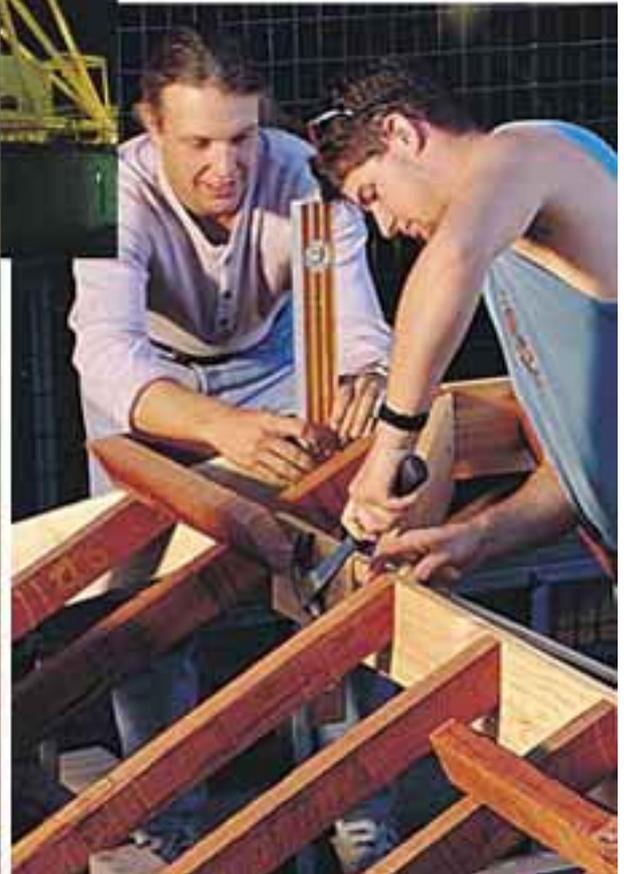
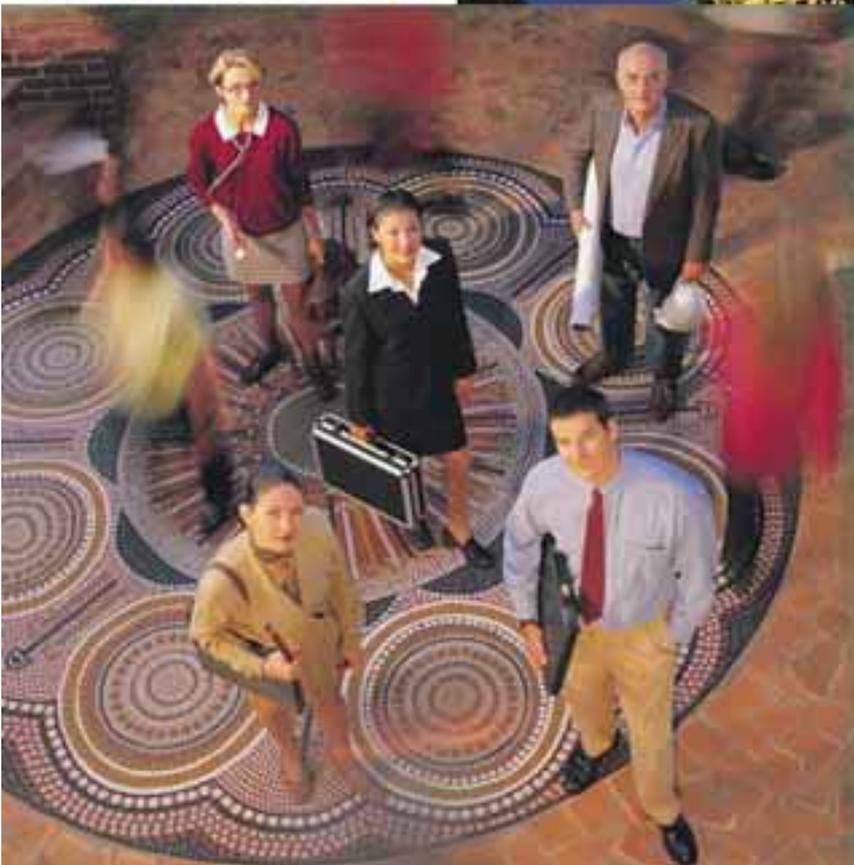
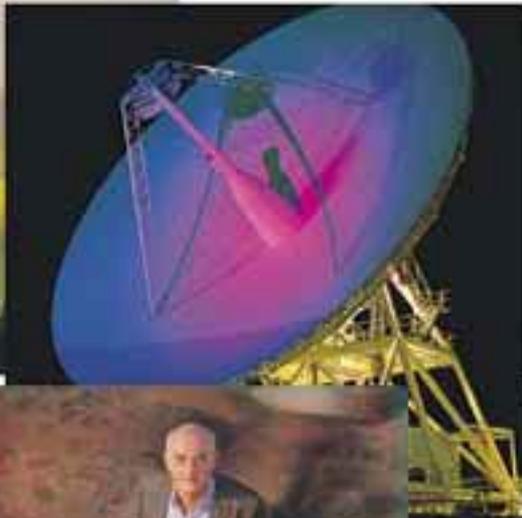


Department of Commerce and Trade

Annual Report 2000-01



To the Hon Clive Brown MLA
Minister for State Development; Tourism; Small Business
Parliament House
Perth
Western Australia 6000

Dear Minister

In accordance with section 62 of the *Financial and Administration Act 1985*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Commerce and Trade for the year ended 30 June 2001.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Schapper', written in a cursive style.

Paul Schapper
Acting Director General
31 August 2001

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From the Acting Director General of the Department of Industry and Technology

This is the eighth and final year of operations of the Department of Commerce and Trade. On 1 July 2001, the agency's core functions were merged with elements of Contract and Management Services (CAMS) to form a new agency, responsible for driving this State's economic development.

Since its creation in 1993, Commerce and Trade has built a record of strong performance and achievement, most notably in its work preparing Western Australian businesses for the new global economy. This annual report not only illustrates the wide scope of the agency's activities, but provides further evidence of the considerable specialist skills and commitment of its employees.

The merger brings this industry and trade expertise together with the contracting and e-commerce know-how of CAMS – an exciting synergy, indeed. As part of the restructuring associated with the Machinery of Government Taskforce recommendations, staff of Commerce and Trade's regional development division are also moving to a newly created agency, the Department of Local Government and Regional Development.

I have emphasised to staff members that the future will bring many new opportunities and career options. It is a challenge not unfamiliar to them: to strengthen industry development in new ways and ensure the State's economic sustainability in a competitive global environment.

With these human resources and the continued support of its partners in the business community, the Department of Industry and Technology has a sound platform for success.

Finally, it is fitting to recognise the lengthy and outstanding contribution made to Commerce and Trade and its preceding agencies by Richard Muirhead, who stepped down as Chief Executive Officer on 20 May 2001. Mr Muirhead is continuing his service to the Western Australian Government with the Western Australian Tourism Commission.



Paul Schapper
Acting Director General
31 August 2001

2000-01 Highlights

- Expansion of the Department's online services resulted in a near-doubling of individual visitors to its seven websites, from 7,835 a month to 14,986;
- Successful negotiations with Motorola Corporation resulted in the communications transnational committing to a software engineering centre near the University of Western Australia, assisted by a government industry incentive package of \$5.4 million;
- Support provided to local businesses helped enable them to win overseas aid contracts worth nearly \$22 million;
- As part of its key role in implementation of the WA Government's 'Protection of Old Growth Forests' policy, the Department undertook several initiatives, including establishing an integrated services centre in Manjimup to assist businesses and individuals affected by reduced timber allocations;
- Progress with the \$204 million Jervoise Bay marine industrial project saw work started on an island breakwater and southern seawall, as well as channel and harbour dredging;
- For businesses and residents in more remote parts of the State, a Satellite Mobile Phone Subsidy Scheme was established, with 475 applications approved in the eight months to 30 June 2001;
- Videoconferencing infrastructure was extended to 100 regional public-access locations and community facilities like hospitals, and the Telecentre Network coordinated by Commerce and Trade increased from 76 to 90 community-owned, managed and incorporated centres;
- New funding of \$3.3 million was approved for six Centres of Excellence in industry-focused R&D, to be matched by approximately \$17 million in cash and in kind contributed by other participants, giving WA 29 centres as a result of this program co-ordinated by the Department;
- Intensive lobbying by the Department helped to bring several key R&D projects to WA, including a Technology Incubator Centre, established at Bentley by a consortium of local information technology companies;
- Construction of a national CSIRO research centre for petroleum and mineral resources, located at Technology Park and partly funded by the Department, progressed to expected completion in October 2001;
- WA's most important marine research undertaking was launched - the \$20 million Strategic Research Fund for the Marine Environment project, managed by Commerce and Trade and involving CSIRO and four other State agencies;
- The Department was instrumental in the State Government's commitment to a co-operation agreement with the State Council of ATSIC – the Aboriginal and Torres Strait Islanders Commission; and
- A Western Australian Tourism Operators Committee, representing indigenous tourism operators, was formed as a result of co-ordination work by the Department.

The Commerce and Trade Organisation

MISSION AND ROLE

Building Western Australia's Economy for The Future

In order to fulfil this Mission, the Department of Commerce and Trade works with Western Australia's industry and commercial sectors and its economic community to attract investment, increase exports, create jobs, generate wealth, provide access to business services and help position Western Australia more competitively in the international marketplace.

Commerce and Trade is required by the Government of Western Australia to produce an outcome described as "the promotion, fostering and facilitation of economic growth and development of Western Australia". This is achieved through the following outputs:

- Science and Technology Development Services
- Infrastructure Development Services
- Industry Sector and Trade Development Services
- Aboriginal Enterprise Development Services
- Information and Communications Services
- Regional Development Services

This annual report reviews the agency's operations under these various output groups.

Ultimately, the Department's work aims to achieve a higher standard of living for all Western Australians.

In the pursuit of this mission, the Department strives to:

- Work in partnership with industry
- Communicate and collaborate with clients and stakeholders
- Provide professional and quality advice
- Develop leading edge services and products
- Balance environmental, economic and social needs

Strategic outcomes

The Department's strategic outcomes are to achieve:

- An increase in exports, employment and investment
- An increase in expenditure on industry-focused research and development
- An increase in the use of information and communications to drive business growth
- An improvement in regional development

To achieve these strategic outcomes, Commerce and Trade employs organisational strategies based on a coherent set of actions:

- Improving the environment for industry development
- Providing prudent and accountable assistance to business and other organisations
- Developing the State's non-metropolitan regions

- Driving cross-government policy development and implementation
- Improving information and communications services and products

Key clients

- Western Australian companies, particularly small to medium sized enterprises
- Industry associations
- International and interstate companies that may invest in Western Australia
- Industrial research organisations
- Regional groups, particularly those involved in economic development
- Aboriginal businesses and organisations that promote indigenous development
- Local, State and Commonwealth public sector agencies involved in economic development

Key services offered

- The provision of timely, quality economic, trade and commercial information
- Access to financial and non-financial support for business development
- Co-ordination of infrastructure development for industry
- Promotion of science and technology programs and collaboration
- Co-ordination of government, industry and community efforts to make Western Australia a world-class information manager and user
- Support for regional businesses, community groups, educators and other groups to access contemporary information technology and telecommunications services
- Assistance to Aboriginal enterprise operators to improve indigenous economic development

Corporate Values

The Department of Commerce and Trade has the following expectations of its staff and the agency as a whole:

- To behave with honesty and integrity by acting ethically and treating people fairly and impartially
- To act professionally, courteously and sensitively and maintain confidentiality
- To demonstrate commitment by being personally responsible, dedicated and diligent in all facets of work
- To maintain openness by using processes that are transparent and understandable
- To engender loyalty by supporting one another and taking pride in what the department does
- To show leadership by meeting corporate objectives and by helping others reach their potential
- To work collaboratively and cooperatively as a team
- To always strive for creativity and innovation in meeting the needs of customers
- To be results-orientated by focusing on delivering the best possible results
- To deliver a high quality service by understanding client needs, responding promptly, informing clients about government services and staying focused on commitments made

Operational Base

Commerce and Trade's Perth office of around 200 employees is supplemented by a regional trade office in Bunbury, Broome and Kununurra. The Department liaises closely with nine Regional Development Commissions covering the State and also has specialist representation in Canberra. Overseas, it is in daily contact with Commerce and Trade international offices and State Government offices, including:

- Europe – London
- Singapore
- Indonesia – Surabaya
- Japan – Tokyo and Kobe
- Korea – Seoul
- Malaysia – Kuala Lumpur
- India – Mumbai and Chennai
- China – Shanghai and Hangzhou
- Hong Kong
- Thailand – Bangkok
- The Philippines - Manila
- Taiwan – Taipei

Legislation and Reporting

Reporting Arrangements

The Department, through its Chief Executive Officer, reports to the Minister for State Development; Tourism; Small Business; Goldfields-Esperance. Mr Richard Muirhead was CEO for the period from 1 July 2000 to 20 May 2001. Dr Paul Schapper acted as CEO for the remainder of the period covered by this report.

