

**GREAT SOUTHERN DEVELOPMENT COMMISSION
ANNUAL REPORT 2011-2012**

Great Southern Development Commission

Annual Report
2011-2012

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Other Formats

This Annual Report is available in other formats on request. The GSDC encourages readers to access the Report online through the GSDC website and to use recycled paper if they print a copy. The online Annual Report is in PDF format.

Production

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STATEMENT OF COMPLIANCE

Hon Brendon Grylls MLA

Minister for Regional Development and Lands; Minister Assisting the Minister for State Development

Sir

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 Great Southern Development Commission for the financial year ended 30 June 2012.

In the performance of its functions, the GSDC complies with all relevant written laws including but not limited to:

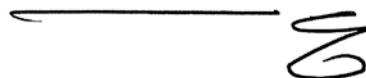
- Regional Development Commissions Act 1993 (as amended)
- Corruption and Crime Commission Act 2003
- Disability Services Act 1993
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Freedom of Information Act 1992
- Industrial Relations Act 1979
- Minimum Conditions of Employment Act 1993
- Occupational Safety and Health Act 1984
- Public Interest Disclosure Act 2003
- Public Sector Management Act 1994
- Royalties for Regions Act 2009
- Salaries and Allowances Act 1975
- State Records Act 2000
- State Supply Commission Act 1991

In the financial administration of the GSDC, we have complied with the requirements of the Financial Management Act 2006 and every other relevant written law. We have 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.



PETER RUNDLE
CHAIRMAN
7 SEPTEMBER 2012



BRUCE MANNING
CHIEF EXECUTIVE OFFICER
7 SEPTEMBER 2012

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CHAIRMAN'S FOREWORD

In 2011-2012, the Great Southern Development Commission (GSDC) made solid gains in its role of building partnerships for prosperity in the Great Southern. The year's achievements stand against a background of continuing uncertainty in the outlook for the global economy while most sectors in Western Australia enjoyed strong growth.

Volatile financial markets and the strong Australian dollar continued to present a challenge for primary and processed agricultural commodities, the plantation timber sector and tourism operators. Minerals and petroleum development is booming across most regions of Western Australia but the Great Southern is yet to have a significant direct participation in the resources sector. However, the GSDC continues to support Grange Resources' preparations for magnetite mining at Wellstead and Ausgold's plans for a gold mine at Katanning. The region also benefits indirectly from the mining boom through the Royalties for Regions program, which funds a range of projects in the Great Southern.

In 2011-2012, Royalties for Regions funding through the GSDC supported a third successful round of the Great Southern Regional Grants Scheme (RGS). Contestable grants under the RGS included a first-time allocation to the Town Centre Enhancement Program (TCEP). RGS funding of \$1 million supported 16 new projects in 2011-2012, generating an overall investment value of more than \$5 million. Projects included a \$1.7 million seniors' accommodation facility in Tambellup (RGS contribution \$145,000) and an \$890,000 upgrade of the Borden Pavilion sporting precinct (RGS contribution \$140,000).

All local government authorities in the region took part in the TCEP, under which \$1 million was available for projects to improve town centres through better landscaping, roads, paths, gardens, lighting and signs. TCEP funding made possible projects worth almost \$3 million.

The GSDC provided management support to the roll out of other Royalties for Regions funding in the Great Southern through programs such as the Country Local Government Fund, the Regional Development Council Action Agenda Fund and SuperTowns.

Katanning is one of nine Western Australian towns in the SuperTowns program, which provides Royalties for Regions funding to position the nominated communities for expected population growth in the decades ahead. Katanning was granted nearly \$9 million for two projects: an \$8.7 million revamp of the town entrance and centre, and \$255,000 to establish new migrant and cultural support programs. Planning for the SuperTowns projects drew strong community engagement. Roofed saleyards under construction east of Katanning will increase the efficiency of regional sheep sales and allow the redevelopment for light industrial use of the existing saleyard site.

In 2011-2012, the GSDC began the process of integrating the recommendations that were accepted by the State Government as a result of the 2010-2011 review of

Western Australia's nine Development Commissions. A key outcome of the review was the decision to retain the existing structure of the Commissions as statutory authorities while progressively introducing a range of new functions and responsibilities.

A key initiative arising from the review is the GSDC's role in planning, with relevant agencies and other stakeholders, strategic infrastructure and land use priorities. This enhanced planning task was well advanced in 2011-2012 with more work on major proposals with strategic implications for the region to be completed over the next twelve months.

Significant projects under way in the region include the Albany Health Campus, to which the Royalties for Regions program has contributed \$60 million, the Munda Biddi Trail extension, the Katanning saleyards, a new sciences building at the University of Western Australia Albany Centre and the staged redevelopment of the Frost-Sounness recreation precinct in Mount Barker.

In 2011-2012, I represented the region as a member of the Regional Development Council and the Regional Development Trust. It is an exciting time to be involved in regional development and to put forward the best interests of the Great Southern.

Staff at the GSDC continued their diligent service in 2011-2012 and I thank them for their commitment. I also thank my fellow Board members, who kept up their efforts on behalf of Great Southern residents even as new appointments were delayed due to the Development Commissions review. On behalf of the Board, I acknowledge the support throughout the year of the Minister for Regional Development, the Hon Brendon Grylls MLA, and his Office.



PETER RUNDLE
CHAIRMAN

CHIEF EXECUTIVE OFFICER'S REPORT

One of the GSDC's most important activities in 2011-2012 was the development of the planning frameworks and overarching strategies that will guide the Great Southern's development in the longer term. This work by the Commission, supporting various State and local government stakeholders, will lay a strong foundation for future economic prosperity in the region. Key documents that were progressed during the period include the:

- Regional Economic Development Strategy
- Planning and Infrastructure Framework
- Great Southern Workforce Development Plan
- Regional Water Supply Plan

These planning documents, together with a Regional Investment Blueprint, are scheduled to be completed in 2012-2013. The plans will also be a resource for the Commission and the Regional Development Council in establishing pathways for future development and will inform decision-making in relation to the Royalties for Regions program funding.

The GSDC continues to work with the relevant government agencies to progress projects of strategic significance. Planning for the Bunbury to Albany gas pipeline advanced considerably in 2011-2012, aided by \$20 million in Royalties for Regions funding towards establishing the pipeline corridor. The GSDC has contributed to the cross agency research and analysis seeking a route that will maximise regional development opportunities for the Great Southern. The pipeline project has been linked to the region's wider power requirements, including the proposed Southdown magnetite mine. The development's proponent, Grange Resources, has a project development timeline which currently favours the use of electricity rather than gas. The Grange project and the gas pipeline will both have significant implications for the region.

On the back of strong production and prices for agricultural products and public sector investment, the Great Southern continued to grow in 2011-2012. Among the challenges faced by regional exporters were the management of the strengthening Australian dollar and global financial instability, which impacted on the cost of investment capital and on demand in key markets.

Great Southern wine producers increased their efforts to export to the Chinese market in 2011-2012, and the GSDC materially assisted this push by producing translated promotional material, conducting in-bound buyer market education and by supporting wine buyer visits. Trade visits to China, Singapore, Taiwan and South Korea helped regional wine producers gain export orders. Austrade has ceased direct support for export development activities through the GSDC but the Commission will continue to assist regional producers that are in the process of entering export markets.

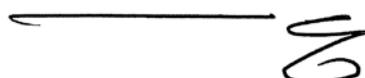
Tourism sector activity remained subdued, but long-term plans show confidence in the Great Southern as a visitor destination. Private investors have shown interest in the opportunity to develop a hotel on the Albany Waterfront, and the region's coastline will feature in marketing through the National Landscapes Program under the Great South West Edge brand. Regional events and festivals continued to attract a healthy participation rate by residents and visitors. The construction of the Munda Biddi Trail was advanced considerably and will bring a sharply increased number of off-road touring cyclists to the Great Southern by the end of 2012.

In 2011-2012, the GSDC marked two significant 10-year milestones. In August 2011, the Commission celebrated the awarding of the tenth GSDC Medal for Excellence in Natural Resource Management. In February 2012, Premier Colin Barnett opened the tenth Great Southern Festival, presenting a program of Perth International Arts Festival events. The Great Southern Festival began in 2002 when the GSDC initiated a partnership with the University of Western Australia and the Perth International Arts Festival to present a regional program of events that attracts people from Perth and has measurable benefits for the regional economy. The GSDC has built a strong relationship with the Perth Festival in order to continue presenting a thriving regional program.

Sound management of natural resources is a core value of the GSDC, and motivated the establishment in 2002 of the GSDC Medal for Excellence in NRM. Ten recipients have now benefited from the award, which bestows on the winner a sterling silver medal and a \$10,000 grant for further NRM work.

The Commission's focus on the management of the region's natural resources is also reflected in its long-term support of the Centre of Excellence for Natural Resource Management (CENRM), an initiative of the GSDC in partnership with the University of Western Australia. In 2011-2012, the Centre announced the creation of a new Chair in Biodiversity, part-funded by the GSDC and the Jack Family Charitable Trust. Inaugural Professor Stephen Hopper AC served as the director of the Royal Botanical Gardens in Kew, England, from 2006 to 2012, and brings to the Great Southern a solid reputation as a global leader in plant conservation biology.

At the end of the financial year, the GSDC marked its own milestone by achieving 25 years as a statutory authority advancing regional development in the Great Southern. The organisation was established as the Great Southern Development Authority on 1 July 1987 and became the Great Southern Development Commission on 8 April 1994. Many staff and Board members have given time and energy to the Commission's objectives over 25 years and their contributions are acknowledged. In particular, the efforts and dedication of the current staff and the guidance and support of the Chairman and Board in 2011-2012 are greatly appreciated.



BRUCE MANNING
CHIEF EXECUTIVE OFFICER

OVERVIEW

EXECUTIVE SUMMARY

The Great Southern Development Commission (GSDC) operates under the *Regional Development Commissions Act 1993* and reports to the Hon Brendon Grylls MLA, Minister for Regional Development; Lands; Minister Assisting the Minister for State Development.

The GSDC has complied with the requirements of the *Financial Management Act 2006*, the *Public Sector Management Act 1994* and all other relevant laws.

The GSDC's *Strategic Directions 2010-2014* provides the road map for the agency's activities in 2011-2012. The GSDC addresses the Government's Goals through its strategic plan as explained in *Strategic Directions 2010-2014*.

The GSDC's projects and achievements, outlined from page 14, are the activities that are guided by *Strategic Directions 2010-2014*.

An independent survey of key performance indicators showed that 85 per cent of the GSDC's clients rated the Commission as being effective or very effective in its delivery of services to coordinate and promote economic development in the Great Southern. This result is 5 percentage points over the target of 80 per cent.

The GSDC achieved an efficiency indicator of \$42,844 per project.

In 2011-2012, the net cost of the GSDC's services was \$5,382,936.

At 30 June 2012, the GSDC employed 13.8 full-time staff equivalents, of which all but one position were funded through core funding, to achieve regional social and economic development outcomes for the Great Southern.

The GSDC's compliance with Government policy and law is reported in the Government Disclosures and Other Legal Requirements sections from page 77 of this report.

OPERATIONAL STRUCTURE

ENABLING LEGISLATION

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

RESPONSIBLE MINISTER

The GSDC reports to the Hon Brendon Grylls MLA, Minister for Regional Development; Lands; Minister Assisting the Minister for State Development.

Purpose

The purpose of the GSDC is to assist the Great Southern region in achieving its economic development potential.

Role

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

OBJECTS AND FUNCTIONS

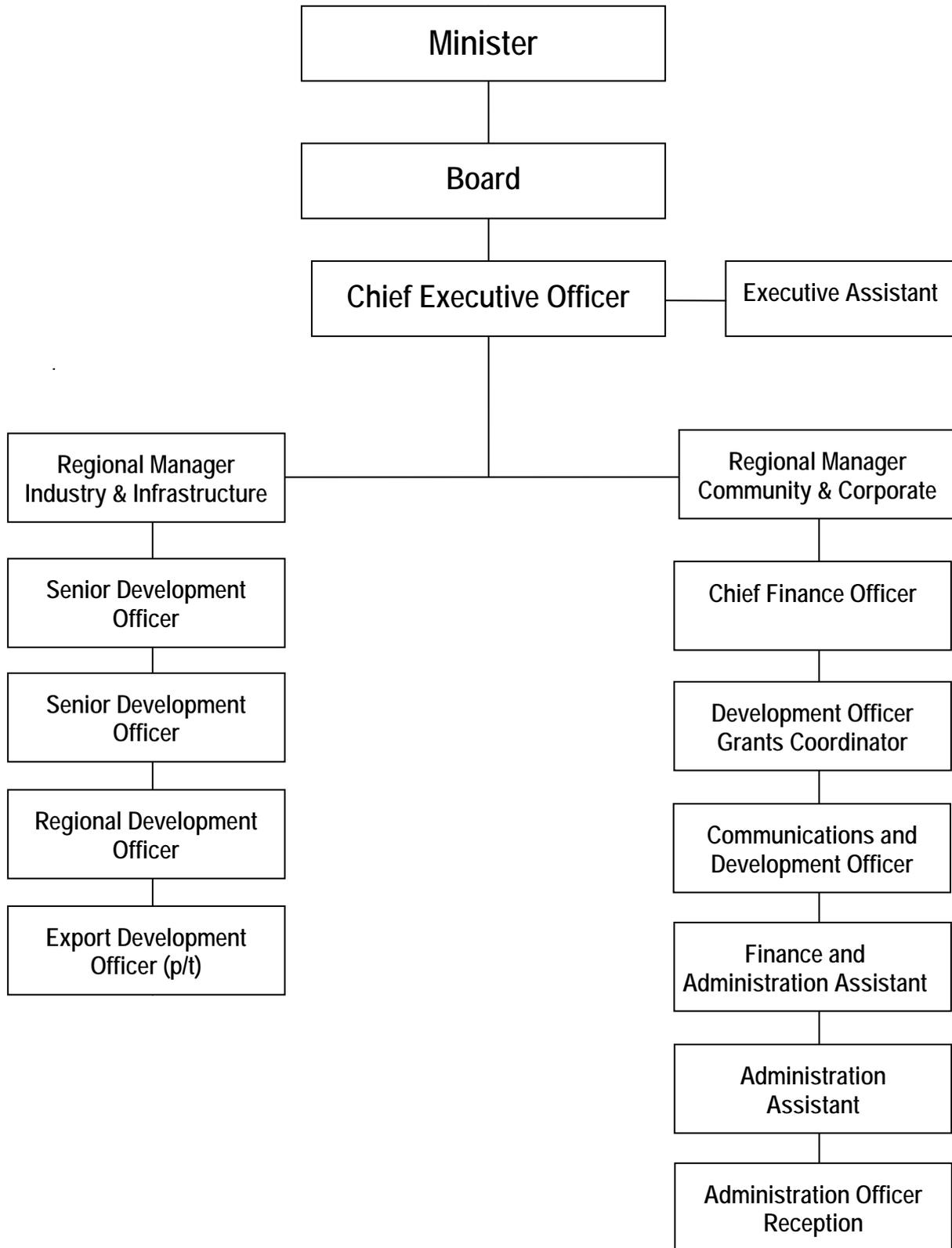
(Based on the Regional Development Commissions Act 1993 and amendments)

The objects and functions of the GSDC are to:

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

ORGANISATION CHART

At 30 June 2012



BOARD MEMBERSHIP

At 30 June 2012, Board members by nomination categories were:

Ministerially Nominated

Peter Rundle (Chairman)

Mr Rundle is a long-term resident of the Shire of Katanning and has managed a successful farming enterprise there for 20 years. He has had extensive involvement with the Katanning community in a number of roles with sporting and educational organisations. In 2011, he was appointed to the Regional Development Trust, the body charged with oversight of the Royalties for Regions program. Mr Rundle's Board term expiry date is 30 June 2014.

