no complaints received during the reporting period.

Occupational safety and health

The South West Development Commission is committed to achieving a high standard of occupational safety and health performance through effective safety management in accordance with the *Occupational Safety and Health Act 1984* and the Government of Western Australia's Code of Practice 'Occupational Safety and Health in the Western Australian Public Sector'.

The objective of the policy is to have workplaces that are free of work-related injuries and diseases. This objective will be achieved by developing and implementing safe systems of work and by continuing to identify hazards and control risks as far as practicable.

The Commission will do this by operating in accordance with occupational safety and health legislation, regulations, approved codes of practice and WorkSafe Plan; by making all employees and contractors aware of their OSH responsibilities through access to OSH information and training; and by encouraging senior management to take leadership in OSH matters with a common view to improve OSH outcomes.

The South West Development Commission is committed to providing quality and prompt injury management support to all employees of SWDC who sustain a work related injury or illness, with a focus on safe and early return to meaningful work and in accordance with the *Workers' Compensation and Injury Management Act 1981*.

A review of the occupational safety and health management systems was included in the 2008 internal audit process and it was noted that work needed to be completed on the Risk Management Plan and the Register of OSH.

Annual performance for 2008-09

Indicator	Target 2008-09	Actual 2008-09
Number of fatalities	0	0
Lost time injury / diseases (LTI/D) incidence rate	0	0
Lost time injury severity rate	0	0
Percentage of injured workers returned to work within 28 weeks		N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities	> than or = to 50%	0