Legislation

The Department operates under the *Industry and Technology Development Act 1998* and is responsible for administering the following legislation:

- Morley Shopping Centre Redevelopment Agreement Act;
- Regional Development Commissions Act 1993; and
- Western Australian Products Symbol Act 1972

Freedom of Information

During the 2000-01 financial year the department received two applications for non-personal information under the Western Australian Freedom of Information Act 1992. The average number of days to process those applications was 22 days. Full access was granted in one case and in the other, exemptions cited for Cabinet and Executive Council and commercial confidence.

The Department's Information Statement assists members of the public to gain access to information held by the Department. It includes:

- The structure and function of the Department;
- The Department's decision-making process;
- The impact of the Department's services on the public;
- The processes of public participation in the formulation of Departmental policy;
- The forms of access to departmental Documents provided to the public; and
- The type of information held by the Department.

The Information Statement is on the department's website and is also available upon request.

Corporate structure

Principal Officers

Mr Richard Muirhead stepped down from the position of Chief Executive Officer on 20 May 2001, having held the position since 4 November 1997. Dr Paul Schapper acted as CEO for the remainder of the period covered by this report.

Mr John Loney relinquished the position of Executive Director, Industry Development Division, on 16 April 2001, with Mr Quentin Harrington acting in the position until 30 June 2001. Mr Simon Skevington acted in Mr Harrington's former position of Executive Director, Infrastructure Services, for the same period. Ms Lesley Smith relinquished the position of Executive Director, Corporate Business Operations, on 3 June 2001 and Mr Stephen Grocott acted in this position until 30 June 2001.

Other members of the Corporate Executive Team are: Chris Fitzhardinge, Executive Director, Regional Development Division (appointed 1 May 1998); Dr Sue Meek, Executive Director, Science and Technology Division (appointed 23 July 1997); Nigel Chartres, Executive Director, Office of Information and Communication (appointed 26 October 1999); Rick Grounds, Executive Director, Office of Aboriginal Economic Development (appointed 20 February 1998); Paolo Amaranti, Executive Director, Industry Services Division (appointed 6 November 1998).

Staffing

The demographic profile of the agency's staff as at 30 June 2001 was as follows:

All staff: 220
Women: 108
People of Culturally Diverse Backgrounds: 9
Indigenous Australians: 7
People with disabilities: 3

Review of Operations

Output 1 - Advice and Information to Government

Ministerial Advisory Councils/Committees

Commerce and Trade has provided high-level advice and information to the Western Australian Government through the Minister for State Development; Tourism; Small Business and Goldfields-Esperance. The Minister and other members of Cabinet rely on a series of advisory councils and similar bodies for strategic input to economic planning.

The Department provides executive support to key organisations such as the Technology and Industry Advisory Council (TIAC), the Regional Development Council, the Aboriginal Economic Development Council and the Online WA Advisory Council (formerly the Information and Communications Policy Advisory Council), the Government Intellectual Property Council and the Co-ordination Committee on Science and Technology.

Policy Development

The Department managed the development of key policies for Western Australia in economically-critical fields such as industry development, regional development, communications, science and technology, and Aboriginal economic development.

Major policies or legislation which the agency helped to develop in the period included:

- ◆ The Government Intellectual Property Policy 2000, a comprehensive framework for managing public sector intellectual property assets which was adopted by the State Government;
- ◆ A WA Electronic Transactions Bill, which provides a framework in which online services and electronic commerce can flourish;
- ◆ A review of the Regional Development Commissions Act 1993, completed in draft form;
- ◆ A strategy to develop the information and communications technology industry, now being implemented after endorsement by the Online WA Advisory Council;
- ◆ An Enabling Technology Policy, being developed in partnership with the Small Business Development Corporation and other stakeholders, and which has already resulted in initiatives to help promote e-commerce, particularly to small business; and
- ◆ A report by the Aboriginal Economic Development Council to the Minister for Commerce and Trade on the performance of State Government agencies in the field of Aboriginal economic development and implementation of the Aboriginal Economic Development Strategy.

The Department reviewed outcomes from implementation of the State Government's Science and Technology Policy in the three years since its creation and presented its findings to the Minister. The agency also provided advice on government purchasing policy, acting as an advocate for local industry.

Output 2 - Industry, Enterprise and Community Economic Development Support

Advice and Information

The Department's industry development role has demanded it manage and disseminate a huge volume of information and advice. In broadening awareness of its services, it has initiated extensive advertising and publishing, and conducted large numbers of seminars and workshops. A dedicated customer services centre, managing frontline contact with clients and prospective clients, receives hundreds of telephone or email inquiries a week.

The Department was a prolific provider of information and support, and at the end of June 2001 co-ordinated seven websites that targeted different audiences. Numbers of individual visitors to these sites rose strongly during the year and in fact nearly doubled between July 2000 (7,835 visitors for the month) and May 2001 (14,986).

The cross-government Online WA Single Doorway – providing a 'portal' through which people can access information and services from more than 200 government agencies – has clearly demonstrated the public's continuing enthusiasm for this mode of service delivery. WA Government agency, Contract and Management Services, operated the site and put in considerable effort to keep the Single Doorway fresh, current and in step with the latest developments. Between May 2000, when it was launched, and 30 June 2001 the site had more than 850,000 visits, averaging 16.5 minutes.

The service was highly commended in the 2000 National Technology Productivity Awards, which recognise government agencies successfully employing technology to improve productivity and provide people with better service.

A dedicated website for rural women broke new ground when it conducted a 'chat line' involving the then-Deputy Premier, Hendy Cowan – the first time a State Government minister had participated in such a forum.

Promoting Investment

Marketing activity was undertaken in five industry sectors identified as the most promising for attracting appropriate investment into Western Australia: information and communications; international projects and services (including environmental management); marine and defence; food, beverage and fibre; and petroleum, mining, chemicals and building services.

Department officers continued to work closely with industry associations – many of which were provided with support funding - and bilateral business councils. A database was produced of investment opportunities in the United States. (Details of overseas trade missions are reported under *Promotional and Trade Events*.)

Highlights of the year's work in this area included:

- ◆ Successful negotiations with Motorola Corporation for the communications transnational to establish a software engineering centre near the University of Western Australia (UWA) in

Perth. A government industry incentive package of \$5.4 million is part of an agreement by which UWA will invest about \$15 million and Motorola \$35 million in the research and development facility serving Motorola's operations with automotive, smartcard, electronic tools and software for semi-conductor design and other communications;

- ◆ Following exploratory meetings with local companies facilitated by Commerce and Trade, Telenor Satellite Tracking of Ireland decided to relocate its wireless applications manufacturing operations to Perth. A joint venture with the local Startrack company was established and Telenor began setting up a Perth operations expected to have 50 staff within three to five years;
- ◆ A WA Government financial incentive helped sway the decision by Mediterranean Shipping Company of Switzerland, one of the world's largest container shipping operations, to relocate its Australasian regional headquarters to Fremantle. To create 60 permanent jobs in the port city, the relocation was made possible by an agreement under which the State Government contributes \$950,000 by way of an interest-free loan, administered by Commerce and Trade and converted to a grant if agreed performance criteria are met;
- ◆ The Department's work promoting Perth as a cost effective location for call centres led to Edith Cowan University's Joondalup campus being chosen as the location for a purpose built Ansett Australia call centre. The 260 seat centre opened during the year and initially had a workforce of 300; and
- ◆ Thanks to a State Government financial incentive (a loan of \$1.1 million and grant of \$100,000), Kailis and France Foods was able to expand production capacity and increase exports from its Osborne Park plant. The value of new sales of its soups and sauces to the Japanese market has been estimated at \$6.3million, requiring employment of up to 30 additional staff.

Aboriginal Economic Development

The Department organised various workshops to promote economic development in Aboriginal communities. For example, workshops were undertaken with many indigenous groups to assist communities in identifying enterprise based opportunities and the support needed to convert the prospects into viable enterprise activities.

Other sessions were held to help make Aboriginal enterprises more competitive in tendering and to raise awareness of market opportunities in areas such as cultural tourism and mining services.

The Department participated in the Indigenous People in Mining initiative, promoted at the Goldfields Mining Expo 2000. It also organised a two-day workshop in Mandurah in March 2001, which brought together indigenous art and cultural business proprietors to encourage the establishment of a formal network and develop business opportunities.

Indigenous tourism received a boost through the establishment of a formal WA Indigenous Tourism Operating Committee to promote and guide the ongoing development of this distinctive industry sector.

Developing Industry & Commerce

The Department publicised and promoted its many projects, programs and activities aimed at fostering the growth and development of key sectors of the economy.

In addition to the five industry sectors identified as investment targets, marketing and promotional work was undertaken in key service sectors: oil and gas, mining, commercial and business, cultural industry, defence, call centres, and education and training services.

New marketing activity initiated or supported by Commerce and Trade included development of a consortium of small training companies targeting the petrochemical sector and promotion of Western Australian aged care services to the Japanese market.

Commerce and Trade also supported local businesses under the Trade Through Aid Strategy. In 2000-01 WA businesses won contracts worth \$21.8 million with AusAID, the Asian Development Bank, the World Bank and the United Nations System of Organisations.

Specialist staff based both in Perth and Bunbury actively promoted investment in regional Western Australia, with the work of Bunbury Regional Trade Office resulting in around \$40 million being invested in this State in the 12-month period.

Grants to local organisations promoted regional development through programs such as Project Mainstreet, Grants for Rural Show Displays Scheme and the Regional Initiatives Fund. (See later section, *Development Incentives*.) The Department also arranged regional workshops and promotions to promote Aboriginal arts and crafts enterprises.

The Department continued to raise awareness of the potential of electronic commerce and to promote awareness of online technology across the State. It has taken a leading role in identifying standards and best practice in e-commerce so that Western Australia adopts standards that are both nationally and globally acceptable.

Significant changes in policies, standards and best practice guidelines were promoted through an online e-commerce centre – recognised as an information resource of the highest quality – and through media publicity and online networks. Commerce and Trade also produced a set of e-commerce guides which it distributed widely through libraries, Business Enterprise Centres, telecentres, TAFE colleges and so on. By 30 June 2001 more than 20,000 sets were in circulation.

Awareness of online technology was also promoted through a large number of community and business activities. The Department's 'OnlineWA' campaign responded to a marked increase in interest across the State in online business-to-business and business-to-government activity, online banking, security and the Government Electronic Marketplace set up by the Department of Contract and Management Services (CAMS).

Through the campaign, specialised presentations were made to small business – including indigenous businesses - local government, and the farming community. For example, during the year staff visited Broome, Derby and Kununurra as part of a team involving Kimberley Development Commission, Commonwealth Bank, Bankwest and CAMS. Support was provided by the local telecentres, chambers of commerce, and accountants. There was also a significant increase in the numbers of seniors wanting to learn about and utilise the Internet, with groups particularly active in the Peel, Midwest and Goldfields regions.

Publications

Aboriginal People in Business

A booklet designed to assist indigenous people to decide whether or not they should start a business.

1999-00 Annual Report

The 1999-2000 year of achievements for the Department of Commerce and Trade.

Building and Construction Products and Services Directory

A guide to organisations involved in Western Australia's building products and construction sectors.

Commerce and Trade News

A quarterly newsletter highlighting achievements of manufacturing and service enterprises assisted by the Department.

CommunityWise

A toolkit produced to assist regional communities to plan for future development.

Connections

A periodical reporting Telecentre Network developments.

Culture Meets Commerce

A 'popular' guide on business etiquette in Asia, which gives at-a-glance details on etiquette in 13 regional countries, including advice on eating, drinking, and cultural protocols.