Kevin Forbes AM

Mr Forbes is a beef farmer and long-time resident of the Mount Barker district. He has had a long involvement in local government, having been first elected as a Councillor in 1991 and having served as President of the Shire of Plantagenet from 1997 to 2009. Mr Forbes' Board term expiry date is 30 June 2012.

Len Smith

Mr Smith has lived and worked in the Great Southern region for more than 40 years. His long-term business interests in the tourism sector have been complemented by decades of voluntary work in the broader tourism industry and the community. Mr Smith's Board term expiry date is 30 June 2012.

Community Nominated

Robert Lucas

Mr Lucas manages the historic Camp Quaranup recreational facility. Mr Lucas's Board term expiry date was 30 June 2010. Mr Lucas continued serving on the Board in 2011-2012 pending the outcome of the State Government's review of the Regional Development Commissions.

Kim Barrow (Deputy Chair)

Mr Barrow is a former Denmark Shire President and Councillor. He has been actively involved in a wide range of community organisations including sporting clubs, fire brigade, schools and the Denmark Chamber of Commerce and Industry. Mr Barrow's Board term expiry date is 30 June 2014.

At 30 June 2012, one community-nominated Board position was vacant.

Local Government Nominated

Kerry Stone

Mrs Stone is President of the Shire of Gnowangerup. She has held positions on a number of Shire committees including health and building, finance, industrial relations and tourism and has a background in farm management. Mrs Stone's Board term expiry date is 30 June 2013.

At 30 June 2012, two local government-nominated Board positions were vacant.

By Virtue of Office

Bruce Manning

Mr Manning is the Chief Executive Officer of the GSDC.

OPERATIONAL STAFF

At 30 June 2012, the staff members were:

Bruce Manning, Chief Executive Officer

Russell Pritchard, Regional Manager Industry & Infrastructure

Christine Grogan, Regional Manager Community & Corporate

Rowena Carnaby, Chief Finance Officer

Duane Schouten, Senior Development Officer

Jessica van der Waag, Regional Development Officer

Linsey McFarlane, Senior Development Officer

Steve Pontin, Communications Development Officer

Michelle Dayman, Development Officer Grants Coordinator

Elizabeth Reed, Export Development Officer

Grytsje Doust, Executive Assistant

Jennifer Dalby, Administration Assistant

Kirstie Colbung, Administrative Officer Reception

Caitlin Vermeulen, Finance and Administration Assistant

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

Rosita Vilches-Lody, Administrative Support Officer

Angela Williams, Finance Assistant

Katika Jones, Finance and Administration Assistant

PERFORMANCE MANAGEMENT FRAMEWORK

OUTCOME BASED MANAGEMENT FRAMEWORK

The GSDC delivers one service, regional development, in accordance with its corporate vision expressed in five corporate goals.

Vision: The sustainable development of our region's economy in harmony with our unique heritage and natural environment.

Goals: In accordance with the GSDC's *Strategic Directions 2010-2014*, the agency delivers its projects by addressing the following goals:

Regional Leadership
To support initiatives that build the capacity of regional and rural communities to respond to needs and opportunities for sustainable development
Industry Development and Attraction
Developing and attracting industry which diversifies and strengthens the regional economy
Improved Infrastructure and Services
A coordinated approach to the development of capital infrastructure and services for the region
Natural and Cultural Asset Management
Promote and support the management and enhancement of our natural and cultural assets
Efficient Agency Performance
Manage resources to achieve our core business of economic development with optimum efficiency

To address its goals in 2011-2012, the GSDC undertook to:

- Support and develop industry and community projects
- Coordinate approaches to government on strategic, economic and social issues
- Provide access to information on government programs and industry support services
- Assist with resources for regional projects through the Regional Grants Scheme
- Identify and promote investment opportunities in the region
- Provide access to export information for existing and potential exporters
- Access skilled people from overseas through the Commission's role as a Regional Certifying Body

The GSDC's goals and activities incorporate the State Government's goal 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 2011-2012.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

The GSDC has no shared responsibilities with other agencies, but works collaboratively with other agencies to achieve the Government's desired outcomes in the Great Southern.

AGENCY PERFORMANCE

PERFORMANCE TARGETS

In 2011-2012 the GSDC met or exceeded targets set for agency performance. The Commission reports its efficiency as cost per project. The target cost was \$51,098 and the actual cost per project in 2011-2012 was \$42,844.

Client Survey

The Commission engaged Asset Research to conduct a client survey, which drew 160 responses from 200 clients contacted. A target rating of 80 per cent was set for the GSDC's coordination and promotion of Great Southern economic development. The GSDC achieved a rating of 85 per cent of respondents who thought its coordination and promotion of economic development was effective or very effective.

Specific activity areas were also rated, such as providing business advice, lobbying for improved infrastructure and improving access to services. The survey showed improved ratings in all activity areas, some major and some minor.

The results of the independently conducted client survey, showing clients' ratings of the GSDC against various items, are reported in the following table.

Clients' rating of GSDC performance:

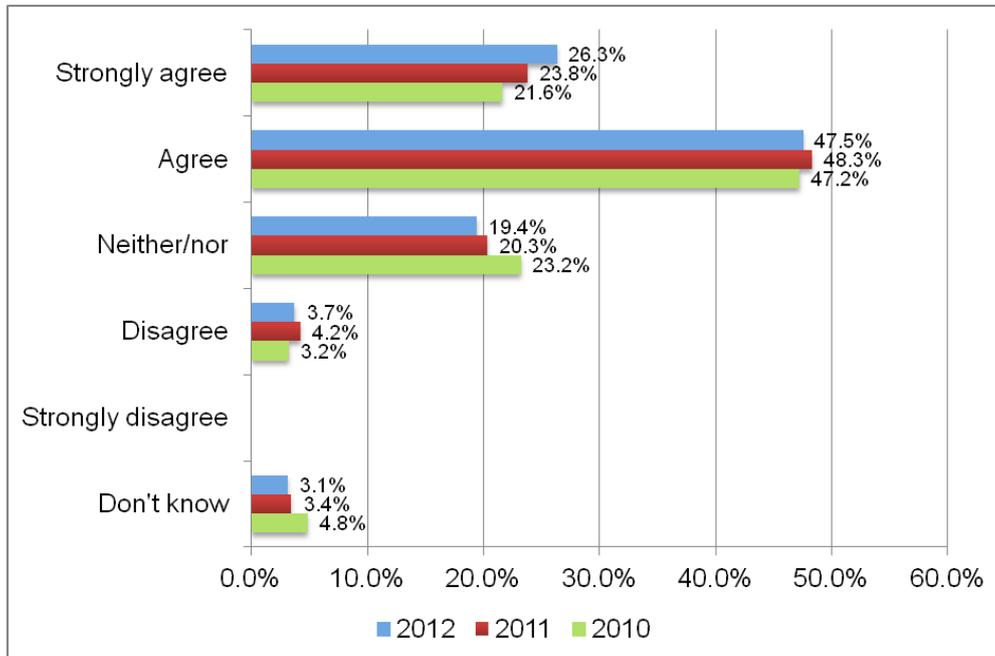
	Effective or Very Effective					Ineffective or Very Ineffective				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
Performance lobbying to improve infrastructure development	81%	80%	79%	73%	77%	2%	3%	3%	4%	2%
Performance in enhancing investment opportunities	79%	75%	74%	71%	73%	2%	1%	2%	2%	2%
Performance in providing business information and advice	82%	82%	83%	80%	81%	2%	3%	1%	3%	3%
Performance in creating economically sustainable development	76%	76%	75%	75%	76%	4%	3%	2%	4%	3%
Performance in improving access to services	83%	85%	81%	74%	75%	1%	1%	1%	3%	2%
Performance in improving quality of life	72%	73%	73%	66%	71%	2%	2%	2%	3%	2%
Performance in developing career opportunities	72%	70%	71%	67%	74%	2%	2%	2%	5%	3%

Royalties for Regions Scheme Value

Since 2009-2010, respondents have been asked to rate their perception of the value of the Royalties for Regions scheme in the Great Southern region.

As illustrated, in the last financial year more than 73 per cent of respondents agreed that the Royalties for Regions scheme has added value to the Great Southern region. The breakdown shows 26.3 per cent of respondents strongly agreed with

the statement and a further 47.5 per cent agreed (total 73.8 per cent). A neutral response in their assessment of the scheme was given by 19.4 per cent, a further 3.7 per cent disagreed with the statement and 3.1 per cent of respondents did not know how to respond to this question.



Perception of the value of Royalties for Regions Scheme

REPORT ON OPERATIONS

GOAL 1 – REGIONAL LEADERSHIP

Regional Economic Development Strategy

In 2011-2012, the GSDC initiated the production of a Regional Economic Development Strategy (REDS). This overarching strategic document will outline actions to build upon the Great Southern's economic strength and areas of comparative advantage. It will also complement other integrated planning documents that are under development, by the State and Commonwealth, and will encompass a 10-year planning horizon from 2012 to 2022. In addition, the REDS will inform decision-making about infrastructure investment to meet the current and future needs of industry and the community.

A study which will inform the final REDS, the Central Great Southern Economic Development Strategy, was completed in early 2012. This planning document focused on the sub-region and included the Shires of Katanning, Kojonup, Broomehill-Tambellup, Gnowangerup, Kent, Woodanilling, Wagin and Dumbleyung. It was a key input to the Regional Centres Development Plan (SuperTowns) for Katanning. The REDS final report is scheduled to be completed in 2012-2013.

Great Southern Workforce Development Plan

In 2011-2012, the GSDC in partnership with the Department of Training and Workforce Development (DTWD) initiated work on the Great Southern Workforce Development Plan. The plan's main outcomes will be the identification of the region's current and future workforce skills needs, and the development of strategies and an implementation schedule to address the needs. The Commission assembled an Alliance (a steering committee of 14 regional stakeholders) to oversee an external consultant team that would research and draft the plan, starting in December 2011.

Through early 2012 the consultant team developed a discussion paper, held a series of sub-regional forums and one-on-one interviews with business, local government, training providers and industry representatives. By mid-year the Alliance had reviewed reports developed as a result of this work, including the Great Southern Regional Profile and the draft Great Southern Workforce Development Plan (2013-16). The final report is scheduled for release in November 2012 after a period of consultations with lead agencies and public comment. The GSDC, DTWD and Alliance will start implementing key strategies and recommendations in 2013.

Great Southern Regional Grants Scheme

The Great Southern Regional Grants Scheme (RGS) is one component of the State Government's Royalties for Regions initiative. The Regional Grants Scheme objectives are to:

- Increase capacity for local strategic planning and decision-making
- Retain and build the benefits of regional communities
- Promote relevant and accessible local services
- Assist communities to plan for a sustainable economic and social future
- Enable communities to expand social and economic opportunities
- Assist regional communities to prosper through increased employment, business and industry development opportunities, and improved local services

In March 2011, the GSDC received 71 applications seeking a total of \$6.1 million in grant funding in the third round of the RGS, for which \$1 million was available. In August 2011, the following 16 projects were funded. One project which had been granted \$43,000 was cancelled by the proponent after the approval process.

Proponent	RGS Project	Grant (excl. GST)
Albany Equestrian Club	Upgrade at the Albany Equestrian Centre, providing 56 new metal yards	\$14,000
Albany Speedway Club Inc	Track and pit area upgrade at the Albany Speedway to remove and replace existing track surface	\$49,000
Borden Pavilion Committee Inc	Borden Pavilion South Western Sporting Precinct Stage One, including bowling greens, netball and tennis courts, and cricket, hockey and football fields	\$140,000
Denmark Tourism Incorporated	Taste Great Southern 2012, a food and wine festival with events held throughout the region	\$25,000
Gillamii Centre	Gillamii Centre relocation, renovating an existing building to create meeting rooms and training facilities for community use	\$93,000
Kendenup Country Club Inc	Kendenup Country Club Stage One upgrade, including removal of existing toilet blocks, construction of new toilet and washroom facility and upgrading the clubhouse kitchen	\$55,000
Narpanup Golf Club Inc	Reroof the Narpanup Golf Club clubhouse to avoid structural damage	\$4,000
Nyabing Golf Club	Refurbish Nyabing Golf Club including replacing the roof, upgrading toilets, interior paint, enlarging entrance, new veranda, floor coverings, installing a shed and air-conditioning	\$44,000
Plantagenet Arts Council Inc	Refurbish Mitchell House Community Art Centre kitchen including new cupboards, floors and a hot water system, and painting the disabled toilet	\$7,000

Proponent	RGS Project	Grant (excl. GST)
Plantagenet Village Homes Inc	Construction of independent living units, Collet Barker Court, in Mount Barker	\$65,000
Shire of Broomehill-Tambellup	Construction of six two-bedroom houses in the town of Tambellup for long-term lease to independently living seniors	\$145,000
Shire of Denmark	Kwoorabup Community Park Stage Two, including installation of barbecues, shelters, toilet block, landscaping and provision for artworks	\$86,000
Shire of Gnowangerup	Construction of 12-bay travel stop in Gnowangerup including caravan parking bays, entry and access roads, and providing power and water to ablutions	\$80,000
St John Ambulance WA Inc Mt Barker Sub Centre	Stage 3 of St John Ambulance Mount Barker Sub Centre upgrade, including fit-out of the new facility and modifications to the existing building	\$65,000
Torbay Catchment Group	Completing the Picture - Torbay Rail Trail: Torbay and Elleker trail head improvements including facilities at Torbay Hall (ablution block, horse float parking and composting bins) and at Hassell Street Park Elleker (water tank, horse float parking and composting bins)	\$65,000
Woodanilling Sport and Recreation Association Inc	Oval lighting additions and safety upgrade at Woodanilling Recreation Precinct, including installing two light towers, increasing the number of lights on existing towers and installing a removable synthetic (soft fall) cricket pitch cover	\$20,000

Great Southern Town Centre Enhancement Program

The GSDC invested almost \$1 million of strategic RGS funds into a Town Centre Enhancement Program (TCEP). The TCEP is unique to the Great Southern and provides matching grants to local government authorities to support planning and implementation of town centre improvement projects.