Customer Service Guides

Guides to Departmental services for industry and for regional development.

Establishing A Business In Western Australia

A manual for foreign investors or organisations interested in setting up business in the State.

Food Beverage & Services Directory, WA 1999-00

Directory of food and beverage producers, equipment manufacturers and companies supplying specialised services.

Food Industry Directory of Western Australia

Produced annually for the food industry.

Gateway to Export Success

A guide to the State Government's international trade offices and their services.

Government Intellectual Property Policy 2000

Commerce and Trade undertook development of this policy through its Intellectual Property Support Program.

A Guide to Exporting Food & Beverage Products Western Australia

A publication produced by the Department, working with the WA Food & Beverage Export Association, aiming to help exporters and potential exporters to meet the challenge of developing appropriate strategies for markets and to identify sources of support and assistance.

Global Incentives for Regional Industry

A study of incentive programs in a number of other countries.

Guides to Electronic Commerce

This series of booklets introduced people to electronic commerce and led them to online resources that offered further support.

International Training Organisations of Western Australia

A guide to the capabilities of Western Australian training organisations.

Invest in Regional Western Australia

This publication promotes the economic potential of the State's regions.

Living in the Regions: the views of Western Australians

An overview report providing results of an extensive annual survey. Smaller regional reports give regionally specific analysis. Available for all Development Commission regions except the Pilbara and Kimberley.

Market Opportunities for Western Australia's Manufacturing and Services Sectors

Outlines the prospects and evaluates the risks of exporting into changing and uncertain international markets.

Network News

A magazine providing development-related information about and for rural, remote and regional women.

Online Champions Kit

This kit aims to help equip 'champions' - those who use and support online technology - with the resources they need to encourage other people into the information age.

Online WA Newsletter

A quarterly publication outlining developments in telecommunications and in online services for Western Australians.

Open for Business

The Department's main investment primer, aimed at potential international investors or trade partners.

Regions Western Australia

A publication covering regional development ideas, issues and achievements.

Regional Economic Perspectives

Extensive information on each of Western Australia's nine regions, including population, labour force and employment, resources and industries.

Western Australian Research And Development Directory

The complete reference guide to all Western Australia's R & D practitioners and their projects.

Towards Reconciliation

This outlines out the Department's commitment to making a significant contribution to reconciliation between Aboriginal and Torres Strait Islander peoples and other Australians.

Western Australia's Technology Park

An introduction to Australia's most successful technology park, at Bentley.

Advertising activity

Major advertising campaigns were initiated to promote the OnlineWA Single Doorway and Business and Investment Gateway cross-government website portals, and the campaign, Western Australia – the Marine State. Other advertising supported events such as the WA Industry and Export Awards and the WA Indigenous Business Awards.

Under Section 175ZE of the Electoral Act 1907, the Department is obliged to report on the total expenditure incurred during 1999-2000 in the following categories, provided that the total expenditure in each category is in excess of \$1,500. The total amount disbursed during the year was \$757,440.93. Details of the expenditure are listed below.

<p>Advertising Agencies</p> <ul style="list-style-type: none"> • Bowtell Clarke & Yole • Reynolds & Associates • Strategem • Ad Impact • Marketforce Productions 	<p>\$217,884.12</p>
<p>Market Research Organisations</p> <ul style="list-style-type: none"> • Research Solutions Pty Ltd • Bowtell Clarke & Yole 	<p>\$109,853.84</p>
<p>Polling Organisations</p>	<p>-</p>
<p>Direct Mail Organisations</p>	<p>-</p>
<p>Media Advertising Organisations</p> <ul style="list-style-type: none"> • Media Decisions WA 	<p>\$429,702.97</p>

Overseas Network Services

The Department continued to help nurture business investment and trade growth for the State. Towards this end, it operates a network of International Trade Offices around the world on behalf of the WA Government.

As at 30 June 2001, the State had 13 trade offices in three continents. This network reflects Western Australia's targeting of markets in smaller Asian countries, as well as more traditional markets. An office in London serves as a base for Europe and others are located in India, China, Hong Kong, Taiwan, Indonesia, Japan, Korea, Malaysia, Singapore, Thailand and The Philippines.

In three countries – Thailand, the Philippines and Taiwan – staff worked out of Austrade offices, exemplifying the State Government's close working relationship with that organisation. This provided a very economical way to give personal attention to Western Australian exporters and provide them with smoother access to the extensive world-wide Austrade network.

Specialist staff in the Government's offices assisted Western Australian businesses wanting to export and companies interested in investing in our State. They continued to undertake basic market research for a product, service or industry; identify market and investment opportunities; organise trade missions and company visits; and utilise their local expertise as needed.

The network was managed by Perth-based staff with specific industry sector and regional country expertise. Their role embraced provision of country and market profiles, preliminary market research, identification of business opportunities and market entry strategies.

In calendar year 2000 there were 105 visits to Western Australia by dignitaries and delegations on commerce-related matters, for which agency staff in Perth provided support.

Promotional and Trade Events

Commerce and Trade continues to be a strong and active promoter of major business events designed to drive the State's economy into further growth areas and internationalisation.

It again planned and supported participation by Western Australian businesses in major promotional and trade events that offered the prospect of significantly benefiting the State's economy. Global expositions were particularly valued as a means of spotlighting the capabilities of Western Australian enterprises and industry sectors.

In 2000-01, significant expositions in which Western Australian companies or organisations participated, with the Department's assistance, included the Gulf Food 2001 Trade Exhibition and Salon Culinaire, Dubai, the major Middle East food promotion, 25-28 February 2001; CeBIT 2001, Hanover, world's foremost information technology showcase, 22-28 March 2001; Foodex 2001, Tokyo, major food and beverage expo, 13-20 March 2001; OTC 2001, Houston, world's foremost oil and gas industry expo, 31 March-10 April 2001; and BIO 2001, San Diego, the world's largest biotechnology conference, June 2001.

Within Western Australia, Commerce and Trade continued to use major promotional events, such as its biennial Global Networks trade conference and the annual WA Industry and Export

Awards and WA Indigenous Business Awards, to draw attention to benchmark performance levels set by successful Western Australian companies.

Development Incentives

An extensive range of financial incentives – grants, loans, subsidies and sponsorships – were provided by the Department to help partner organisations contributing to the economic growth of Western Australia.

These incentives were intended to assist organisations to expand, to export and to undertake research and development. As well as individual companies, recipients included regional communities, industry associations and research institutions. In particular, small to medium enterprises were helped to expand their operations through business planning, relocation, new investment, innovative product development and promotion.

Total cash payments made for financial assistance, including payments made to other government bodies and local authorities, was \$41.75 million. This includes all administered funds paid out through capital works programs.

During the year several new schemes were introduced and others were significantly expanded.

Regional Development

Grants of \$5.2 million were provided to assist regional economic and community development under a range of programs, including the Regional Development Trust Fund, Project Mainstreet, Grants for Rural Show Displays Scheme, the Regional Collocation Scheme, Small Town Economic Planning, the Shared Town Planner Scheme and the Industry Relocation Scheme.

The Department administered the State Government's Regional Development Trust Fund, which provided financial support to projects in key areas including housing, employment and training, youth, salinity, arts, education and tourism. In addition, \$3 million was provided to the Department by the Water Corporation, to manage projects on behalf of the State Salinity Council across the south west land division of Western Australia.

Through the Regional Collocation Scheme launched in 2000-01, funding is available to assist with the cost of capital works for re-locating local facilities 'under one roof.' Grants were provided to two communities and by year's end the department had received more than 70 expressions of interest for projects across the State.

Commerce and Trade provided \$73,000 to each of the nine Regional Development Commissions, to support regionally based organisations to undertake projects identified in the Regional Development Policy.

Industry Restructuring

With the implementation of the State Government's 'Protection of Old Growth Forests' policy, the department established an integrated services centre in Manjimup to deliver a range of services to the businesses and individuals who had been affected by the State Government's

reduction in timber resource allocation. It began offering advice and financial support through the Business Exits program to sawmillers seeking to leave the industry.

Under the policy the Department is also administering the Furniture Promotion Fund which it developed, a scheme aimed at creating a stronger hardwood furniture industry in Western Australia. Feasibility studies were funded for a range of initiatives and assistance given to M&B Sales for an integrated timber processing facility at Nannup, able to both mill timber and produce raw materials for the fine wood and furniture sectors of the native timber industry.

Aboriginal Enterprise

A total of \$1.49 million was allocated to five Aboriginal business development assistance schemes in 2000-01.

The largest scheme in terms of funding assists regional development commissions to fund the positions of Aboriginal Economic Development Officers. During the year, an officer was appointed by the Peel Development Commission.

There was unprecedented interest in the Indigenous Economic Development Scheme, which provides business planning and other ancillary support services to the development of new indigenous businesses and expansion of existing enterprises. This assisted 89 businesses in 2000-01. Wherever possible, the Department sought funding from other agencies to augment its own scheme funding.

Eight organisations were assisted through the Client Based Business Planner Scheme, which helps indigenous groups to implement a defined program of sustainable enterprise development by partly funding employment of a professional business planner. These positions have stimulated enterprise development not only at host organisations but also among surrounding communities.

Schemes

WESTERN AUSTRALIAN INNOVATION SUPPORT SCHEME

The Department awarded 10 grants totalling \$500,000 which resulted in additional investment of almost \$1.4 million by WA companies in industry based R&D activities under its ongoing program, the Western Australian Innovation Support Scheme.

Company	Project	Project Cost	Grant
Beachcleaners International	Enviro Cleaning Machine	\$147,000	\$50,000
Cameleon Paints	Development of water based coatings to replace solvent based enamels for industrial and protective coating market	\$120,000	\$50,000
Clinical Cell Culture Pty Ltd	Rapid Epithelial Cell Harvest Kit for Skin Replacement	\$133,000	\$50,000
EIT Pty Ltd	Development of a commercial electrical impedance tomography instrument for non-invasive diagnosis of trauma patients	\$124,350	\$50,000
GasTech Australia	GTA 4100 Controller System	\$101,186	\$50,000

Pty Ltd			
IVS Pty Ltd	Diagnostic and database software for the Integral Theory method for management of female urinary incontinence	\$106,106	\$50,000
Lions Eye Institute	Development of a single portable ophthalmic imaging instrument to document both anterior and retinal diseases	\$194,000	\$50,000
RDM Research Pty Ltd	Self Cleaning Mirror for Dental and Medical Use	\$101,000	\$50,000
Smithweld Enterprises Pty Ltd	Prototyping of a totally novel robotic submerged arc welding system for conveyor belt pulley manufacture that is capable of simultaneously welding both ends of a pulley shell	\$152,450	\$50,000
Surpac Software International Pty Ltd	EasyAccess - A flexible and secure internet or network based software licensing product.	\$238,847	\$50,000
Total		\$1,417,939	\$500,000

REGIONAL HEADWORKS DEVELOPMENT SCHEME

Projects Funded 2000 – 2001

Project	Funding	Undertaking
Port Hedland Retirement Village	\$3,769.90 grant	Connect electricity to the retirement village, Port Hedland.
Shire of Broomehill	\$14,378.00 grant	Connect electricity and water to caravan park, Broomehill.
Shire of Bruce Rock	\$4,461.21 grant	Connect electricity and water to industrial estate, Bruce Rock.
Shire of Gnowangerup	\$29,069.00 interest free loan/ convertible grant	Connect electricity to mobile telephone tower, Ravensthorpe.
Greenvale Grazing Company	\$6,375.75 grant	Connect electricity to poultry farm, West Tenterden.
Karri Downs Farm	\$7,904.00 grant	Connect electricity to dairy farm, Northcliffe.
Mathwin, Simon J	\$8,288.50 grant	Connect electricity to marron farm, Jinalup.
Myalup Vines	\$3,349.50 grant	Connect electricity to vineyard, Myalup.
Southern Wire Pty Ltd	\$17,386.00 grant	Upgrade electricity to wire products factory, Gnowangerup.
Bathers Paradise Caravan Park	\$13,910.00 grant	Connect deep sewerage to caravan park, Esperance.
Dwarda Ridge Estate	\$6,395.00 grant	Connect water to olive farm, Boddington.
Carmalina	\$4,138.50 grant	Connect electricity to baby beef farm, Ludlow.
Wongan Hills Glass &	\$1,994.00 grant	Connect electricity, water and

Windscreen		telecommunications to new premises, Wongan Hills.
D&D Roche & Son	\$20,091.00 interest free loan	Connect electricity to avocado farm, Pemberton.
Avonova	\$26,238.00 interest free loan	Connect electricity to avocado farm, Pemberton.
Ferngrove Vineyards Ltd	\$68,089.00 interest free loan	Connect electricity to vineyard, Frankland.
AllQuip Engineering	\$56,230.00 interest free loan	Upgrade electricity to agricultural and building products production facility, Dalwallinu.
Bayside Abalone Farms Pty Ltd	\$10,000 interest free loan/ convertible grant	Upgrade electricity to abalone farm, Bremer Bay.
Dalwallinu Motel	\$34,142.00 interest free loan/ convertible grant	Connect sewerage, electricity and telecommunications to motel, Dalwallinu.
Iley P&P (Blackburn Beef)	\$58,490.63 interest free loan/ convertible grant	Connect electricity to beef and agricultural farm, Nannup.
Pemberton Washpacking Company	\$26,696.00 interest free loan/ convertible grant	Upgrade electricity to potato washing and packing facility, Pemberton.
Avon Community Development Foundation	\$510,765.00 interest free loan of which \$408,073.75 is convertible grant	Connect electricity to Avon Industrial Park, Northam.
Shire of Tambellup	\$19,656.00 interest free loan/ convertible grant	Connect telecommunications and electricity to WA Agribusiness Development Centre, Tambellup.