Grants were awarded to projects across the region:

Local Government	TCEP Project	TCEP Funding	Total Project Value
City of Albany	Elleker Townsite Improvement Works	\$40,970	\$255,110
Shire of Broomehill-Tambellup	Tambellup Town Centre Southern End Upgrade	\$29,738	\$67,406
Shire of Cranbrook	Cranbrook and Frankland River Townscape Upgrade	\$138,500	\$277,000
Shire of Denmark	Denmark CBD Streetscape Stage 2	\$150,000	\$420,000
Shire of Gnowangerup	Gnowangerup, Borden and Ongerup Town Sites Enhancement	\$30,000	\$87,000
Shire of Jerramungup	Jerramungup Town Site Revitalisation Project	\$150,000	\$407,791
Shire of Jerramungup	Bremer Bay Town Centre Civic Area Landscaping Plan	\$30,000	\$87,950
Shire of Katanning*	Clive Street Townscape Project Stage 1 (Planning & Implementation*)	\$150,000	\$400,600
Shire of Kent	Nyabing and Pingrup – Town Centre Enhancement Project	\$143,800	\$291,600
Shire of Kojonup	Kojonup Main Street Redevelopment Stage 1	\$62,700	\$125,450
Shire of Kojonup*	Kojonup Main Street Redevelopment Planning Stage 2*	\$30,000	\$60,000

Local Government	TCEP Project	TCEP Funding	Total Project Value
Shire of Plantagenet	Mount Barker Main Street Banners	\$2,924	\$7,500
Shire of Plantagenet	Short Street Mount Barker Townscape Improvement Works	\$123,305	\$249,609
Shire of Woodanilling	Woodanilling Town Centre Enhancement Planning	\$7,368	\$18,230

* Implementation delayed in 2011-2012

All but two of these projects were implemented during 2011-2012. Due to extenuating circumstances, the Shires of Katanning and Kojonup will implement elements of their projects (denoted by an asterisk above) in the first half of 2012-2013.

Town centre improvements delivered through this program include the installation of a Fitzgerald Biosphere garden in Jerramungup, upgrade of visitor facilities and construction of a welcome statement at the southern end of Tambellup, the redevelopment of the northern end of Denmark's Strickland Street and the linking of Kojonup's commercial and tourism precincts via a new pathway and improved car-parking.

SuperTowns

Through 2011-2012, the GSDC has worked with the Shire of Katanning and relevant agencies to facilitate Katanning's participation in the State Government's \$85 million Regional Centres Development Plan (SuperTowns) initiative. The program's investment in Western Australia's nine regional SuperTowns should facilitate strong and sustainable growth that will provide an attractive choice for people who would otherwise live in the Perth metropolitan area. SuperTowns is a key part of the plan to prepare for a doubling of Western Australia's population over the next 40 years.



The SuperTowns funding announcement in Katanning in May 2012.

As part of the project planning the GSDC chaired the Project Team, which also included the Shire of Katanning, the Departments of Planning and Regional Development, and LandCorp. The Project Team provided input and guidance for the development of the SuperTown Katanning Growth and Implementation Plan. This key planning document was researched and drafted by a consultant team, Town Planning, Management and Engineering, under the management of LandCorp. After endorsement by all stakeholders, the document was used to

support four business cases for key transformational projects. The business cases were submitted to the State Government in March 2012.

In May 2012, Minister Grylls announced almost \$80 million in Royalties for Regions funding for transformational projects across the nine SuperTowns. Katanning's allocation was \$8.9 million and it included support for an \$8.7 million transformation of the town's central precinct. Planned works will focus on creating a refurbished commercial and administrative precinct, and a new town square. The funding will also support a Community Development Officer who will be dedicated to planning and resourcing a range of innovative language and cultural support services in the town. All projects are scheduled to start in early 2012-13.

Country Local Government Fund

In 2011-2012, the GSDC again worked closely with the regional groups of local government authorities to identify and develop business cases for strategically significant projects for grant consideration in the second round of the Country Local Government Fund (CLGF). The CLGF is a targeted Royalties for Regions initiative which was established to assist country local governments to support capacity building and maintain community infrastructure.

The total funds allocated under the CLGF in 2011-2012 are on the basis of 50 per cent for individual local governments and 50 per cent for regional groups of local governments. Regional groups are any partnership of shires that agree to work together for the purpose of delivering regionally significant infrastructure projects. In the current round of the program \$4.99 million will be made available to fund qualifying projects.

The Commission collaborated on the relevant planning processes, including business cases, and reviewed project applications and all supporting documents before submission to the Department of Regional Development and Lands (DRDL) by 31 May 2012. Submissions are being assessed, and approved strategic projects should start in early 2012-2013.

Migration Assistance

The GSDC continued to work closely with regional employers and the Department of Immigration and Citizenship to facilitate the granting of visas under the skilled sponsorship program. As a Regional Certifying Body, the Commission worked with regional employers to coordinate sponsorships and nominations for the Regional Sponsored Migration Scheme.

The trend of transferring existing workers from temporary to permanent residency status is likely to continue, and changes to the migration program are likely to impact on the Commission's role in this area. The range of occupations eligible for sponsorship in the future may provide more options for regional employers to sponsor workers where the positions cannot be filled through the local labour market.

In 2011-2012 the GSDC certified 40 permanent skilled visa nominations, with 53 dependent partners and children accompanying the primary visa applicants. The

GSDC's management of its certifying role also included responding to about 20 information requests per month (250 in 2011-2012). These requests have traditionally come from regional employers, potential skilled independent migrants located overseas and those who are already in Australia on visitor, student, temporary or working holiday visas. The GSDC also acted as a regional point of contact for Skilled Migration WA, the State Government's migration office.

Regional Development Australia

During 2011-2012, the GSDC continued to work closely with Regional Development Australia Great Southern (RDA-GS) on a range of economic and social development initiatives. The high level of cooperation, which includes Board membership and regular interagency consultation, is consistent with the provisions of the Memorandum of Understanding which has been in place since 2010. As a member of the RDA-GS Board, the Commission has participated fully in a comprehensive review of the agency's Regional Plan 2010-20.

In September 2011, \$7.42 million was allocated through the Regional Development Australia Fund to the Katanning Saleyards project. This was one of four projects in Western Australia that was successful in the first round of the program. The contribution by the Commonwealth to the largely State Government funded initiative was strategic in that it will allow the Shire of Katanning to install innovative water management and solar power generation. The project is valued at \$24.5 million and is scheduled to open in early 2012-2013.

Southern Regions Community Leadership

The GSDC has continued its involvement with the Southern Regions Community Leadership Group, which is supported by the Great Southern, Peel and South West Development Commissions. This group undertakes a number of initiatives under the Southern Regions Community Leadership Strategy including an annual Leadership Forum and Community Leadership Awards. In 2011, the forum was held in Balingup on 20 and 21 October.

Holiday Bus

The Holiday Bus is a GSDC project that runs in summer each year and provides young people in inland towns of the region with the opportunity to take a day trip to the City of Albany, visiting the beach, town, cinema and skate park. In 2011-2012 the bus ran twice a week through January, departing from Wagin and stopping at all towns along the Great Southern Highway, and at Kendenup and Mount Barker.

The GSDC provided core funding and managed the initiative, aided by a cash contribution from five local governments. The initiative was well received once again by the participant group and the relevant communities, with 231 participants over the four-week period. Most participants were teenagers but the option for younger people accompanied by an adult to travel on the bus was also taken. Participation by local government in the planning, promotion and support of the initiative is expected to continue to expand.

GOAL 2 – INDUSTRY DEVELOPMENT AND ATTRACTION

Investment Attraction

Marketing the Great Southern to potential investors and to those seeking to relocate to the region is a key GSDC activity. During 2011-2012, the GSDC provided information to these client groups to help them to make informed investment decisions. The information is often used by the companies concerned in scoping and feasibility studies, and for developing other business planning tools.

The GSDC's investment clients during the period included proponents in mining, biomass power generation and aquaculture. The GSDC also liaised with both local and Perth-based businesses from various industry sectors that were looking to expand their business and operations in the Great Southern.

Major Projects Register

In 2011-2012, the GSDC continued to maintain a major projects register to provide regular updates on significant industry, infrastructure and construction-related initiatives being undertaken in the region. The aim of the register is to inform interested parties and the community of the status of major projects and to maximise local and regional business and employment involvement. New developments are listed on the GSDC's website and publicised through the *GSDC Bulletin*. Highlights for the year included the completion of the \$40 million Grasmere Wind Farm as well as the Southdown Magnetite project reaching the definitive feasibility stage.

Export

In 2011-2012, the GSDC continued to support the Export Development Officer role to service small to medium exporters. This role was strengthened through strong links with Western Australian Trade Offices in China and Korea providing strategic in-market support. Activities in 2011-2012 led to export sales of \$293,730, mostly wine to key Asian markets. China remains the largest market at 62 per cent of total value.



A wine trade tour group at Single File Estate winery.

The third and fourth in the series of Great Southern Wine Trails took place during the financial year, bringing to the region trade representatives from Taiwan, Malaysia, Singapore, Hong Kong, Philippines, Vietnam and China (Shanghai and Beijing). Great Southern wines were promoted through two trade shows in Hong Kong, targeted tasting events in Taiwan and South Korea, and China trade delegations in partnership with the WA Trade Office in Shanghai.

Cross promotion of regional produce continued in 2011-2012 through the Great Southern Riesling and Oysters campaign.

Tourism Industry Development and Promotion

In 2011-2012 the GSDC continued to work in partnership with agencies, local governments, individual operators, community groups and consultants to further develop the Great Southern's tourism sector. The Commission's focus was on the joint funding of marketing, product development and the research associated with future private and public sector investment in regional assets.

Activities included the Great Southern Festival program of Perth International Arts Festival events, Taste Great Southern, Write in the Great Southern and the inaugural Hidden Treasures Great Southern Bloom Festival. Other initiatives included working with stakeholders on the potential development of a range of new events across the region.

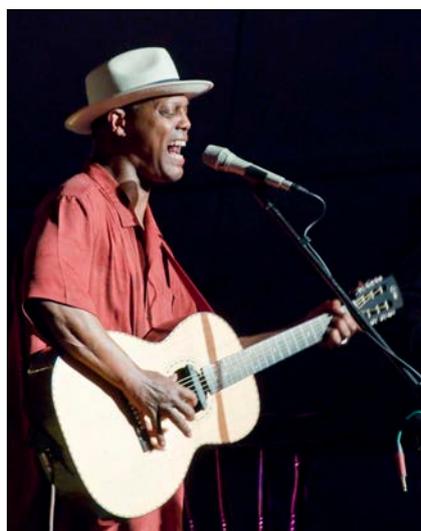
Integrated marketing initiatives included the acceptance of the Great South West Edge National Landscape into the Tourism Australia and Parks Australia National Landscapes program and the coordination of the Great Southern Regional Marketing Network. Trail design, development and interpretation across the Great Southern were bolstered in 2011-2012 with work continuing on the Munda Biddi Trail extension and the Kinjarling Trail and Stories Strategic Plan.

The Hidden Treasures of the Great Southern group, which includes the eight northern Shires of the region, worked with the GSDC to review and implement its five-year Tourism Marketing Plan and develop a new spring flower festival across the Hidden Treasures region, the Bloom Festival.

The GSDC continued to provide project officer support to local governments and community organisations engaged in strategic business and marketing planning.

Great Southern Festival

The GSDC initiated the Perth International Arts Festival Great Southern regional program in 2003 and remains its main sponsor. The Perth Festival secured funding in the second round of the Great Southern RGS to support the Great Southern Festival into 2013.



Blues artist Eric Bibb at the Great Southern Festival.

The festival gives the regional community the chance to experience a wide range of world class entertainment previously not offered in regional areas, provides professional development opportunities for local artists and performers, and encourages tourists to visit the region.

The Great Southern Festival 2012, held from 10 February to 22 March 2012, was the tenth presentation of Perth Festival events, and the most ambitious program the Perth Festival has undertaken in the Great Southern. Ticket sales were up 6 per cent on the 2011 festival, with total attendance just under 20,000. Three music performances and 10 film screenings sold out, with

two free film events also reaching capacity. For the first time, the number of tickets sold to Perth residents for the Great Southern Festival was greater than those sold to Great Southern residents for the Perth program. The number of Perth residents attending the festival grew by 12 per cent from 2011 to 2012, and 10 per cent of all 2012 patrons came from outside the Great Southern.

The program featured a diverse range of attractions including theatre, contemporary music, classical music, gypsy music, jazz, film, literature, visual arts, workshops, and culinary and community events. The Great Southern Festival was officially opened in Albany by Premier Colin Barnett. About 700 people from the local community, the media and representatives from the Perth and Great Southern arts sector gathered at the west end of the Albany Entertainment Centre to celebrate the opening.



Premier Colin Barnett opens the 2012 Great Southern Festival.

The GSDC contributed \$75,000 in 2011-2012 to the Great Southern Festival as part of a three-year funding arrangement. The 2012 Festival attracted more supporting partners than ever, among them the City of Albany, Albany Chamber of Commerce and Industry (ACCI), the Albany Port Authority and a number of local businesses, including local wineries for the first time.

In 2012, the GSDC supported the promotion of the Great Southern Festival in Perth by funding a \$4,100 Perth advertising campaign. In addition, the GSDC supported Bookmark with \$5,000 to produce the writers' component of the 2012 Great Southern Festival. The partnership between the Perth Festival and Bookmark was new in 2012 and included a three-day program with internationally renowned authors, Noongar storytelling and locally written short radio plays.

Great South West Edge National Landscape

In March 2011, Tourism Australia declared a new National Landscape called the Great South West Edge (GSWE), an area taking in the coast and immediate hinterland from the South West capes to Esperance and including the Great Southern coastal areas. The GSDC has participated as a member of the GSWE Steering Committee since its inception in late 2009, working with partners to progress the National Landscape application.

The National Landscapes program is a partnership between Tourism Australia and Parks Australia to identify and promote up to 16 of the nation's exceptional nature experiences. These experiences are distinctive to Australia and will be used in international marketing to the 'experience seeker' target market.

During 2011-2012, the GSWE National Landscape Steering Committee worked on preparing an Experience Development Strategy with project consultants. The

strategy will provide a framework for State and local governments to guide future public and private tourism infrastructure investment and product development planning in the GSWE, including the Great Southern.

Breaksea Island Heritage Restoration

The Breaksea Island Heritage Restoration project is part of the GSDC's maritime heritage tourism development strategy. The aim of the multi-stage project is to fully restore the heritage-listed Breaksea Island lighthouse and associated buildings, and to develop the precinct as a conservation, community education and eco-tourism asset. A Heritage Conservation Plan was completed in 2010 and a Nature Based Tourism Feasibility Study was completed in 2011. Both projects were partially funded through GSDC grants.

The Heritage Conservation Plan was the key supporting document of a Department of Environment and Conservation (DEC) application for a Jobs Fund Heritage Projects grant that resulted in \$1.3 million of funding for a restoration program. The work, undertaken in 2010, included the partial restoration and stabilisation of the lighthouse, jetty and two lighthouse keeper's cottages, as defined by the Heritage Conservation Plan.

The Nature Based Tourism Feasibility Study outlines eco-tourism options for the island. The GSDC is working with DEC to develop an Expression of Interest for helicopter and tourism operators to run tours to the island.

Mungart Boodja Art Centre

In 2011-2012, the Mungart Boodja Art Centre Board, supported by the Aboriginal Art Centre Hub WA (AACHWA) and the GSDC, conducted an operational review and developed a strategic plan. In early 2012, an interim manager was appointed to implement the recommendations of the review. The interim manager will facilitate the relocation of the organisation from Katanning to Albany, support the managerial capacity of the organisation, complete reporting requirements and sustain the centre's contacts with members and stakeholders.

It is anticipated a manager will be recruited in early 2012-2013. The GSDC is working with the Mungart Boodja Board, AACHWA and the Department of Indigenous Affairs to support the continuation of this unique Aboriginal-owned regional arts organisation in the Great Southern region.

Indigenous Economic Development

In 2011-2012, the GSDC engaged with a range of individual clients, mainstream agencies and community organisations that were seeking to improve education, training, employment and business opportunities for Indigenous people. In most cases the Commission was involved in project support, through grants or through providing information and advice. The GSDC also partnered local and state government and non-government service providers.

A range of tourism, cultural and community infrastructure projects were supported through Royalties for Regions funding. The Oyster Harbour Fish Traps project, a

\$100,000 investment in consultation, detailed planning and development of an iconic cultural tourism product, was advanced considerably. The steering committee for the Kinjarling Trail, a heritage tourism strategy that covers a significant part of the Albany foreshore and adjoining waterways, has a brief to identify key elements within the \$6 million project that could attract the necessary investment. The Gnowangerup Aboriginal Corporation's Heritage Centre, a long-running project that has attracted more than \$750,000 of investment and resulted in an enduring partnership with local government and the GSDC, was substantially completed in 2011-2012.

The Gnowangerup Heritage Centre, which will be completed in early 2012-2013, has generated training opportunities for Indigenous people during its development phase and has the potential, like the fish traps and Kinjarling Trails projects, to create more permanent positions in the operational stage.

GOAL 3 – IMPROVED INFRASTRUCTURE AND SERVICES

Great Southern Planning and Infrastructure Framework

The GSDC is collaborating with the Department of Planning to prepare a Great Southern Planning and Infrastructure Framework (GSPIF). The GSPIF will identify key regional land use, planning and development issues in the Great Southern region to 2031, establish the region's infrastructure priorities, and specify actions and policy responses to support planning and investment decisions. The GSDC is contributing \$100,000 of Royalties for Regions funding to the exercise, which is due for completion in 2012-2013.

Energy Infrastructure

During 2011-2012, the GSDC continued to be a member of the steering committee overseeing the corridor design process for the Bunbury to Albany natural gas pipeline. The project is led by the Department of Regional Development and Lands.

The GSDC was also represented on the South Coast Power Working Group. The group is convened by Western Power and works with stakeholders in the Denmark and Walpole districts on demand side management and embedded generation approaches. These are emerging as the best medium-term options for extending the capacity of the local power supply network.

Water Supply Strategy

The GSDC continued to chair the Great Southern Regional Water Plan Reference Group in 2011-2012. The group includes representatives from all the local governments and main state government agencies in the region. The reference group was convened by the Department of Water in 2010 to focus on sustainable water management issues in the region, in particular the development of a Regional Water Supply Plan. The Regional Water Supply Plan, expected to be completed in

2012-2013, will provide direction and guidance for water supply management for the next 20 years.

Albany Entertainment Centre

The \$70 million Albany Entertainment Centre (AEC), located within the Albany Waterfront project, includes a 620-seat auditorium, rehearsal space, café, convention/corporate function area and an observation platform. The GSDC had administrative responsibility for the project budget until 30 June 2010 and played a role



The Albany Entertainment Centre. Photo by Katrina Bartley.

in negotiations between the State Government and the City of Albany over the ownership of the centre. Under a 2007 Memorandum of Agreement, the completed AEC was to have been handed over to the City of Albany. However, the City of Albany expressed strong doubts about its capacity to manage and maintain the venue, and it requested the State Government for further assistance. The GSDC helped to negotiate a revised agreement under which the Government deferred transfer of the AEC to the City of Albany for an initial two-year period which was later extended to 30 June 2014.

Since the centre's December 2010 opening, the Perth Theatre Trust has operated the facility. The GSDC is a member of the Albany Entertainment Centre Operational Advisory Committee, along with representatives of the Perth Theatre Trust and the City of Albany. In 2011-2012, the AEC attracted almost 45,000 patrons to 192 events.

During the AEC's first year of operation it became clear that the 80-year-old Steinway concert piano which had been relocated to the centre from the Albany Town Hall was not suitable for the larger space of the Princess Royal Theatre. A team comprising the Albany Entertainment Centre, AEG Ogden Perth, the Perth Theatre Trust, the City of Albany and the GSDC agreed to organise a community appeal to raise \$135,000 for a new concert piano.

In early 2012 the GSDC kick-started this appeal by securing a pledge of \$50,000 from the Jack Family Charitable Trust towards the purchase of a new Steinway Model C concert piano for the Albany Entertainment Centre. The community appeal to raise the remaining \$85,000 was formally launched by Premier Colin Barnett in February 2012 during the opening of the Great Southern Festival. By 30 June 2012 the appeal had raised a total of \$121,500.

Albany Waterfront Development

The Albany Waterfront is a State Government project managed by LandCorp. The project's key stakeholders are the City of Albany, the GSDC and the Department of

Transport. The development was completed in June 2011 and includes serviced freehold lots for a mix of commercial buildings, tourist accommodation and entertainment. It also incorporates a protected harbour with a multipurpose marina, boat ramps and a service wharf.

On 14 July 2011, the Minister for Regional Development and Lands, the Hon Brendon Grylls MLA, officially handed over management of the public spaces and the harbour to the City of Albany and Department of Transport respectively as part of the official opening event. At 30 June 2012, Landcorp had sold one of the available commercial lots and was in exclusive discussions with a preferred developer of the Albany Waterfront hotel site.



The Albany Waterfront.

Anzac Peace Park

In 2014, the Anzac Peace Park in Albany will be the centrepiece of the 100-year commemoration of the 1914 departure of Australian and New Zealand troops for the Gallipoli campaign. In 2015, Australia will observe the centenary of Anzac Day and Albany will be the focus of national attention as the point of departure of the Anzac convoy and as the location of the first recognised dawn service commemorating the 25 April 1915 landing at Gallipoli.

Features completed at the Anzac Peace Park to 2011 included a Pier of Remembrance, Memorial Wall, interpretive elements, lights, seating and landscaping. In 2010-2011, the City of Albany entered into a Memorandum of Understanding with the Shire of Denmark to pool \$897,773 of Royalties for Regions CLGF monies to fund works which were undertaken in 2011-2012. This final stage of the project included establishing a Lone Pine Grove, additional pathways and performance areas, and installing lighting throughout the park including up-lighting for the flagpoles. The Anzac Peace Park now features plantings of seedlings generated from the seeds of the Aleppo pines located at Lone Pine in Gallipoli, representing a direct connection between the two cities. The City of Albany held a service to mark the dedication of Lone Pine Grove on 27 May 2012.

Katanning Saleyard Redevelopment

In early 2011-2012, construction started on the \$24.5 million Katanning Saleyards on a greenfields site east of the town. The project was the culmination of planning by the Shire of Katanning to develop the most efficient operational model that would fit within the revised State Saleyards Strategy. The GSDC worked closely with the Department of Agriculture and Food WA and the Department of Treasury and Finance to finalise the project proposal and business case that had earlier secured the \$17 million investment by the State Government. The GSDC is a member of the project steering committee.

The extensive civil works and construction progressed steadily through 2011-2012 on what will be the State's second major saleyard. The 2.7 hectares of roofed holding pens and associated infrastructure will have the capacity to efficiently handle one million sheep per year. Animal welfare and safety are key factors, along with operating efficiency, in the design of the facility. The project planning has also incorporated measurable regional benefits through a dedicated training program, the employment of local contractors and a focus on the purchase of goods and services from within the Great Southern.



Construction at Katanning's new saleyard.

Munda Biddi Trail Extension

The Munda Biddi Trail extension continued in 2011-2012, including the completion of the Albany to Denmark leg. The Munda Biddi Trail Foundation and DEC gained \$1.5 million under the Great Southern RGS to extend the Munda Biddi Trail from Nannup to Albany. Similar funding was committed through the South West Development Commission for trail works within the South West region from Nannup to Nornalup. The GSDC continued to be represented on the Munda Biddi Trail Extension Project Control Group in 2011-2012. Trail construction is expected to be completed in the first half of 2013.



Riding the Munda Biddi Trail – the Torbay to Elleker section is a community trail catering for horses as well as cyclists.

UWA Albany Centre

In 2011-2012 a major portion of a new sciences building was constructed at the UWA Albany campus, bringing it to lock-up stage. The \$7.4 million project secured \$1.5 million in Royalties for Regions funding through the first round of the Great Southern RGS and is due for completion in the second half of 2012. The sciences building will provide improved capacity for undergraduate teaching and postgraduate studies through the Centre of Excellence in Natural Resource Management (CENRM). The project will also support the expansion of the Rural Clinical School program.

The UWA Albany strategic plan was completed in 2011-2012. The plan was developed under the guidance of the UWA Albany Strategic Planning Working Party, of which the GSDC was a member. The strategic plan provides a new vision and mission for the centre, and a clear set of strategic goals regarding education, research, community service and resourcing for the period 2012 to 2016. The plan also presents a new governance structure designed to implement the goals in an

integrated manner. It is the first time such a comprehensive plan has been developed for UWA's operations in the Great Southern. The strategic plan was developed with a supporting contribution by the GSDC of \$13,000.

Southdown Magnetite Mine Working Group

Grange Resources is developing the \$2.9 billion Southdown magnetite project near Wellstead. The project is to produce 10 million tonnes per annum of high grade magnetite concentrate to be shipped from Albany Port. Grange has so far invested about \$150 million, of which an estimated \$40 million has been spent in the Great Southern, to complete its definitive feasibility study and secure the necessary mine and port environmental approvals. A financial investment decision is expected in 2013.

In 2011-2012 the GSDC continued to chair the Southdown Magnetite Mine Working Group, which is made up of relevant State and local government representatives. The Working Group was convened in 2005 and has played a key role in providing a forum to progress the Southdown project approvals.

Major infrastructure components proposed for the Southdown project include a new 330kV transmission line from Muja to Wellstead, a 100km slurry pipeline from the mine to the Port of Albany and an expansion of the Port to accommodate the export of magnetite concentrate. Works at the Port include constructing a new berth and dredging a deeper channel in King George Sound to allow for Capesize vessels. The project is expected to create 600 permanent jobs at the mine when it is fully operational.

Community Resource Centres

The GSDC maintained its practical working relationship with the Great Southern's Community Resource Centre (CRC) network in 2011-2012 through a regular exchange of information on a range of issues including training and communications. The Commission is also represented at the network's cluster meetings, which are held across the region. The coordinators and committee members, along with local government representatives, are routinely invited to all GSDC Board meetings that are held outside Albany.

The new Pingrup CRC was completed in early 2011-2012, the planning and development of which was similar to that of the Gnowangerup and Mount Barker CRCs. Those facilities, and the Ongerup CRC collocation with the Yongergnow Malleefowl Centre, have been sustained through a strong partnership with the relevant local governments and an ongoing working relationship with the GSDC. The Commission will continue to assist local governments, community groups and the CRC network in the development of collocated facilities that have the capacity to provide services for the community.

Timber Industry

The Timber Industry Road Evaluation Strategy (TIRES) committee met several times during 2011-2012 to discuss the impact of the new Commodity Routes Supplementary Fund which was created under the new State Road Funds to Local

Government Agreement. The new fund has significant implications for TIRES in that the “cooperative approach” for allocating timber road funding among the local governments of Albany, Plantagenet, Denmark and Cranbrook through TIRES has ended. The GSDC has provided executive support for the TIRES committee.

Smart Start

The GSDC continued its commitment to fund the YMCA of Perth’s project A Smart Start Early Years Program in 2011-2012, the program’s second year. The allocation of \$660,000 of Royalties for Regions funding over three years was made through the Great Southern RGS. A Smart Start is a community-based early intervention program for 0- to 4-year-olds, which is designed to address issues across all learning development domains and targets disadvantaged families in regional areas. The model, as applied in the Great Southern, is to assist parents to prepare their children to enter school by improving learning development and identifying hearing, speech and other health disabilities at an early stage.

In 2011-2012, the program met its targets of service delivery across the 12 participating towns and has expanded operations to the Shire of Jerramungup. The Great Southern Smart Start Governance Committee has identified and developed a number of innovative activities for the next round of the program. The Committee’s intention is to make A Smart Start more sustainable by introducing a pre-natal stage service and new promotional materials. The YMCA plans to attract corporate sector support and to negotiate with relevant State Government agencies in order to sustain the program in the Great Southern when the RGS funding ends in 2012-13.

Prospect House

The GSDC worked during the financial year with the Department of Housing, St Vincent de Paul, Community First International, the Men’s Resource Centre, Salvation Army, Young House and the Great Southern Community Housing Association on short-term housing for men in crisis. The Department of Housing allocated the project a five-bedroom house in Albany and, through a partnership between St Vincent de Paul and Community First International, an innovative jobs-based path out of homelessness for the unemployed has been established.

Prospect House was officially opened in February 2011 to offer homeless men the opportunity to live in a stable environment for up to three months during which time their transition into longer-term accommodation and employment is supported.

The Prospect House partnership secured sufficient funds to support the first year’s operation of the facility including \$15,000 in grants from the GSDC (\$10,000 Royalties for Regions RGS grant for equipment and a further \$5,000 towards the facility’s first year of operating costs). Vincentcare has committed to continuing its support for the initiative after the first year.

The initiative has helped several men to transition into full-time accommodation, jobs and /or training programs. Community First delivers follow-up monitoring and support services to these clients to ensure ongoing success.

Referral of clients to Prospect House may be made by existing agencies and organisations such as St Vincent de Paul, Salvation Army and Anglicare. St Vincent de Paul has established a Prospect House Reference Group to formalise its links with the Albany community. The GSDC has a representative on this reference group.

GOAL 4 – NATURAL AND CULTURAL ASSET MANAGEMENT

The GSDC Medal for Excellence in Natural Resource Management

The GSDC Medal for Excellence in Natural Resource Management gives public recognition for outstanding individual achievement, leadership and innovation in natural resource management (NRM) by people working in the Great Southern.

A gala dinner event was held at the Albany Entertainment Centre in August 2011 to mark the milestone of the tenth presentation of this prestigious award. The medal was awarded to Department of Agriculture and Food scientist John Moore for his commitment to and innovation in environmental, agricultural and horticultural weed control in the Great Southern and beyond. The award comprises a sterling silver medal and a \$10,000 grant to further the winner's work in NRM. The other finalists each receive a \$1,000 grant.