CENTRES OF EXCELLENCE PROGRAM

Centres of Excellence for which major funding grant payments were made during 2000 - 2001

	Total Grant	Amount Paid To Date	Paid 2000 - 2001
Western Australian Petroleum Research Centre	\$2,900,000	\$1,500,000	\$800,000
Centre of Excellence in Mass Spectrometry	\$2,174,000	\$1,033,750	\$733,750
Australian Telecommunications CRC	\$589,000	\$352,763	\$352,763
Centre for Organic Waste Management	\$499,558	\$250,085	\$250,085
Australian Research Centre for Medical Engineering	\$854,114	\$549,997	\$236,035
WA Centre of Excellence in Industrial Optimisation	\$680,000	\$230,000	\$230,000
Centre for Marine Science and Technology	\$670,000	\$210,000	\$210,000

Centre for Water Research	\$197,000	\$192,000	\$192,000
Western Australian Centre for Petroleum Geology	\$585,000	\$580,000	\$190,000
Centre for Land Rehabilitation	\$534,000	\$399,000	\$185,000
Centre for Intelligent Process Operations and Management	\$573,758	\$177,842	\$177,842
State Agricultural Biotechnology Centre	\$350,000	\$345,000	\$145,000
Centre of Excellence in Natural Resource Management	\$585,000	\$117,000	\$117,000
Centre for Global Metallogeny (Second grant)	\$200,000	\$150,000	\$100,000
Australian CRC for Renewable Energy	\$570,000	\$510,000	\$60,000
Centre for Global Metallogeny (First grant)	\$250,000	\$250,000	\$50,000
Australian Centre for Geomechanics	\$500,000	\$200,000	\$50,000
CRC for Landscape Evolution and Mineral Exploration	\$438,000	\$438,000	\$5,000
CRC for Conservation and Management of Marsupials	\$79,000	\$79,000	\$4,000

Strategic Projects

As the lead government agency in building Western Australia's economy, Commerce and Trade has undertaken a number of special projects or programs of strategic importance to industry.

It planned the State's infrastructure needs – for communications, harbours, engineering facilities – as well as research centres and high-performance computing facilities. A number of important projects were either begun or further developed in 2000-01.

Jervoise Bay

Further tenders were let or invited for the Jervoise Bay marine industrial project jointly run by the Department and LandCorp. Sited at Henderson, south of Perth, the \$204 million project consists of 39ha common user area, a 1.2m breakwater, a 10m deep harbour and an 80ha industrial estate. It is scheduled to be available to attract major fabrication projects from mid 2002.

- ◆ Work started in December 2000 on an island breakwater and southern seawall under a \$20 million contract awarded to the Jervoise Bay Joint Venture, comprising three consortia - CSR Readymix, WA Limestone and Roadstone Quarries. These structures are scheduled to be completed in November 2001.
- ◆ Work started in June 2001 on channel and harbour dredging, following the award of a \$10.5 million contract to Dredeco, the Australian subsidiary of Belgian company Dredging International. This work is scheduled to be completed by November 2001.
- ◆ Five consortia were invited to tender for the major civil and marine construction contract for the project, which includes bulk earthworks, reclamation, 3,000t and 15,000t loadout

wharves, roadworks and services realignment. They are: Henry Walker Eltin/Marine and Civil; Leighton Contractors Pty Ltd; Transfield/MacMahon JV; BGC/Clough JV; and McConnel Dowell/Walter Group JV.

- ◆ Four consortia were invited to tender for the design and construction of on-site facilities, which will include Western Australia's largest fabrication and assembly hall, complete with travelling system, overhead cranes, office and amenities, together with trade shops, workshops and management offices. The consortia are: John Holland Pty Ltd; Multiplex Constructions Pty Ltd; Transfield Construction WA; and McConnel Dowell/Walter Group JV.

During the period the department continued its program of monitoring water and sediment quality in the Jervoise Bay northern harbour and adjacent waters. In March 2001 algal bloom was recorded, composed of harmless organisms which presented no risk or loss of amenity to harbour users. On other occasions, levels of potentially toxic organisms reached trigger point values, which required further testing. However, each time these levels dropped and no public risk was identified.

Commerce and Trade also had a commitment to improve water quality in the northern harbour. This was being achieved in 2000-01 through the Groundwater Recovery Scheme, a collaborative project between the department, Water Corporation, Weston Bioproducts and Waters and Rivers Commission, with oversight from the Department of Environmental Protection.

At Lake Coogee near Henderson, 15km south of Perth, the department is managing the staged development of Western Australia's Marine Industry Technology Park, which complements the Jervoise Bay infrastructure. First stage is the construction (over a period through to mid-2003) of the Marine Skills Training & Research Centre, comprising skills training and R&D facilities for both private and public sectors, and common-user seminar and meeting facilities.

Design of the \$10 million centre, which will serve as core infrastructure for the park, provides for an expandable campus covering 15 ha and incorporating a series of interlinked buildings.

It is planned for industry to eventually be invited to purchase lots in the park, and Landcorp has begun acquiring land from private owners.

Communications Infrastructure

Through programs such as Commerce and Trade's Statewide Telecommunications Enhancement Program (STEP), telecommunications in regional Western Australia continued to undergo significant improvements. A number of major projects or initiatives were undertaken in 2000-01.

- ◆ STEP, a joint project with the Department of Contract and Management Services, is enabling government high-speed data services to be transmitted to regional areas. Telstra and Optus are partnering the Departments in providing these services, which benefit not only the government agencies but their clients and local communities. For example, the Police Service now has State-wide access to information available at its Perth database. Under an agreement with Telstra, high-speed (ADSL) Internet services are being rolled out to nine medium-sized towns around the State which would have otherwise missed out on this new technology.
- ◆ The WirelesSWest project, a partnership between the State Government, Commonwealth Government and Telstra, will give regional residents access to the most modern and reliable

mobile telephone technology. WirelessWest will provide continuous CDMA (code division multiple access) coverage across almost all of the South West Land Division, stretching from Geraldton to the Goldfields and Esperance. Between June 2001 and December 2002, 54 new mobile phone base stations will be installed throughout the South West.

- ◆ For businesses and residents in more remote parts of the State, a Satellite Mobile Phone Subsidy Scheme was established, to reduce the initial cost of purchasing a satellite phone. A total of 475 applications were approved in the eight months to 30 June 2001. The initial subsidy of \$500 was increased to \$1,000 after increases in the price of satellite phones.
- ◆ Videoconferencing infrastructure was extended during the year to 100 public access locations in regional Western Australia, as well as a number of hospitals, health services and police stations. Videoconferencing has many applications for business, community groups and government agencies such as the Health Department, which continues to expand its Telehealth services.

Additionally, the Department provided \$150,000 in assistance to 18 communities, too small to qualify for Commonwealth funding, to enable them to retransmit SBS TV.

The Telecentre Network coordinated by Commerce and Trade increased from 76 to 90 community-owned, managed and incorporated centres throughout Western Australia. Telecentres continue to be not only the hub of community activity but to provide a 'lifeline' to a range of electronic services not previously available and which also generate business in local communities. They give rural residents access to a range of technologies, including the Internet, desktop publishing, computer and office facilities, distance education and government services. In 2000-01, Commonwealth Government funding enabled two-way videoconferencing units to be installed in 86 telecentres.

The Department continued to co-ordinate the development of a \$5 million high performance computing centre – known as the Interactive Virtual Environment Centre (IVEC) – which will include an Advanced Computing Centre. Of the four nodes to be established, two were operational by June 30: one at the e-Central TAFE location at East Perth and the second at the University of Western Australia's computing centre. Commerce and Trade provided \$2 million towards the project, the Commonwealth \$1 million, and remaining funding will come from CSIRO, tertiary institutions, TAFE and industry.

Research and Development

The Department continued to make an important contribution to the development of world class research and development infrastructure in Western Australia. In 2000-01, new funding of \$3.3 million was approved for six Centres of Excellence in industry-focussed research and development, which will be matched by cash and in-kind contributions totalling \$17 million from public and private sector participants. Western Australia now has 29 centres as a result of this program co-ordinated by the Department and which provide access to expertise and advanced scientific equipment for a wide range of the State's industries.

Construction of a national research centre for petroleum and mineral resources – the CSIRO's Australian Resources Research Centre partly funded by the Department – is well advanced and the facility is expected to be opened around October 2001. This initiative has made Western Australia the national centre of research in the minerals and energy fields. The Department provided \$35 million to the project, including \$26m towards the cost of the building and \$5

million towards relocation of staff and equipment from the eastern states and retraining of additional staff.

Marine Research

A joint venture agreement between six government agencies in January 2001 enabled work to begin on important marine research identified by the WA Government and the CSIRO. First step for a management committee – chaired by Commerce and Trade and comprising representatives of the Departments of Minerals and Energy, Environmental Protection, Conservation and Land Management, Fisheries WA and CSIRO – was to appoint a Research Director and establish a research portfolio for the Strategic Research Fund for the Marine Environment (SRFME).

The State Government and CSIRO each pledged \$10 million to the fund, spread over six years. A Research Director, Dr John Keesing, was appointed in March 2001 and was seconded to Commerce and Trade.

The research portfolio not only specifies the research program which will be conducted but also identifies the required resources. The joint venture agreement stipulates that approximately 50 per cent of the State's \$10 million contribution will flow to CSIRO. This program proposed by Commonwealth Marine Research (CMR) has been costed at over \$15 million, more than three-quarters of which will be spent in this State.

The program will involve the early transfer of around 15 skilled CMR staff to WA and the creation of four new senior, Perth-based research positions to be fully engaged in SRFME projects.

Commerce and Trade has also established the viability of establishing a marine education, training and industry research centre in Geraldton. The proposal is for a centre developed in partnership with the MidWest Development Commission, Geraldton College of TAFE and Department of Training and Employment. A detailed site analysis will be undertaken in 2001-02.

Avon Industrial Park

The first stage development of Avon Industrial Park, east of Northam – a fully serviced subdivision of nine blocks - was completed in March 2001. Commerce and Trade undertook initial development work at the park, which is now managed by a ministerial advisory board.

In May 2001, Queensland based agricultural chemical company, Binary Chemicals, began construction of a manufacturing plant and distribution centre at the park and expects to open the plant in August, 2001. This is expected to lead to companies with complementary activities establishing operations in the Park, which was funded through a \$1.9 million cooperative agreement brokered by Commerce and Trade.

As well as a capital works grant, the department provided funding support under the Regional Headworks Development Scheme to the Avon Community Development Foundation, which also made a separate financial contribution. WA Government agency LandCorp has also financially supported the park's development.

Advocacy, Negotiation and Representation

As well as providing high-level advice to the Government, Commerce and Trade represented the State's interests in promoting continued economic and industrial development. To this end, it undertook negotiations and formed strategic partnerships with government and private sector organisations as necessary.

For example, it played a major role in the setting up of a Technology Incubator Centre at Bentley. A consortium of local information technology companies, Entrepreneurs in Residence (EiR), was assisted in preparing a successful application for funding of \$10m under the Federal Government's Building on Information Technology Strengths (BITS) Program.

The Department lobbied the Federal Government to ensure Western Australia received fair treatment, organised workshops and provided funding and other assistance to three consortia which applied. Business incubators established under BITS provide financial support, business skills development, marketing and sales advice, and generally act as "mentors" for new small businesses.

In the area of Aboriginal economic development, the department was instrumental in the commitment being made in December 2000 to a formal agreement of cooperation between the State Government and the Aboriginal and Torres Strait Islanders Commission (ATSIC).

Technology Park/Precinct Support

Western Australia's Technology Park at Bentley, managed by Commerce and Trade and considered one of the most successful in Australia, housed 82 companies as at 30 June 2001.

These companies together employed more than 2,400 people and have combined annual turnover of \$320 million.

In 2000 the Department supported the development of a Technology Precinct, administered by a board comprising on-site companies, to develop synergies between the wealth of facilities and diverse range of organisations in the area. These organisations include research and development organisations, manufacturing industry, government departments, educational facilities, recreational facilities and community organisations.

One area of Technology Park to be developed in the near future is an area adjacent to the Australian Resources Research Centre now under construction. Nine freehold lots are being made available to organisations linked to the centre's research operations.

Compliance Reporting Statement

Equal Employment Opportunity

The Department produces a human resources newsletter which is distributed electronically to staff on a weekly basis. It informs employees about available training and development courses and opportunities to act in other positions.

Three indigenous staff nominated and will be participating in the Indigenous Career Development Program. The Department has taken on two indigenous staff under the clerical traineeships program. Both trainees are progressing well and are expected to complete the program in late 2001.

A one year Equal Opportunity Plan was submitted to the Equal Opportunity Commission in June 2001.

People With Disabilities

The Department continued to implement a disability services plan to ensure any client with a disability is able to access the full range of services provided. An extensive resource kit is maintained and made available to staff.

The building in which the Department is based is to be upgraded in 2001-02, resulting in the provision of disability access to the building. The upgrade will also result in special disability features being installed in the lifts and full access provided to toilets on all levels. Outside the building, parking facilities will be provided for people with a disability.

Plan for Women

The Department is playing a prominent role in the 1999-2001 Government Two Year Plan for women, a concerted effort by the State Government to increase the responsiveness of public sector agencies to women. A number of initiatives have sprung from its role in chairing a working group on economic independence for women.

To increase the ability of women living in regional areas to access information and support, the department and Agriculture Western Australia run the Rural, Remote and Regional Women's Network. It now has 4,700 members, who share information and inspiration through a quarterly magazine, a dedicated website and an e-mail group.

During the year the website hosted an online chat session with then-Deputy Premier Hendy Cowan – the first time a State Government minister has participated in such a forum.

Public Sector Standards

Three applications were lodged with the Department's human resources section, alleging a breach of Public Sector Standards. No breaches were found. There were no other applications under review at 30 June 2001.

During the year the Department engaged a consultant to undertake an independent compliance review of procedures.

The Department's Code of Conduct, adopted in 1996, embodies key values, principles and employee responsibilities. The code is distributed and emphasised to staff on induction and is continuously reinforced through the use of posters and banners in various media.



AUDITOR GENERAL

To the Parliament of Western Australia

**DEPARTMENT OF COMMERCE AND TRADE
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001**

Scope

I have audited the key effectiveness and efficiency performance indicators of the Department of Commerce and Trade for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

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

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

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

Audit Opinion

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

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

D D R PEARSON
AUDITOR GENERAL

October 30, 2001

Certification of Performance Indicators

As Accountable Officer of the Department of Commerce and Trade I submit these Performance Indicators which are:

- based on proper records; and
- fairly represent the performance of the department for the financial year ending 30 June 2001.



Paul Schapper
A/DIRECTOR GENERAL

Key Effectiveness and Efficiency Indicators

Departmental Outcome:

In 2000-01 the then Minister for Commerce and Trade and the Department jointly reviewed the current outcome. As a result of this review the Department amended its outcome (from “the promotion, fostering and facilitation of the economic growth and development of Western Australia”) to “economic development through growth opportunities and enhanced capabilities for enterprises and communities”.

“Economic development” is characterised by an increasing export sector (in either output or value) and by investment, employment and business turnover growing within enterprises and communities.

With assistance from the Treasury Department, the Department of Commerce and Trade implemented a new output structure in 2000-01. The structure was modified from one that was organisationally based, to one based on service provision, allowing for greater service integration across the Department.

The indicators provide an appropriate reflection of the impact of the Department’s services on its client base, which includes businesses and companies, government related organisations and community groups, individuals, industry associations or peak bodies. The Department seeks information from its client base about the extent to which the Department’s services have facilitated their economic growth and development. The mechanism used is an annual client survey.

(A) *The annual Client Survey*

This is a telephone survey, conducted against a standard set of questions and undertaken by an outside contractor, Research Solutions. The overall sample precision is ± 3 per cent at the 95 per cent level of confidence.

The initial total client base of 3,606 was reduced to a final eligible client population, by excluding clients with duplicate entries, identified as being no longer at the same address, having no contact name or no telephone number listed on the database. Using a stratified random sample to ensure coverage of both financial and non-financial service types, the survey initially contacted 1,806 clients of which 800 responded, giving a response rate of 44.4%. Of this group, 668 provide input to the indicators. The remainder (other government departments, community groups) is not involved in exports, investment etc.

(B) *Survey Questions and Interpretation of results*

Businesses, individual clients and communities are asked to respond to standard questions about improvements in areas such as organisational turnover, investment, employment or exports (Indicators 1 to 5). Clients are asked to report on audited survey results *in the preceding 12 months*, irrespective of when the service was received.

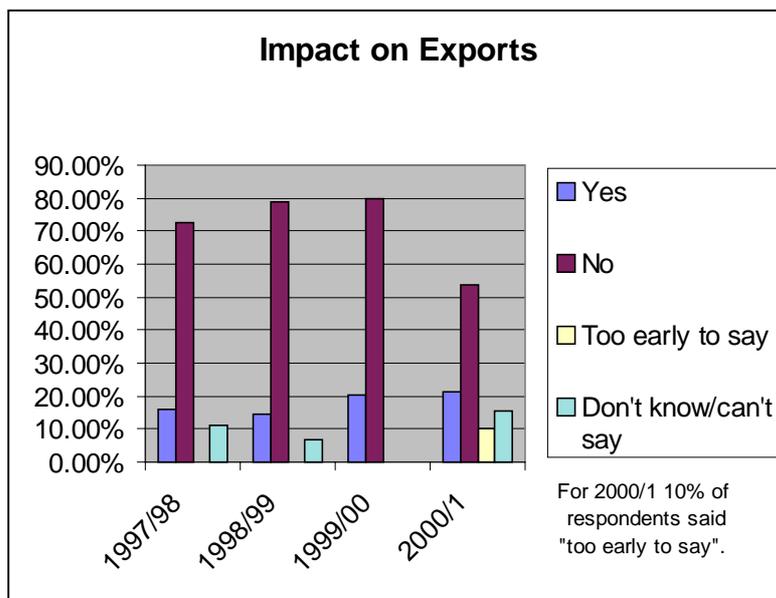
A three-year historical client list for financial services and an eighteen-month timeframe for non-financial services is used, as the Department believes it is impractical to go back more than three years.

Clients in receipt of financial assistance from the Department are significantly more likely to indicate positive changes in their organisation's performance (eg improvements in turnover, investment, employment or exports) over the last twelve months. In 2001 60% of businesses, individuals and communities had received financial assistance, compared to 46.9% in 2000. (See notes on *Eligible Client Population*.)

Effectiveness Indicator (1 of 5): Impact On Exports

Measure: The extent to which clients could attribute any increase in exports overseas or interstate, (or the minimisation of any decrease in exports) during the previous 12 months, to the assistance or support provided by the Department.

	1997/98	1998/99	1999/00	2000/1
Yes	15.9%	14.5%	20.2%	21.1%
No	72.4%	78.9%	79.8%	53.6%
Too early to say. ¹	N/A	N/A	N/A	10.0%
Don't know/can't say	11.3%	6.7%	0%	15.3%



Why is this a key indicator?

An increase in Western Australian exports (or minimisation of any decrease in exports) is an indicator of continuing or increased economic development within the state, since exports reflect the level of international success by industry. It is an indicator of growth opportunities and enhanced capabilities within Western Australian enterprises and communities.

What does this indicator show?

The indicator shows that the Department has improved its impact on this area.

¹ Option not available for previous years.

Of the "Yes" responses (which totalled 141 this year), increased or retained exports fall in the following ranges:

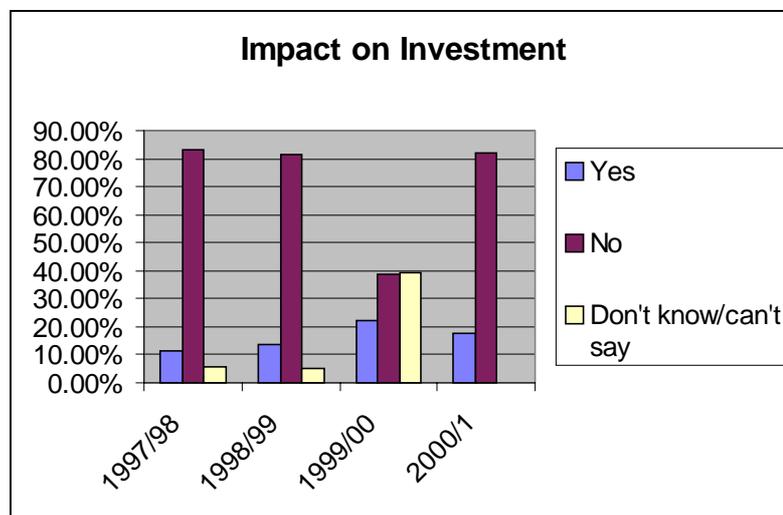
Level of ↑ Exports	1997/98 n=89	1998/99 ² n = 87	1999/00 n=110	2000/1 n=141
Over \$5M	0%	1.1%	2.7%	0.71%
Between \$1M and \$5M	3.4%	3.5%	2.7%	2.13%
Between \$250,001 and \$1M	11.2%	5.8%	11.8%	7.09%
Between \$100,001 and \$250,000	7.9%	8.1%	10.0%	7.80%
\$100,000 and under	58.4%	65.5%	50.0%	43.97%

(Of the 141 'yes' responses, 54 were unable to quantify the level of improvement.)

Effectiveness Indicator (2 of 5): Impact On Investment

Measure: The extent to which clients could attribute any commitment to or completed investments (or the minimisation of any reduction in investments) in the previous 12 months to the assistance or support provided by the Department.

	1997/98	1998/99	1999/00	2000/1
Yes	11.4%	13.5%	22.1%	17.8%
No	82.9%	81.3%	38.6%	82.2%
Don't know/can't say	5.7%	5.2%	39.3%	0.0 ³



Why is this a key indicator?

An increase in investment (or the minimisation of any reduction in investment) is a key indicator of continuing or increased economic development within Western Australia. It indicates a

² There were minor anomalies in the 1997/98 and 1998/99 data that have since been identified and rectified.

³ This survey question was modified slightly for the 1999/00 survey. The significant increase in the 'Can't Quantify' response that year seemed to indicate a lack of clarity over the question. This year the question underwent minor restructuring. The significant *decrease* in the 'Can't Quantify' response this year indicates the current form of the question is now more clearly understood.

capacity for growth within enterprises and communities, together with the financial confidence to fund such growth. It is therefore a key indicator of growth opportunities and enhanced capabilities within Western Australian enterprises and communities.

What does this indicator show?

This figure shows a slight decrease on the previous year's figure. However this is *not* statistically significant.