Community Services Minister Robyn McSweeney presented weed control expert John Moore with the 2011 GSDC Medal.

To ensure that the award program remains progressive, continues to recognise best practice and takes into account emerging aspects of NRM, the GSDC is undertaking a review of the award's structure and processes in 2012. It is anticipated that nominations will open for the next GSDC Medal in early 2013.

Centre of Excellence in Natural Resource Management

CENRM is an Albany-based research centre of the University of Western Australia. It was originally established as an initiative of the GSDC in a joint venture with several agencies. Since its inception, the Centre has attracted research funding for a wide range of regional, national and international initiatives, including the Tropical Rivers and Coastal Knowledge and International Water Centre projects on river health. Funds from local community organisations, industry and government have supported a range of regional projects that are addressing biophysical and social issues. In 2011, CENRM employed 15 teaching, research and administration staff and five casual teaching and research staff. Eight adjunct research staff were attached to the Centre.

CENRM attracted a total income of \$1.97 million in 2011. The Centre produced 36 peer-reviewed publications and six technical reports in 2011 and these have been applied to the development and management of sustainability in the broader community. More than 80 students attended the two summer units held in Albany in February 2012. CENRM staff supervised three Honours students and two Masters students in 2011. CENRM again coordinated and delivered a two-week residential course for 45 international students in the International Water Centre's MSc in Integrated Water Resource Management.

CENRM received funds from new national research programs, the Northern Australian Biodiversity Hub and National Climate Change Adaptation Research Facility. These programs will help to fund research staff in 2012-2013.

In 2011, CENRM convened a research ideas workshop with 40 scientists and community people to establish research priorities in the region for the next five years. CENRM organised the Great Southern Great Science Conference again in 2011 and 120 people attended. CENRM also continued to host a monthly seminar series for natural resource management professionals and scientists. The Great Southern Science Council formed in early 2012 as an initiative of CENRM and the Chief Scientist Professor Lyn Beasley.



Professor Stephen Hopper AC is taking up the new Chair of Biodiversity at CENRM. Photograph courtesy Royal Botanical Gardens, Kew.

CENRM has maintained a high standard of teaching and research and has had the continued support of the community and the GSDC. In 2011-2012, the GSDC and the Jack Family Charitable Trust committed to providing funding over three years to support the establishment of a new Chair in Biodiversity based at CENRM. Honoured plant conservation biologist Professor Stephen Hopper AC, the former Director of the Royal Botanic Gardens in Kew, England, has been appointed to the position and will take up the post in 2012-2013.

Lake Ewlyamartup

The Lake Ewlyamartup Working Group (LEWG) has continued the Restoring Lake Ewlyamartup project following the completion of the engineering design options to address water quality issues at the lake in 2011, supported by an \$11,453 GSDC grant in 2010-2011.

In November 2011, Lake Ewlyamartup was selected as one of three lakes considered for prefeasibility work under the DRDL Living Lakes program. A draft feasibility report by Living Lakes consultants JDA Consultant Hydrologists, including preliminary environmental analysis and cost benefit analysis, was circulated for comment in May 2012. A final report is expected early in 2012-2013.

The Shire of Katanning has secured \$29,800 for planning for boating facilities through the Recreational Boating Facilities Scheme. LEWG is developing a

proposal to use part of the \$45,000 available through the Tourism WA Regional Development Commissions Transitional Fund (managed by the GSDC) to develop a Recreational Area Plan for the lake in 2012-2013. The plan will then be used to secure approvals and funding for infrastructure at the site.

South Coast Natural Resource Management

In 2011-2012, the GSDC maintained its representation on the South Coast NRM (SCNRM) Advisory Committee. The organisation is jointly funded by the State and Commonwealth governments, has been operating in the region for ten years and continues to be a key agency in the coordination of program funding. SCNRM is the peak group in natural resource management for a significant part of the State's southern coastal and adjoining inland regions. By consistently delivering integrated natural resource management projects, it has sustained the necessary level of community, industry and government support.

Throughout the past year the organisation's active Board, advisory committee and officers registered some significant achievements in NRM:

- The inaugural Greenstream 2 Mainstream conference in March 2012. This was a partnership event with the GSDC, RDA-GS, ACCI and the City of Albany. Speakers included Ben Waters, Director of ecomagination with GE Australia/New Zealand, Saul Eslake, Chief Economist with Bank of America Merrill Lynch Australia, and Peter Zurzolo, CEO of Future Farm Industries CRC.
- Support for the Fitzgerald Biosphere, including securing \$20,000 through the Australian Government for the development of a submission to UNESCO to retain the biosphere status.
- Implementation of a Phytophthora Dieback Strategy, with mitigation projects adjoining the Fitzgerald River National Park and a program to control priority invasive species along the South Coast
- Assisting landholders to implement works through the Southern Incentives program, including \$153,000 of grants, announced in December 2011, to protect high quality remnant vegetation and biodiversity.
- Incremental implementation of *Southern Shores 2009-2030* including the Southern Incentives Southern Shores Coastal and Marine small grants program, and Coastal Forum in September 2011.
- Restoring connections between Noongar people and land in the South West, Great Southern and Goldfields-Esperance regions.

GOAL 5 – EFFICIENT AGENCY PERFORMANCE

Capital Purchases

The GSDC transitioned to the Office of Shared Services in April 2009. This required raising the asset capitalisation limit from \$1000 to \$5000. As all purchases relating

to equipment fell below the \$5000 threshold, there were no capital assets purchased by the Commission during the 2011-2012 year.

Complaints Management Policy

The GSDC values its working relationships and partnerships and is committed to providing its customers with high quality services. A Complaints Management Policy (CMP) is in place to manage client criticisms. Through the CMP process, any complaints received are investigated and, if necessary, improvements are made to the Commission's operational methodology.

The CMP accords with Government policy and its provisions are accessible through the GSDC website. The contact details of the Complaints Officer are:

Chief Executive Officer
Great Southern Development Commission
PO Box 280
ALBANY WA 6331

The GSDC received no complaints during 2011-2012.

Risk Management and Internal Audit Arrangements

The GSDC takes a strategic risk-based approach to the management of the organisation and has established the Risk Management and Audit Committee, a subcommittee of the Board. All recommendations from the Risk Management and Audit Committee are referred to the full Board.

In addition to an annual review of the Commission's Risk Management Plan and regular reassessment of all business risks, the Risk Management and Audit Committee oversees the implementation of internal audit arrangements. The scope of audit is to cover the assessment of the adequacy and effectiveness of the following core business risk management areas:

- Grant Program Management
- Project Management
- Human Resource Management
- Financial Management
- Asset Management
- Information Systems Management
- Board Governance

On an annual basis, the committee prioritises activities to be audited. During 2011-2012 the following key activities were audited:

1. Board Governance
2. Grants Management
3. Financial Management

Freedom of Information Statement

The GSDC holds information in hard copy and electronic form. Documents held include inward and outward correspondence, contracts, agreements, reports, administrative files, personnel records, project files, financial records, internal manuals, statistical information, minutes of meetings, promotional material, pamphlets and brochures, human resource information and asset records.

The GSDC does not charge for brochures. With the exception of requests lodged under the *Freedom of Information Act 1992*, no charge is levied on requests for information or for access to files, although the agency does reserve the right to recoup costs. The documents of the GSDC may be inspected if the application for inspection accords with the *Freedom of Information Act 1992*. The contact details of the Freedom of Information Coordinator are:

Regional Manager Community & Corporate
Great Southern Development Commission
PO Box 280
ALBANY WA 6331

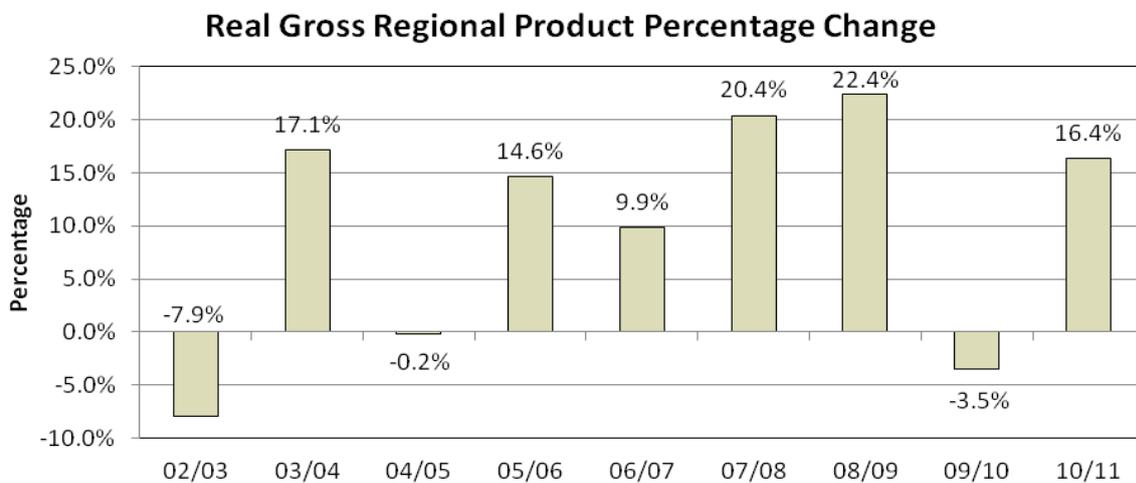
The GSDC received no requests for information under the *Freedom of Information Act 1992* in 2011-2012.

SIGNIFICANT ISSUES AND TRENDS

The following information is provided to give the reader an appreciation of the environment that the Great Southern Development Commission has operated in over the year and to report on the economic health of the region.

Gross Regional Product

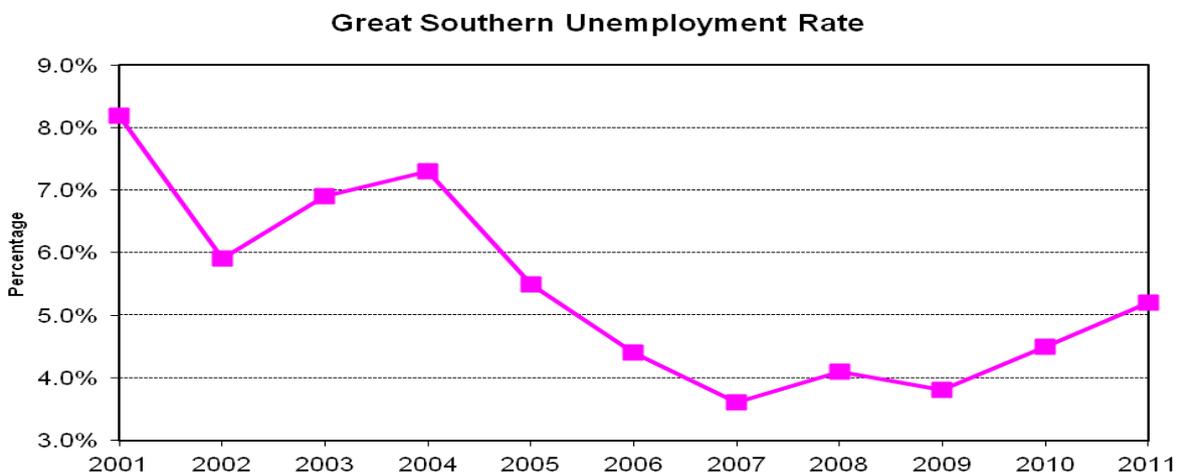
The Gross Regional Product (GRP) measures the economic wealth of the region. It represents the value of production within the region at market prices. The chart below shows the annual percentage change in real GRP (adjusted for inflation) over the past nine years. Real GRP increased by 16.4 per cent during 2010-2011.



Source: Department of Regional Development and Lands using Australian Bureau of Statistics

Unemployment

The unemployment rate in June 2011 was 5.2 per cent, up from the previous year's figure of 4.5 per cent. The graph below shows the unemployment rate since 2001.

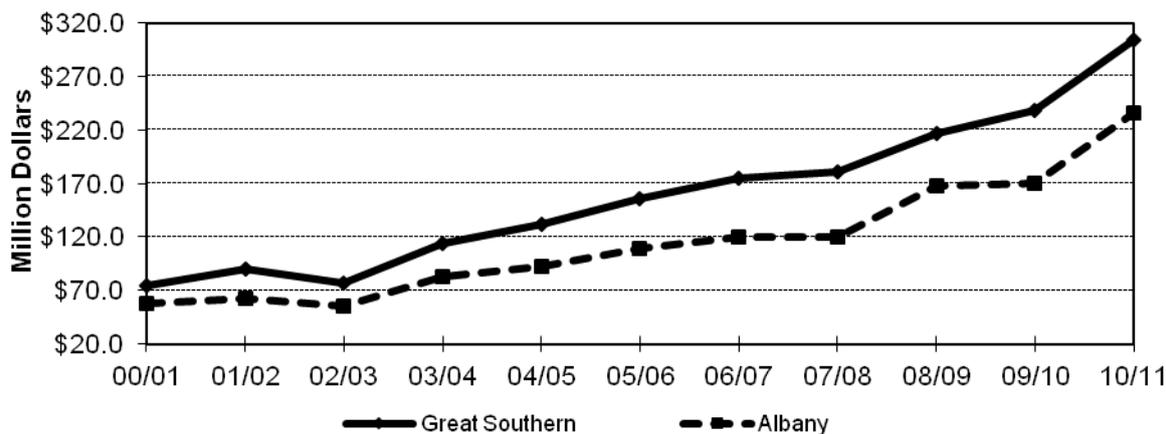


Source: Department of Education, Employment and Workplace Relations

Construction and Building

The graph below shows the value of construction approvals for the Great Southern as a whole and for the City of Albany. Construction approvals for the region in 2010-2011 were valued at \$303.7 million, up 27.4 per cent from the previous year. Construction activity in Albany made up 78 per cent of the value of approvals in 2010-2011.

Great Southern Value of Construction Approvals



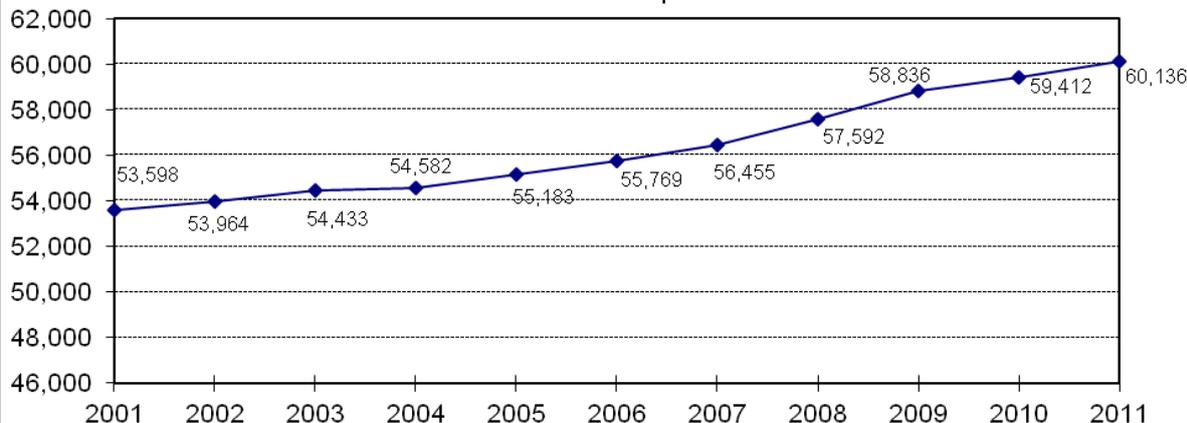
Source: Australian Bureau of Statistics

Population

The estimated resident population of the Great Southern at June 2011 was 60,136, an increase of 1.2 per cent from 2010. The graph below shows that the region as a whole has experienced steady growth.