Of the 119 "yes" responses, 102 respondents were able to quantify the level of improvement. Investment in the following ranges was reported:

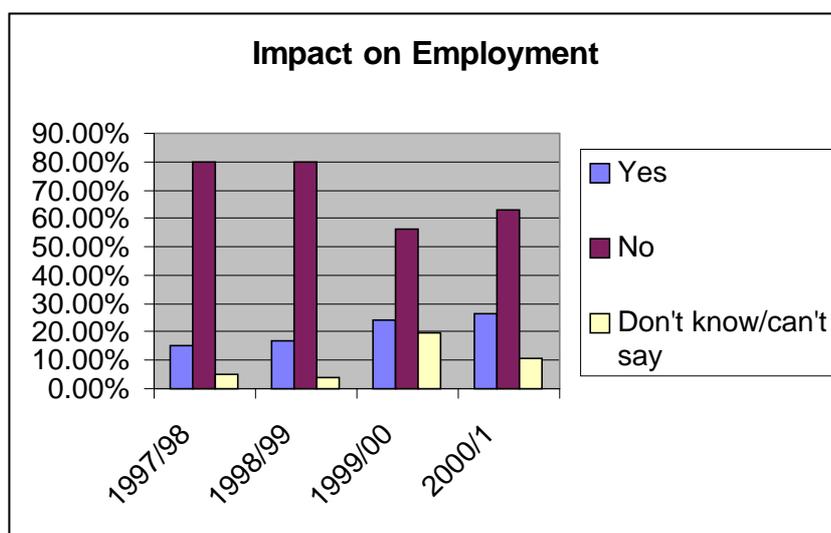
Level of ↑ Investment	1997/98 n=64	1998/99 ⁴ n = 81	1999/00 n = 120	2000/1 n = 119
Above \$10M	0%	0%	0%	0%
Between +\$1M - \$10M	6.3%	6.2%	7.5%	5.88%
Between \$250,001 - \$1M	18.8%	6.2%	13.3%	14.29%
Between \$100,000 - \$250,000	20.3%	12.4%	15.8%	21.0%
Under \$100,000	46.9%	62.9%	45.0%	44.54%

(The remaining 17 were unable to quantify the level of improvement.)

Effectiveness Indicator (3 of 5): Impact On Employment

Measure: The extent to which clients could attribute any increase in new employment opportunities (or saved full time jobs that might otherwise have been lost) in the previous 12 months to the assistance or support provided by the Department.

	1997/98	1998/99	1999/00	2000/1
Yes	15.4%	16.6%	24.1%	26.4%
No	79.6%	79.7%	56.1%	63.0%
Don't know/can't say	5.0%	3.7%	19.9%	10.6%



⁴ There were minor anomalies in 1998/99 data that have since been identified and rectified.

Why is this a key indicator?

An increase in employment (or saved full time jobs that might otherwise have been lost) is a key indicator of continuing or increased economic development within Western Australia. It indicates an ongoing commitment to internal growth, together with a confidence that this commitment is sustainable. It is a key indicator of growth opportunities and enhanced capabilities within Western Australian enterprises and communities.

What does this indicator show?

This indicator shows that the department has managed to improve on its impact in this area.

Of the "Yes" Responses (which totalled 176 this year), total jobs saved or created were at the following levels:

Level of ↑ jobs	1997/98 n=86	1998/99⁵ n = 95	1999/00 n = 130	2000/1 n = 176
More than 25 jobs	2.4%	4.1%	3.1%	1.71%
Between 5 - 25 jobs	11.6%	16.8%	10.0%	12.5%
Between 1 - 4 jobs	86.0%	74.7%	78.5%	76.7%

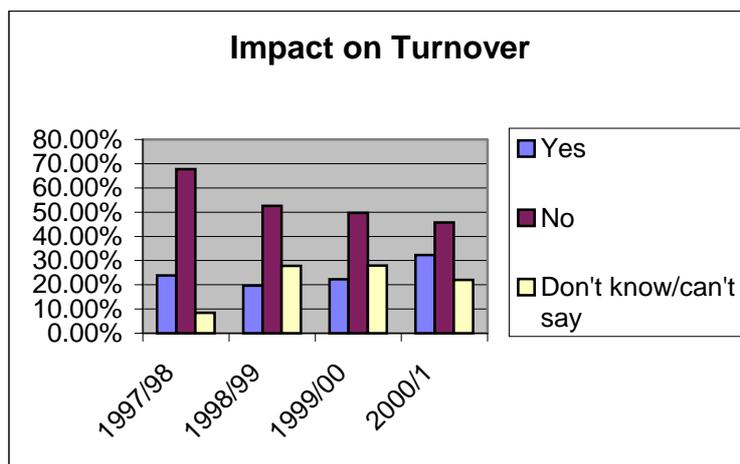
(Remaining 16 respondents were unable to quantify level of improvement.)

Effectiveness Indicator (4 of 5): Impact On Turnover

Measure: The extent to which clients could attribute any increase in turnover (either in output or in the value of their products or services) in the previous 12 months to the assistance and support provided by the Department.

	1997/98	1998/99	1999/00	2000/1
Yes	23.8%	19.6%	22.3%	32.3%
No	67.8%	52.6%	49.7%	45.7%
Don't know/can't say	8.4%	27.8%	28.0%	22.0%

⁵ See footnote 4 above.



Why is this a key indicator?

An increase in turnover is a key indicator of continuing or increased economic development within Western Australia. It demonstrates that a measurable increase in internal growth has occurred within Western Australian enterprises. It is therefore an indicator of growth opportunities and enhanced capabilities within Western Australian enterprises.

What does this indicator show?

There has been a *statistically significant* increase of 10% in this area over the previous year.

Of the "Yes" Responses (which totalled 216 this year), improvements were in the following percentage increases:

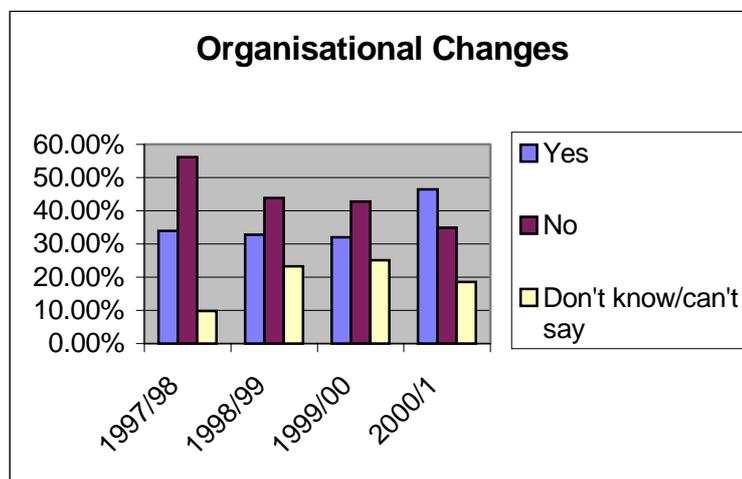
Level of ↑ Turnover	1997/98	1998/99	1999/00	2000/1
	n=113	n = 118	n = 121	n = 216
More than 100%	1.8%	0.8%	1.1%	0.0%
Between 50% - 100%	6.2%	5.9%	4.4%	2.8%
Between 20% - 49%	17.5%	17.8%	24.6%	5.8%
Between 10% - 19%	19.4%	19.5%	17.9%	6.0%
Less than 10%	26.4%	39.8%	30.9%	8.7%

(Remaining 150 respondents were unable to quantify level of improvement, but 9% stated that their turnover had certainly increased.)

Effectiveness Indicator (5 of 5): Impact On Organisational Changes

Measure: The extent to which clients could attribute positive changes in their organisation's performance over the last 12 months to the assistance and support provided by the Department.

	1997/98	1998/99	1999/00	2000/1
Yes	34.0%	32.8%	32.1%	46.5%
No	56.2%	43.9%	42.8%	34.9%
Don't know/can't say	9.8%	23.3%	25.1%	18.6%



Why is this a key indicator?

Reported positive changes in organisational performance indicate continuing or increased economic development within the state, since such positive changes demonstrate an increased level of confidence in the ability of the organisations in question. It is an indicator of enhanced capabilities within Western Australian enterprises and communities.

What does this indicator show?

The indicator shows a *statistically significant* increase of 14.5% over the previous year.

Output 1 – Advice and Information To Government

Output description: The Department services the information requirements of the Minister, Government and Parliament on issues affecting economic and community development. The information provided assists Government to make decisions that foster and facilitate Western Australia's economic growth.

Efficiency Indicator (1 of 2): Responses To Ministerial Requests

Measure: Average Cost per response.

<u>Estimate</u>	<u>Actual</u>
\$1,217.00	\$4,649.00

Why is this a key indicator of our performance?

Requests from the Minister for information (906 in 2000/1) indicate the demand from Government and Parliament for information on relevant issues. The average cost in processing each informational request is a key indicator of efficiency in this area.

How was the indicator derived?

The indicator is a total figure, comprised of direct costs, an allocation⁶ of the relevant administrative overhead, and an allocation⁷ of overall corporate overhead.

What does this indicator show?

The indicator shows a marked increase in cost on the original estimates. There was a 10% decrease in the number of Ministerials requiring a response, from the revised quantity measure of 1,000 and this has impacted on the cost measure. It should also be noted that this is the first year that this particular indicator has been used and it is therefore a 'baseline' figure for the year.

Efficiency Indicator (2 of 2): Development And Review Of Policy.

Measure: Average cost per policy development and/or review.

<u>Estimate</u>	<u>Actual</u>
\$202,000.00	\$131,262.00

Why is this a key indicator of our performance?

The Department worked on 9 major policy development and/or reviews during the year. A major policy development and/or review is undertaken for particular economic and community development areas identified as a priority for Government. The average cost per policy development or review is a key indicator of efficiency in this area.

How was the indicator derived?

The indicator is a total figure, comprised of direct costs, an allocation of the relevant administrative overhead, and an allocation of overall corporate overhead.

What does this indicator show?

The indicator shows a marked drop from the original estimates, reflecting that the development of policy has been a slower process than originally anticipated resulting in lower levels of expenditure compared to budget. (The number of major policy development and/or reviews worked on during the year equalled the number budgeted for). It should also be noted that this is the first year that this particular indicator has been used and it is therefore a 'baseline' figure for the year.

⁶ The allocations are based on staff output time, taken from internal survey data.

⁷ See footnote 6 above.

Output 2 – Industry, Enterprise and Community Economic Development Support

Output Description: With both non-financial and prudent, strategic financial support the Department assists commercial enterprises and communities to contribute to Western Australia's continuing or increased economic growth.

Efficiency Indicator: Impact On Economic Development.

Measure: Estimated Minimum Economic Benefit per dollar of input.

Why is this a key indicator of our performance?

The Department's expenditure is used to facilitate economic development. The ratio of economic benefit to departmental expenditure is an indicator of the Department's efficiency in this area.

How is this indicator derived?

Economic Benefit

The Department has defined 'economic benefit' as the total estimated dollar impact of the Department's assistance in terms of increased exports, investment and employment, since these are key indicators of continuing or increasing economic development. It is considered that investment, export and employment are distinct from each other and can be aggregated. To allow aggregation, employment numbers are converted to dollar values using ABS statistics for average earnings of employees in Western Australia (February 2001 – \$45,120).

During the annual survey, clients are asked to quantify any increases in exports, investment and turnover resulting from the assistance provided by the Department. Research Solutions then extrapolates these increases, proportionately, across the minimum number of eligible clients within the eligible client population. Clients are excluded if they cannot estimate the impact of the Department's services, even when they acknowledge such an impact. The results are therefore very *conservative* estimates.

Research Solutions has calculated that the total economic benefit resulting from the Department's assistance to its clients, is as follows:

New investment (or minimisation of any investment reduction)	\$ 84,555,009 (± 2.4%)
New exports (or minimisation of any export reduction)	\$ 47,510,000 (± 30%)
New employment (or minimisation of any employment reduction)	\$ 56,805,840 (± 14.3%)
Total impact	\$188,870,849 (± 6.0%)

The symbol ± is used to indicate the degree of standard error in the figures provided. For exports the standard error is ± 30%, because of the wide range of impact. The range extends from a low of \$3,600 to a high of \$5.5 million. However, the overall standard error is only ± 6%.

Input

Input is the Gross Recurrent Expenditure for 2000/1 - including an appropriate share of salaries and overheads such as corporate services - but excluding capital expenditure, for Output 2. The input for 2000/1 is \$58,773,000. The dollar value of the impact of the department's services on its client base is extrapolated through the ratio of economic benefit to departmental expenditure.

What does this indicator show?

The indicator shows a drop compared to the previous year; however, it shows that the Department has continued to make efficient use of its expenditure, since each \$1 of Gross Recurrent Expenditure for Output 2 has produced a *minimum* return to the State of \$3.21.