Great Southern Population

Estimated Resident Population



Source: Department of Regional Development and Lands using Australian Bureau of Statistics figures

Regional economy

Agricultural production from a range of sectors that include cropping, wool and, sheep meat will continue to be the key components of the region's economic base in the medium term. The Australian dollar is expected to remain strong and will reduce returns to growers in an international trading environment where demand and prices are tending to stay high. Investment in the sector is continuing through the direct purchase of existing enterprises by corporations and by farm amalgamations.

The woodchip trade continues to be impacted by subdued economic activity in export markets, the after effects of the Japanese tsunami and high Australian dollar. Export volumes are expected to remain stable at approximately 1.2 to 1.4 mtpa in the medium term with some exports beginning to flow away from Japan to China.

Capital investment in the areas of power, water and transport infrastructure is a key factor in attracting new industries and expanding those already established in the region.

The tourism sector has, following a period of downturn, experienced a slight increase in overall visitor numbers and nights. Given current preferences, mainly from overseas visitors, this marginal recovery is likely to be sustained. This trend is in line with other Western Australian regions that have a similar product mix.

The region's key industry sectors are affected by skills shortages in a range of services, including health professionals and various trades, and in agricultural processing.

DISCLOSURES AND LEGAL COMPLIANCE

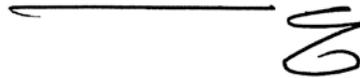
CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the Great Southern 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 2012 and the financial position as at 30 June 2012.

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



ROWENA CARNABY
CHIEF FINANCIAL OFFICER
3 SEPTEMBER 2012



BRUCE MANNING
CHIEF EXECUTIVE OFFICER
3 SEPTEMBER 2012



PETER RUNDLE
CHAIRMAN
3 SEPTEMBER 2012



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

GREAT SOUTHERN DEVELOPMENT COMMISSION

Report on the Financial Statements

I have audited the accounts and financial statements of the Great Southern Development Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Commission's Responsibility for the Financial Statements

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Great Southern Development Commission at 30 June 2012 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Great Southern Development Commission during the year ended 30 June 2012.

Controls exercised by the Great Southern Development Commission are those policies and procedures established by the Commission to ensure 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.

Commission's Responsibility for Controls

The Commission is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Great Southern Development Commission based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the controls exercised by the Great Southern Development Commission are sufficiently adequate to 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 during the year ended 30 June 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Great Southern Development Commission for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Commission's Responsibility for the Key Performance Indicators

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Commission determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commission's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the key performance indicators of the Great Southern Development Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2012.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Great Southern Development Commission for the year ended 30 June 2012 included on the Commission's website. The Commission's management are responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL ASSURANCE SERVICES
Delegate of the Auditor General for Western Australia
Perth, Western Australia
6 September 2012

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2012			
	Note	2012	2011
COST OF SERVICES			
Expenses			
Employee benefits expense	6	1,121,323	1,230,415
Supplies and services	7	420,539	475,775
Depreciation and amortisation expense	8	4,271	5,113
Accommodation expenses	9	126,429	128,708
Grants and subsidies	10	3,671,144	2,197,958
Other expenses	11	84,039	86,172
Total cost of services		5,427,745	4,124,141
Income			
<i>Revenue</i>			
User charges and fees	12	38,709	140,125
Commonwealth grants and contributions	13	5,000	2,030
Other revenue	14	1,100	1,100
Total Revenue		44,809	143,255
Total income other than income from State Government		44,809	143,255
NET COST OF SERVICES		5,382,936	3,980,886
Income from State Government			
Service appropriation	15	1,767,000	1,650,000
Income from State Government	15	226,000	273,770
Resources received free of charge	15	7,666	6,295
Royalties for Regions Fund	15	1,116,000	1,270,000
Total income from State Government		3,116,666	3,200,065
SURPLUS/(DEFICIT) FOR THE PERIOD		(2,266,270)	(780,821)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(2,266,270)	(780,821)

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2012			
	Note	2012	2011
ASSETS			
Current Assets			
Cash and cash equivalents	25	1,296,253	1,051,134
Restricted cash and cash equivalents	16	1,645,000	4,092,568
Receivables	17	44,820	29,495
Amounts receivable for services	18	6,000	74,000
Total Current Assets		2,992,073	5,247,197
Non-Current Assets			
Amounts receivable for services	18	194,000	181,000
Plant and equipment	19	9,021	8,245
Total Non-Current Assets		203,021	189,245
TOTAL ASSETS		3,195,094	5,436,442
LIABILITIES			
Current Liabilities			
Payables	21	257,342	42,705
Provisions	22	262,363	295,653
Total Current Liabilities		519,705	338,358
Non-Current Liabilities			
Provisions	22	15,052	427
Other non-current liabilities	23	324,602	495,652
Total Non-Current Liabilities		339,654	496,079
TOTAL LIABILITIES		859,359	834,437
NET ASSETS		2,335,735	4,602,005
EQUITY			
Accumulated surplus/(deficit)	24	2,335,735	4,602,005
TOTAL EQUITY		2,335,735	4,602,005

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2012				
	Note	Contributed equity	Accumulated surplus/ (deficit)	Total equity
Balance at 1 July 2010	24	61,458,876	5,597,359	67,056,235
Surplus/(deficit)				
Other comprehensive income				
Total comprehensive income for the period		-	(780,821)	(780,821)
Transactions with owners in their capacity as owners:				
Capital appropriations		-	-	-
Transfer to Accumulated Surplus		37,124	(37,124)	-
Distributions to owners		(61,496,000)	(177,409)	(61,673,409)
Balance at 30 June 2011		-	4,602,005	4,602,005
Balance at 1 July 2011		-	4,602,005	4,602,005
Surplus/(deficit)		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	(2,266,270)	(2,266,270)
Transactions with owners in their capacity as owners:				
Capital appropriations		-	-	-
Other contributions by owners		-	-	-
Distributions to owners		-	-	-
Total		-	2,335,735	2,335,735
Balance at 30 June 2012	24	-	2,335,735	2,335,735

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2012			
	Note	2012	2011
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		1,748,000	1,630,000
Grants and Subsidies State Government		220,065	277,235
Holding account drawdowns		74,000	-
Royalties for Regions Fund		1,116,000	1,270,000
Net cash provided by State Government		3,158,065	3,177,235
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,138,805)	(1,221,601)
Supplies and services		(305,730)	(490,901)
Accommodation		(118,763)	(122,414)
Grants and subsidies		(3,748,956)	(2,500,398)
GST payments on purchases		(417,247)	(303,936)
GST payments to taxation authority		(21,768)	(31,897)
Other payments		(84,038)	(86,172)
Receipts			
User charges and fees		38,709	140,125
Commonwealth grants and contributions		5,000	2,030
GST receipts on sales		27,173	31,872
GST receipts from taxation authority		407,857	811,584
Other receipts		1,100	1,100
Net cash provided by / (used in) operating activities	25	(5,355,468)	(3,770,608)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets	19	(5,047)	-
Receipts			
Proceeds from sale of non-current physical assets		-	-
Net cash provided by / (used in) investing activities	19	(5,047)	-
Net increase / (decrease) in cash and cash equivalents			
		(2,202,450)	(593,373)
Cash and cash equivalents at the beginning of the period			
		5,143,702	5,737,075
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	25	2,941,252	5,143,702

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). The Commission has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2012.

Note 2. Summary of significant accounting policies

(a) General statement

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB 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 impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had 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, except for land, buildings and infrastructure which have been measured at fair value. 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.

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Commission's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting entity

The reporting entity comprises the Commission and bodies included at note 34 and 35 'Related bodies'.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, 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 appropriations have been designated as contributions by owners by T1 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed equity.

The transfers 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 recognised and measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised for the major business activities as follows:

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Service appropriations

Service Appropriations are recognised as revenues at fair 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 'Amounts receivable for services' (holding account) held at Treasury.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at 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.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Commission obtains control over the funds. The Commission obtains control of the funds at the time the funds are deposited into the Commission's bank account.

Gains

Realised and unrealised gains 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.

(f) Plant and equipment

Capitalisation/expensing of assets

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

Initial recognition and measurement

Plant and equipment are initially recognised at cost.

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

Subsequent measurement

Subsequent to initial recognition as an asset, historical cost model is used by the Commission for all plant and equipment. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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.

Depreciation is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

Furniture and fittings	10 years
Office equipment	5 years
Software ^(a)	3 years
Hardware	3 years

(a) Software that is integral to the operation of related hardware

(g) Intangible assetsCapitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$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 Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, 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.

(h) Impairment of assets

Plant and equipment and infrastructure are tested for any indication of impairment at the end of each reporting period. 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 considered impaired and is written down to the recoverable amount and an impairment loss 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, where the replacement cost is falling or where there is a significant change in useful life.

Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the 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 the end of each reporting period 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 impairment at the end of each reporting period.

(i) Leases

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Commission is expected to benefit from their use. Minimum lease payments are apportioned

between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(j) Financial instruments

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

- Receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments 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

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.

(k) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (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 changes in value, and bank overdrafts.

(l) Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(m) Amounts receivable for services (holding account)

The Commission receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(n) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. 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.

(o) Payables

Payables are recognised 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 settlement is generally within 30 days.

(p) Provisions

Provisions are liabilities of uncertain timing or 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 resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

The liability for annual leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave that is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

The liability for long service leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave that is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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 end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (GESB) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent

contributions (defined contributions) made by the Commission to GESB extinguishes the agency's obligations to the related superannuation liability.

The Commission has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became 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. The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

Provisions – other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as 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'.

(q) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, and the GESBS.

(r) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the commission would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(s) Comparative figures

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

Note 3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Commission evaluates these judgements regularly.

Operating lease commitments

The Commission has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

Note 4. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

Several estimations and assumptions used in calculating the Commission's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Note 5. Disclosure of changes in accounting policy and estimates**Future impact of Australian Accounting Standards not yet operative**

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Commission has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Commission. Where applicable, the Commission plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<i>Financial Instruments</i> This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 10	<i>Consolidated Financial Statements</i> This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i> , introducing a number of changes to accounting treatments. The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 11	<i>Joint Arrangements</i> This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i> , introducing a number of changes to accounting treatments. The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 12	<i>Disclosure of Interests in Other Entities</i> This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and AASB 131 <i>Interests in Joint Ventures</i> . The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2013

AASB 13	<i>Fair Value Measurement</i> This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.	1 Jan 2013
AASB 119	<i>Employee Benefits</i> This Standard supersedes AASB 119 <i>Employee Benefits</i> , introducing a number of changes to accounting treatments. The Standard was issued in September 2011. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 127	<i>Separate Financial Statements</i> This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> , introducing a number of changes to accounting treatments. The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 128	<i>Investments in Associates and Joint Ventures</i> This Standard supersedes AASB 128 <i>Investments in Associates</i> , introducing a number of changes to accounting treatments. The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i> This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.	1 Jul 2013
AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i> This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.	1 Jul 2013
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i> This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 2011-2	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i> This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.	1 Jul 2013

AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013
AASB 2011-9	<p><i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i></p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2012
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 <i>Employee Benefits</i> in September 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-11	<p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jan 2013

Note 6. Employee benefits expense

	2012	2011
Wages and salaries ^(a)	947,292	970,075
Superannuation – defined contribution plans ^(b)	108,680	119,090
Long Service Leave	(2,990)	17,016
Annual Leave	68,341	124,234
Total employee benefits	1,121,323	1,230,415

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contribution paid).

Employment on-costs expenses, such as workers' compensation insurance, are included at Note 11 'Other expenses'. Employment on-costs liability is included at note 22 'Provisions'.

Note 7. Supplies and services

	2012	2011
Communications	39,016	39,269
Consultants and contractors	8,357	55,738
Consumables	75,025	46,527
Travel	38,218	38,355
Services and contracts	259,923	295,886
Total supplies and services	420,539	475,775

Note 8. Depreciation and amortisation expense

	2012	2011
<u>Depreciation</u>		
Furniture and fittings	2,589	2,588
Office equipment	840	2,525
Computer hardware	842	-
Total depreciation	4,271	5,113

Note 9. Accommodation expenses

	2012	2011
Lease rentals	112,133	115,812
Repairs and maintenance	2,631	3,500
Cleaning	11,665	9,396
Total accommodation	126,429	128,708

Note 10. Grants and subsidies

	2012	2011
<u>Recurrent –</u>		
Active Foundation Inc	95,000	-
Albany Biodiversity Park – Jaycees Community Foundation	20,000	160,000
Albany Cemetery Board	36,750	-
Albany Heritage and Reference Group Aboriginal Corporation	-	45,500
Albany Racing Club	220,000	-

Note 10. Grants and subsidies (cont.)

Albany Speedway Club Inc	49,000	-
Alzheimer's Australia WA Ltd	-	31,000
City of Albany	55,000	-
Denmark Country Club	28,600	97,000
Denmark Tourism Inc	25,000	3,193
Department of Planning	50,000	-
Fitzgerald Biosphere Group	-	20,000
Gillamii Centre	93,000	-
Greenskills	-	21,000
Jerramungup Sports Club	-	30,000
Katanning Regional Business Association	-	60,000
Kendenup Country Club Inc	35,000	-
Kojonup Tourist Railway	58,100	31,900
Moonies Hill	47,250	3,000
Mount Barker Turf Club	50,000	-
Munda Biddi Trail Foundation	500,000	500,000
Nyabing Golf Club	25,000	-
Perth International Arts Festival	75,000	35,000
Princess Royal Sailing Club	20,000	60,000
Rotary Club of Albany East	85,000	-
Shire of Cranbrook	-	200,000
Shire of Denmark	130,000	-
Shire of Gnowangerup	6,000	134,500
Shire of Gnowangerup - Hidden Treasures	65,000	-
Shire of Katanning	-	50,836
Shire of Kojonup	43,000	-
Shire of Plantagenet - Kendenup Community Development Assoc	75,000	4,000
Shire of Plantagenet	69,924	
Southern Edge Arts	31,000	5,000
TASTE Pty Ltd	-	25,000
The Baptist Union of WA Inc	20,000	120,000
University of Western Australia	1,300,000	-
Walpole Community Resource Telecentre		35,000
Woodanilling Sport and Recreation Association	-	35,000
YMCA of Perth	239,105	285,000
Grants Other	124,415	206,029
Total Grants	3,671,144	2,197,958

Note 11. Other expenses

	2012	2011
Equipment repairs and maintenance	16,141	14,004
Other staff costs	24,960	31,329
Audit Fees	42,938	40,839
Total other	84,039	86,172

Note 12. User charges and fees

	2012	2011
Project fees	38,709	140,125
Total user charges and fees	38,709	140,125

Note 13. Commonwealth grants and contributions

	2012	2011
Austrade	-	2,030
Regional Development Australia	5,000	-
Total Commonwealth grants and contributions	5,000	2,030

Note 14. Other revenue

	2012	2011
Grants Received – Local Government	1,100	1,100
Total other revenue	1,100	1,100

Note 15. Income from State Government

	2012	2011
Appropriation received during the period:		
Service appropriation ^(a)	1,748,000	1,630,000
Amounts received for outputs	19,000	20,000
	1,767,000	1,650,000
The following liabilities have been assumed by other state government agencies during the period:		
Total liabilities assumed		
The following assets have been assumed from/(transferred to) other state government agencies during the period. ^(b)		
Landcorp – Albany Waterfront	-	148,770
Tourism WA	-	125,000
Dept of Regional Development and Lands	176,000	-
Dept of Planning	50,000	-
Total assets assumed/(transferred)	226,000	273,770
Resources received free of charge ^(c)		
DTF – Building Management and Works	4,852	6,295
Legal fees	2,814	-
Royalties for Regions Fund:		
Royalties for Regions ^(d)	1,116,000	1,270,000
Total Income from State Government	3,116,666	3,200,065

(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) Discretionary transfers of assets between State Government agencies are reported as assets assumed/(transferred) under Income from State Government. Non-discretionary non-reciprocal transfers of net assets (ie. restructuring of administrative arrangements) designated as Contributions by Owners (CBOs) under TI 955 and are recognised directly to equity.

- (c) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.
- (d) 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.

Note 16. Restricted cash and cash equivalents

	2012	2011
<u>Current</u>		
Royalties for Regions Fund ^(a)	997,939	3,338,568
Cash held to be used only in accordance with Grant conditions ^(a)	322,459	258,347
Legally enforceable grants relating to contracts entered into by the Commission under Regional Development Scheme ^(a)	324,602	495,653
Total restricted cash and cash equivalents	1,645,000	4,092,568

(a) Unspent funds are committed to projects and programs in WA regional areas.

Note 17. Receivables

	2012	2011
<u>Current</u>		
Receivables	5,770	(165)
GST receivable	39,050	29,660
Total receivables	44,820	29,495

The Commission does not hold any collateral or other credit enhancements as security for receivables. No receivables were past due but not impaired at year end.

Note 18. Amounts receivable for services (Holding Account)

	2012	2011
Current	6,000	74,000
Non-current	194,000	181,000
Total amounts receivable for services	200,000	255,000

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.

Note 19. Plant and equipment

	2012	2011
<u>Furniture and fittings</u>		
At cost	25,884	25,884
Accumulated depreciation	(21,068)	(18,479)
	4,816	7,405
<u>Office equipment</u>		
At cost	51,731	51,731
Accumulated depreciation	(51,731)	(50,891)
	-	840

Note 19. Plant and equipment (cont.)

	2012	2011
<u>Computer Hardware</u>		
At cost	12,546	7,499
Accumulated depreciation	(8,341)	(7,499)
	4,205	-
<u>Computer Software</u>		
At cost	41,670	41,670
Accumulated depreciation	(41,670)	(41,670)
	-	-
Total plant and equipment	9,021	8,245

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

	Furniture and Fittings	Office Equipment	Computer Hardware	Computer Software	Total
2012					
Carrying amount at start of period	7,405	840	-	-	8,245
Additions	-	-	5,047	-	5,047
Depreciation	(2,589)	(840)	(842)	-	(4,271)
Carrying amount at end of period	4,816	-	4,205		9,021
2011					
Carrying amount at start of period	9,993	3,365	-	-	13,358
Depreciation	(2,588)	(2,525)	-	-	(5,113)
Carrying amount at end of period	7,405	840	-		8,245

Note 20. Impairment of assets

There were no indications of impairment to plant and equipment, infrastructure or intangible assets at 30 June 2012. The Great Southern Development Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use. All surplus assets at 30 June 2012 have either been classified as assets held for sale or written-off.

Note 21. Payables

	2012	2011
<u>Current</u>		
Sundry Creditors	102,032	13,597
GST Payable	5,423	18
Accrued Salaries	24,496	23,312
Accruals General	125,391	5,778
Total payables	257,342	42,705

Note 22. Provisions

	2012	2011
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave ^(a)	132,843	143,777
Long service leave ^(b)	129,520	151,876
Total Current	262,363	295,653
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave ^(b)	15,052	427
Total Non-current	15,052	427

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

	2012	2011
Within 12 months of the end of the reporting period	132,843	143,777
More than 12 months after the end of the reporting period	-	-
Total annual leave liabilities	132,843	143,777

(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 the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2012	2011
Within 12 months of the end of the reporting period	129,519	151,876
More than 12 months after the end of the reporting period	15,052	427
Total long service liabilities	144,571	152,303

Note 23. Other liabilities

	2012	2011
<u>Non-current</u>		
Grant liabilities ^(a)	324,602	495,652
Total other liabilities	324,602	495,652

(a) Regional Development Scheme Grant paid on completion of milestones as per contract.

Grant Liabilities paid are listed below:

	2012	2011
<u>Recurrent</u>		
ACTIV Industries	-	20,000
Perth International Arts Festival	25,000	25,000
Shire of Gnowangerup	15,000	38,000
Shire of Katanning	-	92,664
The Baptist Union of WA Inc	54,000	14,000
Grants other	77,050	112,776
Total Non-current Grant Liabilities paid	171,050	302,440

Note 24. Equity

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

Contributed equity		
	2012	2011
Balance at start of period	-	61,458,876
Total contributions by owners	-	61,458,876
<u>Distributions to owners</u>		
Transfer of net assets to other agencies – Albany Entertainment Centre	-	(61,458,876)
Total distributions to owners	-	(61,458,876)
Balance at end of period	-	-

Accumulated surplus/(deficit)		
	2012	2011
Balance at start of period	4,602,005	5,597,359
Result for the period	(2,266,270)	(780,821)
Transfer to Accumulated surplus/(deficit) ^(a)	-	(37,124)
Distribution to owner ^(b)	-	(177,409)
Balance at end of period	2,335,735	4,602,005

(a) Correction to negative equity in accordance with TI955.

(b) Albany Entertainment Centre - Transfer to the Perth Theatre Trust

Note 25. Notes to the Statement of Cash Flows**Reconciliation of cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2012	2011
Cash at Bank	1,295,003	1,049,884
Cash on Hand	1,250	1,250
Total Cash held	1,296,253	1,051,134
Legally enforceable grants (Notes 16)	539,956	495,652
Committed funds from external sources (Note 16)	107,105	258,348
Regional Grants Scheme – Royalties for Regions Funding	997,939	3,338,568
Total reconciliation of cash	2,941,253	5,143,702

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	2012	2011
Net cost of services	(5,382,936)	(3,980,886)
<u>Non-cash items:</u>		
Depreciation expense	4,271	5,113
Superannuation expense		-
Resources received free of charge	7,666	6,295
<u>Increase/(decrease) in liabilities:</u>		
Current payables ^(a)	209,232	(3,134)
Current provisions	(33,291)	56,894
Non-current provisions	14,625	(60,072)
Other non-current liabilities	(171,050)	(302,440)
Net GST receipts/(payments) ^(b)	(3,985)	507,623
Change in GST in receivables/payables ^(c)	-	-
Net cash provided by/(used in) operating activities	(5,355,468)	(3,770,607)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, i.e. cash transactions.

(c) This reverses out the GST in receivables and payables.

At the end of the reporting period, the Commission had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

Note 26. Resources provided free of charge

	2012	2011
During the period the following resources were provided to other agencies free of charge for functions outside the normal operations of the Commission:		
State Solicitors Office	2,814	-
DTF – Administration of Operating Lease for Accommodation	4,852	6,295
Total resources received free of charge	7,666	6,295

Note 27. Commitments

The commitments below are inclusive of GST where relevant.

Lease commitments

Motor Vehicles	2012	2011
Minimum lease payment commitments in relation to finance leases are payable as follows:		
Within 1 year	25,620	21,907
Later than 1 year and not later than 5 years	21,090	20,297
Later than 5 years	-	-
Total lease commitments	46,710	42,204

The Commission has the option to purchase leased assets at their agreed fair value on expiry of the lease. These leasing arrangements do not have escalation clauses, other than in the event of payment default. There are no restrictions imposed by these leasing arrangements on other financing transactions.

Non-cancellable operating lease commitments

Office Accommodation	2012	2011
Commitments for minimum lease payments are payable as follows:		
Within 1 year	100,372	90,341
Later than 1 year and not later than 5 years	125,826	310,333
Later than 5 years		
Total Office Accommodation	226,198	400,674
Total Lease Commitments	272,908	442,878
<u>Representing</u>		
Cancellable operating leases	46,710	42,204
Non-cancellable operating leases	226,198	400,674
Total operating lease commitments	272,908	442,878

The Commission has entered into a property lease which is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 4% per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years.

Note 28. Contingent liabilities and contingent assets

At the reporting date, the GSDC had no contingent liabilities or contingent assets.

Note 29. Events occurring after the end of the reporting period

The GSDC has no events occurring after the end of the reporting period.

Note 30. Explanatory statement

Significant variations between estimates and actual results for 2012 and between the actual results for 2011 and 2012 are shown below. Significant variations are considered to be those greater than 10% or \$5 million.

Significant variances between estimated and actual result for 2012

	2012	2012	
	Estimate	Actual	Variation
	(\$000)	(\$000)	(\$000)
Expenses			
Employee Benefits	1,431	1,121	310
Accommodation expenses	151	126	25
Supplies and services	322	421	(99)
Grants and Subsidies	1,000	3,671	(2,671)
Depreciation	19	5	14
Other Expenses	185	84	101

Significant variances between estimated and actual result for 2012 (cont.)

	2012	2012	
	Estimate (\$000)	Actual (\$000)	Variation (\$000)
Income			
User charges and fees	120	45	75
Resources received free of charge	5	8	(3)
Other revenue	195	226	(31)

Employee benefits

Actual expenditure is less than anticipated due to review of Development Commissions. GSDC have not appointed additional staff until outcomes of this review were available.

Accommodation expenses

The variance is due to five-year rent review resulting in an increase in monthly lease costs. This increment was less than anticipated.

Supplies and services

The greater than anticipated expenditure in this category is due to Supertowns and Country Local Government Fund.

Grants and subsidies

The Commission pays grant monies upon successful completion of pre agreed milestones. No grant monies are paid upfront. The grant payments relate to carry forward of Royalties for Regions Funding.

Depreciation

The Commission budgeted to purchase a replacement photocopier and computer server and phone system in the 2011-2012. These purchases were deferred awaiting outcomes of the review of Development Commissions and roll out from Shared Services. This will now be purchased in 2012-2013.

Other expense

Due to the introduction of more specified coding practices, the estimated expenditure for other expenses have been more appropriately coded to supplies and services.

User charges and fees

Decrease in user charges is associated with the withdrawal of Regional Development and Lands Community Resource Centre and Business Growth Centre Officers from GSDC premises.

Resources received free of charge

The Commission receives Administration support from Department of Building and Works in relation to office accommodation operating lease. In 2011-2012 additional Resources received free of charge were provided by State Solicitors Office in relation to specific projects.

Other revenue (including Other Government)

Increase in Other revenue as a result of Supertown funding.

Significant variances between actual results for 2011 and 2012

	2012 (\$000)	2011 (\$000)	Variance (\$000)
<u>Expenses</u>			
Supplies and services	421	517	(96)
Grants and subsidies	3,671	2,198	1,473
<u>Income</u>			
User charges and fees	39	140	(101)
Commonwealth grants and contributions	5	2	3
Income from other State Government Agencies	226	274	(48)

Supplies and services

The variance is due to application of cost saving measures undertaken by the Commission.

Grants and subsidies

The variance is due to the completion and payment of grant monies under the Royalties for Regions Program.

User charges and fees

Decrease in user charges is associated with the withdrawal of Regional Development and Lands Community Resource Centre and Business Growth Centre Officers from GSDC premises.

Commonwealth grants and contributions

Co-funding related to Katanning Multi-cultural paper project.

Income from other State Government Agencies

The variance is due to completion of the Albany Waterfront Project.

Note 31. 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, Treasurer's advances, 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 maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 31 'Financial instruments disclosures' and note 17 'Receivables'.

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. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

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

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. The Commission 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.

Other than as detailed in the interest rate sensitivity analysis table at note 31, the Commission is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings other than the Treasurer's advance (non-interest bearing), WATC borrowings and finance leases (fixed interest rate).

(b) Categories of financial instruments

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2012 (\$000)	2011 (\$000)
<u>Financial Assets</u>		
Cash and cash equivalents	1,296	1,051
Restricted cash and cash equivalents	1,645	4,093
Receivables ^(a)	6	-
Total financial assets	2,947	5,144
<u>Financial Liabilities</u>		
Payables	252	43
Total financial liabilities	252	43

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

(c) Financial instrument disclosuresCredit risk and interest rate exposure

The following table discloses the Commission's maximum exposure to credit risk, interest rate exposure and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission. The Commission does not hold any collateral as security or other credit enhancement 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.

Interest rate exposure and maturity analysis of financial assets ^(a)

	Weighted Average Effective Interest Rate (%)	Carrying Amount (\$000)	Interest rate exposure			Total Nominal Amount (\$000)	Maturity dates				Impaired financial assets
			Fixed interest rate	Variable interest rate	Non- interest bearing (\$000)		Up to 3 months	3 months to 1 year	1 – 5 years	More than 5 years	
2012											
Cash and cash equivalents	-	1,296	-	-	1,296	1,296	-	-	-	-	-
Restricted cash and cash equivalents	-	1,645	-	-	1,645	1,645	-	-	-	-	-
Receivables ^(a)	-	6	-	-	6	6	6	-	-	-	-
Amounts receivable for services	-	200	-	-	200	200	-	-	-	-	-
	-	3,147	-	-	3,147	3,147	6	-	-	-	-
2011											
Cash and cash equivalents	-	1,051	-	-	1,051	1,051	-	-	-	-	-
Restricted cash and cash equivalents	-	4,093	-	-	4,093	4,093	-	-	-	-	-
Receivables ^(a)	-	-	-	-	-	-	-	-	-	-	-
Amounts receivable for services	-	255	-	-	255	255	-	-	-	-	-
	-	5,399	-	-	5,399	5,399	-	-	-	-	-

All financial assets are not past due and impaired.