2000/01 (Based on Client base – 1508)	\$1: \$ 3.21
1999/00 (Based on Client base – 3849)	\$1: \$10.09
1998/99 (Based on Client base - 2915)	\$1: \$ 4.16

Eligible Client Population

Large increases or decreases in the eligible client population (or client base) have a direct impact on the measures since the percentage of clients reporting improvements is extrapolated, proportionately, to the eligible client population. This impact is seen most clearly in 1999/00 when there was a significant rise in the eligible client population.

This year there has been a significant drop in the client base, although the extraction parameters are identical to the previous year. This is because, from the start of the current financial year, the definition of 'financial' service was narrowed to include only those clients that had formally applied for financial assistance. In the past clients receiving information on financial assistance schemes, submitting an initial expression of interest and having financial assistance monitored were included in the 'financial' service category. Since the 'financial' service category has a timeframe of 3 years, this category produced in the majority of the eligible client population. These services are now included in the 'non-financial' service category (which has a timeframe of only 18 months). This change in definition provides the most reasonable explanation for the drop in the overall eligible client population for the 2000/1 financial year and the increased proportion of 'financial' service clients.

The Department will monitor the current composition of the eligible client population.



AUDITOR GENERAL

To the Parliament of Western Australia

**DEPARTMENT OF COMMERCE AND TRADE
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001**

Scope

I have audited the accounts and financial statements of the Department of Commerce and Trade for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

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

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

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

Audit Opinion

In my opinion,

- (i) the controls exercised by the Department of Commerce and Trade provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and

the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Output Schedule of Expenses and Revenues and Summary of Consolidated Fund Appropriations and Revenue Estimates and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Department at June 30, 2001 and the results of its operations and its cash flows for the year then ended.

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

D D R PEARSON
AUDITOR GENERAL
October 30, 2001

Financial Statements

Certification

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

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



P Schapper
Accountable Officer



P Stafford
Principal Accounting Officer

DEPARTMENT OF COMMERCE AND TRADE
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
JUNE 30, 2001

	Note	2001 \$000	2000 \$000
COST OF SERVICES			
Expenses from Ordinary Activities			
Employee Expenses	4	14,036	11,609
Depreciation Expense	5	1,162	1,091
Administration Expenses	6	17,725	20,078
Borrowing Cost Expenses		956	959
Accommodation Expenses		2,340	2,279
Grants Subsidies and Transfer Payments	7	27,870	21,960
Net loss on disposal of non-current assets	8	69	44
Total cost of services		<u>64,158</u>	<u>58,020</u>
Revenues From Ordinary Activities			
Net profit on disposal of non-current assets	8	11	530
Other revenues from ordinary activities	9	4,174	6,736
		<u>4,185</u>	<u>7,266</u>
Net cost of services		<u>59,973</u>	<u>50,754</u>
REVENUES FROM GOVERNMENT			
Appropriations	10	62,133	51,037
Receipts credited to Consolidated Fund	11	(740)	(47)
Resources received free of charge	12	32	28
Liabilities assumed by the Treasurer	13	1,448	512
Land transferred to other government agency	14	(3,331)	0
Total revenues from Government		<u>59,542</u>	<u>51,530</u>
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS		<u>(431)</u>	<u>776</u>

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

**DEPARTMENT OF COMMERCE AND TRADE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2001**

	Note	2001 \$000	2000 \$000
CURRENT ASSETS			
Cash Assets	15	6,995	6,942
Restricted Cash Assets	15	8,932	8,462
Land Held For Resale	16	2,429	2,429
Receivables	17	3,177	360
Refundable rental bonds	18	461	411
Prepayments	19	219	64
Total current assets		<u>22,213</u>	<u>18,668</u>
NON-CURRENT ASSETS			
Property, Furniture, Equipment and Vehicles	20	13,425	17,419
Work In Progress		95	0
Guarantee settlement receivable	21	44	44
Loans receivable	22	22,566	21,371
Total non-current assets		<u>36,130</u>	<u>38,834</u>
Total assets		<u>58,343</u>	<u>57,502</u>
CURRENT LIABILITIES			
Payables	23	793	564
Interest Payable		168	133
Accrued salaries	24	278	246
Provisions	25	1,715	1,721
Interest Bearing Liabilities	26	1,305	1,295
Total current liabilities		<u>4,259</u>	<u>3,959</u>
NON-CURRENT LIABILITIES			
Provisions	25	1,363	1,146
Interest Bearing Liabilities	26	8,338	7,583
Total non-current liabilities		<u>9,701</u>	<u>8,729</u>
Total liabilities		<u>13,960</u>	<u>12,688</u>
EQUITY			
Accumulated Surplus	27	38,461	38,892
Asset Revaluation Reserve	27	5,922	5,922
Total Equity		<u>44,383</u>	<u>44,814</u>
Total Liabilities and Equity		<u>58,343</u>	<u>57,502</u>

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

DEPARTMENT OF COMMERCE AND TRADE
STATEMENT OF CASH FLOWS
For the year ended 30 June 2001

	Note	2001 (\$'000) Inflows (Outflows)	2000 (\$'000) Inflows (Outflows)
CASH FLOWS FROM GOVERNMENT			
Recurrent appropriations		62,133	51,037
Receipts credited to Consolidated Fund		(740)	(47)
Net cash provided by Government		<u>61,393</u>	<u>50,990</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee costs		(12,345)	(11,061)
Administration		(20,821)	(23,929)
Grants, Subsidies & Transfer Payments		(22,116)	(19,938)
GST payments on purchases		(5,831)	-
GST payments to Taxation Authority		(124)	-
Receipts			
Other Revenues		3,763	8,247
GST receipts on sales		166	-
GST receipts from Taxation Authority		3,440	-
Net Cash (used in)/ from operating activities	28	<u>(53,868)</u>	<u>(46,681)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets		(670)	(468)
Payments for work in progress		(95)	-
Proceeds from the sale of non-current assets		181	2,817
Net Cash (used in)/ from investing activities		<u>(584)</u>	<u>2,349</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans Advanced		(7,912)	(2,749)
Repayment of Borrowings		(524)	(740)
Proceeds from Borrowings		1,289	-
Loan repayments received		729	34
Net Repayment of Receivables		-	(39)
Net Cash (used in)/ from financing activities		<u>(6,418)</u>	<u>(3,494)</u>
Net increase/(decrease) in cash held		523	3,164
Cash Assets at the beginning of the financial year		15,404	12,240
Cash Assets at the end of the financial year	15	<u>15,927</u>	<u>15,404</u>

The Statement of Cashflows should be read in conjunction with the accompanying notes

DEPARTMENT OF COMMERCE AND TRADE
OUTPUT SCHEDULE OF EXPENSES AND REVENUES
for the year ended 30 June 2001

OUTPUT	Advice and Information to Government		Industry, Enterprise and Community Economic Development Support		Total	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Expenses from Ordinary Activities						
Employee Expenses	2,900		11,136		14,036	11,609
Depreciation	145		1,017		1,162	1,091
Administration Expenses	1,882		15,843		17,725	20,078
Accommodation Expenses	448		1,892		2,340	2,279
Borrowing Cost Expenses	0		956		956	959
Grants and Subsidies	0		27,870		27,870	21,960
Net loss on disposal of non-current assets	10		59		69	44
Total cost of services	5,385		58,773		64,158	58,020
Revenues from ordinary activities						
Net profit on disposal of non-current assets	0		11		11	530
Other revenues from ordinary activities	111		4,063		4,174	6,736
Total revenue from ordinary activities	111		4,074		4,185	7,266
Net cost of services	5,274		54,699		59,973	50,754
Revenues from Government						
Appropriations	5,274		56,859		62,133	51,037
Receipts credited to Consolidated Fund	0		(740)		(740)	(47)
Resources received free of charge	6		26		32	28
Liabilities assumed by the Treasurer	313		1,135		1,448	512
Land transferred to other government agency	0		(3,331)		(3,331)	0
Total revenues from Government	5,593		53,949		59,542	51,530
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	319	note 1	(750)	note 1	(431)	776

Note 1 - Comparative output level figures are not available as the Outputs have changed from the prior year

The Output Schedule of Expenses and Revenues should be read in conjunction with the accompanying notes

DEPARTMENT OF COMMERCE AND TRADE
SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND REVENUE ESTIMATES
For the year ended 30 June 2001

	Note	Estimate \$'000	2000/01 Actual \$'000	Variation \$'000	Estimate \$'000	1999/00 Actual \$'000	Variation \$'000
RECURRENT							
Item 28		62,260	62,016	(244)	50,884	50,884	0
Amount provided to fund outputs for the year							
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975		153	117	(36)	153	153	0
Sub Total		62,413	62,133	(280)	51,037	51,037	0
Item 29		5,334	5,334	0	499	499	0
Administered Grants and Transfer Payments							
Section 25 Transfer	30 (a) (i)		5,150	5,150	0	0	0
Sub Total		5,334	10,484	5,150	499	499	0
Total Recurrent Services		67,747	72,617	4,870	51,536	51,536	0
CAPITAL							
Item 132	30 (a) (ii)	33,870	19,871	(13,999)	42,750	29,500	(13,250)
Administered capital grants and transfer payments							
GRAND TOTAL		101,617	92,488	(9,129)	94,286	81,036	(13,250)
DETAILS OF EXPENDITURE							
Recurrent							
Outputs							
Output 1	30 (b), (c)	6,488	6,387	(101)	note 1	note 1	
Advice and Information to Government							
Output 2	30 (b), (c)	69,229	69,591	362	note 1	note 1	
Industry, Enterprise and Community Economic Development							
Sub Total		75,717	75,978	261	61,267	57,941	(3,326)
Less Other Revenue	30 (b)	(3,182)	(9,518)	(6,336)	(5,067)	(11,223)	(6,156)
Adjustments for cash balances and other funding		(10,122)	(4,327)	5,795	(5,163)	4,319	9,482
Total		62,413	62,133	(280)	51,037	51,037	0
Administered Items							
Capital Expenditure	30 (b)	81,524	38,313	(43,211)	69,450	33,077	(36,373)
Other Expenditure	30 (b), (c)	5,334	14,835	9,501	499	1,747	1,248
Sub Total		86,858	53,148	(33,710)	69,949	34,824	(35,125)
Less Revenue		(47,642)	(22,567)	25,075	(7,000)	(1,120)	5,880
Adjustments for cash balances and other funding		(12)	(226)	(214)	(19,700)	(3,705)	15,995
GRAND TOTAL OF APPROPRIATIONS		39,204	30,355	(8,849)	43,249	29,999	(13,250)
		101,617	92,488	(9,129)	94,286	81,036	(13,250)

Note 1 As this is the first year of reporting under these two outputs, prior year comparative figures cannot be provided

Explanations of variations between the current year estimates and actual results, and the actual results compared with the immediately preceding year, are set out in note 30

The Summary of Consolidated Fund Appropriations and Revenue Estimates should be read in conjunction with the accompanying notes

1. Departmental Objectives and Funding

The Department of Commerce and Trade's mission is "*Building Western Australia's economy for the future*".

The Department's mission statement is intended to reflect better the role of the department in assisting Western Australian industry and local communities throughout the state to develop and grow, leading to increased employment and prosperity.

The Department is predominantly funded by Parliamentary appropriations. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

In the process of reporting on the Department as a single entity, all intra-entity transactions and balances have been eliminated.

2. Significant Accounting Policies

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

2.1 General Statement

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

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

2.2 Basis of Accounting

The financial statements have been prepared in accordance with Australian Accounting Standard (AAS29).

The statements have been prepared on the accrual basis of accounting using the historical cost convention, except land and buildings where stated are at valuation.

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

Administered assets, liabilities, expenses and revenues are not integral to the Department in carrying out its functions and are disclosed in schedules to the financial statements, forming part of the general purpose financial report of the Department. The administered items are disclosed on the same basis as described above for the financial statements of the Department. The administered assets, liabilities, expenses and revenues are those, which the Government requires the Department to administer on its behalf. The assets do not render any service potential or future economic benefits to the Department, the liabilities do not require the future sacrifice of service potential or future economic benefits of the Department, and the expenses and revenues are not attributable to the Department.

As the administered assets, liabilities, expenses and revenues are not recognised in the principal financial statements of the Department, the disclosure requirements of Australian Accounting Standard AAS 33, Presentation and Disclosure of Financial Instruments, are not applied to administered transactions.