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

Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial liabilities

	Weighted Average Effective Interest Rate (%)	<u>Interest rate exposure</u>					<u>Maturity date</u>				
		Carrying Amount (\$000)	Fixed interest rate	Variable interest rate	Non- interest bearing (\$000)	Adjustment for discounting	Total Nominal Amount (\$000)	Up to 3 months (\$000)	3-12 months	1-2 years	2-5 years
<u>Financial Liabilities</u>											
2012											
Payables	-	252			252		252	252			
		252			252		252	252			
2011											
Payables	-	43			43		43	43			
		43			43		43	43			

Interest rate sensitivity analysis

None of the Commission's financial assets and liabilities at the end of the reporting period are sensitive to movements in interest rates, hence movements in interest rates have no bottom line impact on the Commission's surplus or equity.

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, 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.

Note 32. Remuneration of members of the accountable Commission and senior officers**Remuneration of members of the accountable authority**

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

	2012	2011
\$3,001 - \$10,000	7	6
\$10,001 - \$20,000	1	1
\$20,001 - \$30,000		1
\$30,001 - \$40,000		
The total remuneration of members of the accountable authority	46,993	65,610

The total remuneration includes the superannuation expense incurred by the Commission in respect of members of the accountable authority.

Remuneration of senior officers

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

	2012	2011
\$100,001 - \$120,000	-	2
\$120,001 - \$130,000	2	-
\$130,001 - \$140,000	-	-
\$140,001 - \$150,000	-	1
\$150,001 - \$160,000	-	-
\$160,001 - \$170,000	-	-
\$170,001 - \$180,000	-	1
\$180,001 - \$190,000	1	-
The total remuneration of senior officers	475,292	643,786

The total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers other than senior officers reported as members of the accountable authority.

Note 33. Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2012	2011
Auditing the accounts, financial statements and key performance indicators	31,500	29,600

Note 34. Related bodies

A related body is a body that receives more than half its funding and resources from an agency, but is not subject to operational control by that agency.

The GSDC has no related bodies as defined by the Treasurer's Instruction 951.

The transactions and results of the related bodies have been included in the financial statements.

Note 35. Affiliated bodies

An affiliated body is a body that receives more than half its funding and resources from an agency but is not subject to operational control by that agency.

The GSDC has no affiliated bodies.

Note 36. Supplementary financial information**(a) Write-offs**

There was no public property written off by the Executive Council during the reporting period.

(b) Losses through theft, defaults and other causes

There were no losses through theft, defaults and other causes during the reporting period.

(c) Gifts of public property

There were no gifts of public property provided by the Commission during the reporting period.

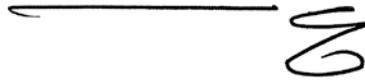
KEY PERFORMANCE INDICATORS

CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Great Southern Development Commission's performance, and fairly represent the performance of the Great Southern Development Commission for the financial year ended 30 June 2012.



PETER RUNDLE
CHAIRMAN
3 SEPTEMBER 2012



BRUCE MANNING
CHIEF EXECUTIVE OFFICER
3 SEPTEMBER 2012

KEY PERFORMANCE INDICATORS 2011-2012

Treasurer's Instruction 904 requires the disclosure of performance information in the Commission's annual report. This information assists interested parties such as Government, Parliament, the community and client groups to assess agency performance in achieving government-desired outcomes and obtaining value for public funds from services delivered.

The following illustrates the relationship between the Commission's service and desired outcome, and the government goal it contributes to.

Government Goal

Stronger Focus on the Regions: Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

Desired Outcome

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

Service

The GSDC delivers one service, being Regional Development.

KEY EFFECTIVENESS INDICATOR

Clients' satisfaction with the Commission's performance in coordinating and promoting economic development in the Great Southern is captured by responses received through the annual client satisfaction survey. The Government set the Commission a target of achieving favourable responses from a minimum of 75 per cent of clients surveyed. The Commission set its own target of achieving favourable responses from 80 per cent of clients surveyed in the 2011-2012 year.

The Commission engaged Asset Research to conduct the 2011-2012 client survey. The Commission provided Asset Research with a list of 264 clients who had significant dealings with the Commission over the 2011-2012 year. Asset Research was able to contact 200 of these clients, and completed 160 surveys, providing a response rate of 60.6 per cent of the sample surveyed. The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of key clients within a possible sampling error of +/- 5 per cent at the 95 per cent confidence level.

The result of the 2011-2012 Client Survey compared to the results of the previous years' surveys are shown in the table and illustrate that in 2011-2012, 85 per cent of clients rated the Commission as being effective or very effective in the delivery of regional development services.

Client satisfaction with the GSDC's performance in coordinating and promoting economic development in the Great Southern					
Very Effective or Effective Ratings					
2012 Actual	2012 Target	2011 Actual	2010 Actual	2009 Actual	2008 Actual
85%	80%	86%	84%	81%	84%

KEY EFFICIENCY INDICATOR

Service: Regional Development

This service incorporates project management work, the facilitation and support of new and existing enterprises and businesses, promotional and information services, and the development of strategic partnerships with government, business and community groups to ensure the development of the Great Southern region.

	2009-2010 Actual	2010-2011 Actual	2011-2012 Target	2011-2012 Actual	Variation
Average Cost per project ^(a)	\$45,624	\$45,862	\$51,098	\$42,844	\$8,254 ^(b)

(a) Average cost per project is calculated by dividing the cost of services (as reported in the Income Statement), less grants and subsidies, divided by the number of projects completed or progressed by the Commission in the year.

(b) The variation between 2011-2012 target and actual average cost per project is due to the reduction in employee hours.

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

OTHER FINANCIAL DISCLOSURES

PRICING POLICY OF GOODS AND SERVICES PROVIDED

The GSDC provides no chargeable goods and services for its core business.

CAPITAL WORKS

Capital Works Completed

No capital projects were completed during 2011-2012.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Staff Profile		
	2010-2011	2011-2012
Full-time permanent	7	6
Full-time contract	4	7
Part-time measured on an FTE basis	1.1	0.8
	12.1	13.8

STAFF TRAINING, RECRUITMENT AND DEVELOPMENT

The GSDC arranged for staff to attend a range of training activities during the year. The GSDC prefers to satisfy the training needs of staff either in-house or at the local level by bringing specialised training personnel to Albany.

Over the year, the GSDC spent \$7,758 on a variety of training activities for staff, including:

- Ethical decision making workshop
- Occupational health & safety representative training
- MS Access introductory training
- MS Access intermediate training
- Senior first aid training
- Interpreting audit reports workshop
- Dealing with misconduct – tips for managers
- Designing resilient farming systems
- The International Relations Game Workshop (CEO Development Forum)

The GSDC has developed Human Resource Management Standards for the recruitment and development of staff in accordance with Government policy guidelines. Training needs are identified by the GSDC's staff performance appraisal system.

Short in-house training sessions are undertaken on a regular basis throughout the year. Multi-skilling and cross-training is encouraged across the Commission, particularly in key functional positions.

WORKERS' COMPENSATION AND REHABILITATION ARRANGEMENTS

In compliance with Treasurer's Instruction 903, the GSDC has not been required to provide payments or extend assistance for workers' compensation claims or rehabilitation of staff during the 2011-2012 financial year.

GOVERNMENT 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, have had any interests in existing or proposed contracts with the GSDC and Senior Officers.

OTHER LEGAL REQUIREMENTS

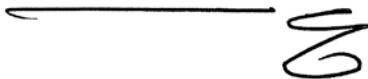
COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

1. In the administration of the Great Southern Development Commission, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct. All GSDC staff have been made aware of the necessity to comply with Western Australian Public Sector Code of Ethics and our own Code of Conduct, and new staff are carefully inducted and given a copy of our Code and other control policies, on such topics as telephone, internet and email use and travel allowances. The GSDC Board Code of Conduct and the GSDC Staff Code of Conduct were updated in January 2012. Board members and staff attended training sessions on the revised codes of conduct.

2. I have put in place procedures designed to ensure such compliance by all staff of the Great Southern Development Commission and conducted appropriate internal assessments to satisfy myself that the statement made in Paragraph 1 is correct. These assessments have included obtaining confirmatory advice from central agencies such as the Department of Premier and Cabinet, comparison of proposed activities to relevant public sector standards and reports by our Risk Management and Audit Committee.

3. With respect to the number of applications made against breach of standards review and corresponding outcomes for the 2011-2012 year, I advise the following:

Number lodged	0
Breaches found (including multiple breaches)	0
Applications still under review	0



BRUCE MANNING
CHIEF EXECUTIVE OFFICER
3 SEPTEMBER 2012

ELECTORAL ACT COMPLIANCE

In accordance with section 175ZE of the *Electoral Act 1907* the GSDC incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

Total expenditure for 2011-2012 was \$12,098.

Expenditure was incurred as shown in the table.

Expenditure class	Organisation	(\$)	Total (\$)
Advertising Agencies	Nil		
Market Research Agencies	Asset Research	3,350	3,350
Polling Organisations	Nil		
Direct Mail Organisations	Nil		
Media advertising	West Australian	3,719	
	Albany Advertiser	468	
	Radio West	915	
	Denmark Bulletin	401	
	Weekender	321	
	Albany Chamber of Commerce and Industry	667	
	Great Southern Herald	792	
	Albany Gateway	246	
	Denmark Chamber of Commerce and Industry	869	
	Green Man	350	
			8,748
		Total	12,098

ANNUAL ESTIMATES

The GSDC receives an appropriation as a separate Division of the Consolidated Account Expenditure Estimates and is excluded from reporting on Annual Estimates as per Treasurer's Instruction 953 and Section 40 (1) of the *Financial Management Act 2006*.

DISABILITY ACCESS AND INCLUSION PLAN

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

The GSDC's Disability Access and Inclusion Plan (DAIP) outlines 13 strategies under six outcomes. The six outcomes are:

- All members of the public will be provided with access to the services of, and any events organised by the GSDC
- Public access to the buildings and other facilities of the GSDC is available and easily accessible to all members of the public
- All members of the public can access information from the GSDC in a format that meets their individual needs
- The GSDC will offer non-discriminatory service of high quality to all members of the community regardless of their circumstances
- All members of the community will be provided with equal opportunity to lodge complaints to the relevant public authority
- All members of the community will be provided with equal opportunity to participate in any public consultation conducted by the GSDC

The implementation of the DAIP is ongoing, with an Action Plan to allow for continuous improvement. Staff members are encouraged to be aware of the varying needs of all people in the community in planning their work and to ensure that all people have access to our services. Wheelchair access is available to Pymont House and the Katanning office. The GSDC has continued to work toward completion of items on its Action Plan and to reassess continuing improvements to the DAIP.

Through the Great Southern RGS, grant recipients are required to report on the extent to which grant-aided projects align with the Commission's DAIP objectives.

The GSDC is supportive of agencies and businesses that facilitate the employment of people with disabilities. The GSDC engages the services of a local agency that employs people with disabilities for tasks such as car washing and detailing, and general administrative duties. The GSDC will continue to use the personnel from this agency to ensure that people with disabilities can access a range of employment opportunities and gain confidence in an office workplace environment.

RECORDKEEPING PLAN

As required by the State Records Act (2000), the GSDC developed a Recordkeeping Plan (RKP) which was approved for a period of five years by the State Records Office (SRO) in 2004. Following a comprehensive review in mid-2010 a new RKP was approved on 15 September 2010. The RKP is next due to be reviewed in September 2015.

Over the reporting period, the GSDC liaised with the SRO to build on and enhance its RKP in order to improve its internal records management controls and practices. During the year, the GSDC provided further documentation to fulfil the requirements of the standards and principles of the State Records Act (2000).

As in previous years, the GSDC provided regular ongoing in-house training on record-keeping to assist staff with clear procedures on records management functions.

The GSDC consulted with staff on the efficiency and effectiveness of its recordkeeping systems. This process is repeated annually.

The Chief Executive Officer ensures that all new staff members are aware of the importance that the State Government places on its public records and the need to comply with the GSDC's RKP. The GSDC has allocated responsibilities to all staff to maintain and protect public records and a specific officer has been charged with special records management functions.

GOVERNMENT POLICY REQUIREMENTS

SUBSTANTIVE EQUALITY

In accordance with the Public Sector Commissioner's Circular 2009-23 "Implementation of the Policy Framework for Substantive Equality", the GSDC is committed to eliminating systemic racial discrimination in the provision of its services and is sensitive to the different needs of client groups.

The GSDC implements substantive equality by regularly reviewing structures and policies to ensure that the specific needs of Indigenous people and ethnic minorities are considered. This year the GSDC focused on grant funding promotion to Indigenous people, and undertook action to ensure adequate dissemination of information by specifically targeting Indigenous organisations.

OCCUPATIONAL SAFETY AND HEALTH

The GSDC recognises its duty to ensure the safety and health of its employees, contractors and visitors and in meeting this duty will comply with the requirements of the *Occupational Safety and Health Act 1984* and any other legislation and supporting documents that apply to its operations.

The GSDC is committed to achieving the highest standards of occupational safety and health (OSH) in accordance with best practice. It is our policy:

- To establish safety as an organisational goal
- To provide and maintain a workplace and systems of work that do not expose employees, contractors and visitors to hazards
- To ensure that all employees are provided with information, instruction, training and supervision appropriate to the scope of work being undertaken
- To consult with employees on any issues that may affect their safety and health at work
- To continuously review safety management systems in order to meet or exceed best practice

Consultation on OSH issues takes place at the fortnightly team meetings, which are attended by all Commission employees. All OSH-related procedures and forms are easily accessible on the Commission's intranet. In addition there is a close working relationship between the Commission's fully trained Safety and Health Representative

and management, which ensures that all safety and health issues are comprehensively reviewed on a regular basis.

The GSDC's OSH management system was reviewed internally during 2010-2011 and a number of refinements were implemented to bring the system in line with current best practice approaches, including making job-specific OSH considerations part of the employee induction processes. This system was maintained during 2011-2012.

The GSDC has a documented Injury Management System (IMS) in place, which is in accordance with the *Workers' Compensation and Injury Management Act 1981* and is accessible for all employees on the Commission's intranet. The IMS is implemented at the time a worker reports a work-related injury or illness and continues until a full return to work is achieved or is no longer a realistic goal as determined in consultation with the employee, the GSDC, the treating medical practitioner and RiskCover. All return to work programs are developed in accordance with the Act.

2011-2012 OSH Annual Performance		
Indicator	Actual	Target
Number of fatalities	0	0
Lost time injury/disease (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	100%
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	50%	Greater than or equal to 80%

The target of 80 per cent of public sector managers and supervisors trained in occupational safety, health and injury management responsibilities is commendable however it is a target that small agencies with flat structures and extensive workloads such as the GSDC find difficult to achieve. In addition to having one OSH Management-trained manager, the GSDC also has a trained OSH representative and is proactive in its approach to employee health and safety, which is reflected in the agency's track record of having no worker compensation claims or any lost days due to injury in the past three years.