2.3 Appropriations

Appropriations in the nature of revenue, whether recurrent or capital, are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are drawn down by the Department. Appropriations which are repayable to the Treasurer are recognised as liabilities.

2.4 Property, Furniture, Equipment and Vehicles

Property, Furniture, Equipment and Vehicles with a purchase price in excess of \$1,000 and a useful life in excess of 2 years are capitalised and recorded at cost.

The asset capitalisation policy recognises purchases of single items costing \$1,000 or more.

All non-current assets with a limited useful life are systematically depreciated over their useful lives in a manner, which reflects the consumption of their service potential.

Depreciation is provided for on the straight line basis, using rates which are reviewed annually. Major depreciation periods are:

Buildings	30 years
Furniture and Fittings	5 years
Office Equipment	5 years
Computer Hardware	5 years
Computer Software	5 years
Vehicles	5 years

Gains or losses arising from the disposal of property, furniture, equipment and vehicles have been brought to account and represent the difference between sale proceeds and written down book value.

2.5 Employee Entitlements

2.5.1 Annual Leave

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

Long Service Leave

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

2.5.2 Superannuation

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

The superannuation expense comprises the following elements:

- change in the unfunded employer's liability in respect of current employees who are members of the Superannuation and Family Benefits Act Scheme and current employees who accrued a benefit on transfer from that scheme to the Gold State Superannuation Scheme; and
- notional employer contributions which would have been paid to the Gold State Superannuation Scheme and West State Superannuation Scheme if the Department had made concurrent employer contributions to those schemes;

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

2.6 Leases

The Department has entered into a number of operating lease arrangements for buildings, motor vehicles and office equipment where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

2.7.1 *Payables, Accrued Salaries and Accrued Salaries Suspense Account.*

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

Accrued salaries represents the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year.

Accrued salaries suspense account consists of amounts paid into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pays occur in that year instead of the normal 26. No interest is received on this account.

The Department considers the carrying amount of accrued salaries to be equivalent to the net fair value.

2.7.2 *Receivables*

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists.

2.8 Loans Convertible to Grants

The Department's range of assistance to industry includes loans, which are incrementally convertible to grants at prescribed intervals upon the recipients meeting performance milestones. The loans are recognised in the loans receivable account and provision is made for the conversion of the loans to grants.

2.9 Translation of Foreign Currency Transactions

Foreign currency transactions are translated at the exchange rate applicable on the date of funds are transferred to overseas offices.

Overseas bank balances as on 30 June 2001 are translated at the exchange rate current at that date.

2.10 Interest Bearing Liabilities

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

2.11 Resources received free of charge or for nominal value

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

2.12 Revenue Recognition

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

2.13 Revaluation of Lands, Buildings and Infrastructure

The Department has a policy of valuing land and buildings every three years. The revaluation results are recognised in the financial statements. An independent valuation of land was last undertaken by the Valuer General's Office in July 1999 and is stated at current market value at that date. The valuation of buildings was undertaken by Major Corporate Pty Ltd in November 1999 and is stated at current market value at that date.

Increments or decrements due to valuation have been taken to asset revaluation reserve.

2.14 Comparative Figures

The 1999/00 comparative figures have been adjusted, where applicable, to be on a comparable basis with the current year.

3. Outputs of the Department

The Budget for 2000/01 was framed in terms of outputs, consequently financial reporting for the year is also analysed in terms of outputs.

Information about the Department's outputs, and the expenses and revenues, which are reliably attributable to those outputs, is set out in the Output Schedule. Information about expenses, revenues, assets and liabilities administered by the Department are given in the schedule of Administered Expenses and Revenues and the schedule of Administered Assets and Liabilities.

The Outputs of the Department and its purposes are:

Output 1: Advice and Information to Government

Servicing the information requirements of the Minister, Government and Parliament in relation to economic and community development decision-making. Key activities include support to Ministerial advisory boards, councils and committees, responses to information requests from the Minister and Parliament and policy development.

Output 2: Industry, Enterprise and Community Economic Development Support

Provide an extensive range of services to Western Australia's commercial and community sectors with a view to developing growth opportunities and enhancing capabilities. Key activities include advice and information to the public, operation of the overseas office network service, facilitation of promotional and trade events, provision and management of financial assistance, project facilitation, provision of advocacy and representation support and establishment of technology parks.

The Corporate Services Support cost has been allocated to outputs of the department.

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

	2001	2000
	\$'000	\$'000
4. Employee Expenses		
Salaries	12,377	11,150
Superannuation	1,448	512
Long Service Leave	174	(36)
Annual Leave	37	(17)
	<u>14,036</u>	<u>11,609</u>
5. Depreciation Expense		
Buildings	418	388
Furniture & Fittings	7	9
Office Equipment	117	125
Vehicles	38	36
Computer Software	96	102
Computer Equipment	486	431
	<u>1,162</u>	<u>1,091</u>
6. Administration Expenses		
Staffing Costs	2,286	2,021
Communications	729	789
Services and Contracts	13,133	15,490
Doubtful Debts	47	0
Consumable Supplies	1,235	1,462
Maintenance	263	288
Resources received free of charge	32	28
	<u>17,725</u>	<u>20,078</u>
<p>Services and Contracts includes the cost of consultancies and other contracts for services related to the core business of the department</p>		
7. Grants, subsidies and transfer payments		
Grants and subsidies	20,195	17,862
Transfer Payments	2,672	2,092
Loans converted to grants	5,003	2,006
	<u>27,870</u>	<u>21,960</u>
<p>Grants and subsidies comprised payments for industry incentives, research and development assistance, development of international trade, telecentre support and regional development. Transfer payments include funds transferred to other government agencies.</p>		
8. Net loss on disposal of non-current assets		
Disposal of computer equipment	55	42
Disposal of office equipment	3	2
	<u>58</u>	<u>44</u>

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

	2001	2000
	\$'000	\$'000
Sale price of land	82	-
Less: cost (at valuation)	89	-
Sales expenses	4	-
Net loss	11	-
Total net loss	69	44
Gross proceeds on disposal of non-current assets	82	2
Net profit on disposal of non current assets		
Disposal of land	-	206
Disposal of motor vehicle	11	4
Disposal of building	-	282
	11	492
Sale price of land	-	1,134
Less: cost (at valuation)	-	1,050
Sales expenses	-	46
Net profit	-	38
Total net profit – non current assets	11	530
Gross proceeds on disposal of non-current assets	42	1,878
9. Other revenues from ordinary activities		
Interest revenue	77	30
Technology Park rent	744	836
Commonwealth Contributions	430	1,171
Miscellaneous revenue	1,784	568
Contribution to State Salinity Strategy	-	3,000
Recoups for Services provided	519	511
Revenue for WA Telecentre Unit	620	620
	4,174	6,736
10. Appropriations		
Consolidated Fund		
Recurrent	62,133	51,037
11. Receipts credited to Consolidated Fund		
Loan repayments received	729	34
Interest received	11	13
	740	47

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

	2001	2000
	\$'000	\$'000
12. Resources received free of charge		
Resources received free of charge has been determined on the basis of the following estimates by agencies.		
Office of the Auditor General		
-Audit services	28	25
Treasury		
-Property management services	4	2
Department of Contract and Management Services		
-Westlink charter and contract services	-	1
	32	28
13. Liabilities assumed by the Treasurer		
Superannuation	1,448	512
14. Land transferred to other government agency		
The Midland Enterprise Centre was transferred at book value to the Midland Redevelopment Authority in December 2000.	3,331	0
15. Cash Assets		
Operating Trust Account	6,901	6,784
Cash on Hand	17	15
Overseas Bank Accounts	77	143
	6,995	6,942
Restricted Cash		
Wittenoom Relocation Trust Account (i)	171	174
Regional Headworks Development Scheme Trust Account (ii)	7,085	5,038
Accrued Salaries Suspense Account (iii)	290	250
Restricted Cash (iv)	1,386	3,000
	8,932	8,462
(i) The account is to be used for the purpose of relocation of residents and land purchase packages.		
(ii) The account is to be used for the purpose of assistance under the Regional Headworks Development Scheme		
(iii) The amount held in suspense account is to be used for the purpose of meeting the 27 th pay in a financial year that occurs every 11 years.		
(iv) The funds held are to be used for the purposes of state salinity research.		
16. Land Held for Resale		
Land held for resale at Technology Park was transferred to this Department at no cost. The cost of developing and holding the land has been expended and is not available. The valuation of land is in accordance with an independent valuation undertaken by Valuer General's in July 1999.		
	2,429	2,429

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

	2001	2000
	\$'000	\$'000
17. Receivables		
Accounts receivable for goods and services supplied	609	337
Goods and Services Tax receivable	2,636	43
Less: provision for doubtful debts	(68)	(20)
	<u>3,177</u>	<u>360</u>
<p>The Department does not have any significant exposure to any individual customer or counterparty. The carrying amount of receivables approximates their net fair values.</p>		
18. Refundable rental bonds		
This relates to overseas offices	461	411
19. Prepayments		
Rental in Advance	219	64
20. Property, furniture, equipment and vehicles		
Land		
At Valuation (July 1999)	5,914	9,334
Buildings		
At Cost	733	733
At Valuation (November 1999)	5,765	5,765
Less accumulated depreciation	(738)	(320)
	<u>5,760</u>	<u>6,178</u>
Furniture and fittings		
At Cost	94	92
Less accumulated depreciation	(86)	(80)
	<u>8</u>	<u>12</u>
Office equipment		
At Cost	1,516	1,512
Less accumulated depreciation	(1,299)	(1,219)
	<u>217</u>	<u>293</u>
Computer equipment		
At Cost	2,706	2,386
Less accumulated depreciation	(1,416)	(1,088)
	<u>1,290</u>	<u>1,298</u>
Computer software		
At Cost	533	529
Less accumulated depreciation	(390)	(293)
	<u>143</u>	<u>235</u>
Vehicles		
At Cost	186	170
Less accumulated depreciation	(93)	(99)
	<u>93</u>	<u>71</u>
Total of property, furniture, equipment and vehicles	<u>13,425</u>	<u>17,419</u>

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

	2001	2000
	\$'000	\$'000
An independent valuation of land was undertaken by Valuer General's Office in July 1999 and are stated at current market value at that date.		
The valuation of buildings was undertaken by Major Corporate Pty Ltd in November 1999 and are stated at current market value at that date.		
21. Guarantee settlement receivable		
Guarantee Settlement Receivable	44	44
Less: Provision for doubtful debts	-	-
	<u>44</u>	<u>44</u>
The carrying amount of the guarantee settlement receivable approximates their net fair values.		
22. Loans receivable		
Loans receivable	37,310	33,037
Less: Provision for Conversion of Loans to Grants	(14,614)	(11,666)
Less: Provision for Doubtful Debt	(130)	0
	<u>22,566</u>	<u>21,371</u>
The carrying amount of loans receivable approximates their net fair values.		
23. Payables		
Accounts payable represents trade creditors and accrued expenses for goods and services received and rendered.	793	564
The carrying amount of accounts payable approximates their net fair values.		
24. Accrued Salaries		
Amounts owing for the 6 working days from 22 June to 29 June 2001. (25 June to 30 June 2000, 6 working days)	278	246
Accrued salaries are settled within a few days of the financial year end. The carrying amount of accrued salaries is equivalent to the net fair value.		
25. Provisions		
Current Liabilities		
Liability for annual leave	844	807
Liability for long service leave	871	914
	<u>1,715</u>	<u>1,721</u>
Non-current liabilities		
Liability for long service leave	1,363	1,146
	<u>3,078</u>	<u>2867</u>

DEPARTMENT OF COMMERCE AND TRADE
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for the year ended 30 June 2001

	2001	2000
	\$'000	\$'000
26. Interest Bearing Liabilities		
Current		
WA Land Authority (Groyne Buyback Loan)	200	200
WA Treasury Corporation	333	323
WA Land Authority (Enterprise Units)	772	772
	<u>1,305</u>	<u>1,295</u>
Non Current		
WA Land Authority (Groyne Buyback Loan)	1,362	1,562
WA Treasury Corporation	6,976	6,021
	<u>8,338</u>	<u>7,583</u>

The carrying amount of loans payable approximates their net fair values.

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

Accumulated Surplus

Balance at the beginning of the year	38,892	38,116
Assets transferred to 'Administered Items'	-	(16)
Change in net assets	(431)	792
Balance at the end of the year	<u>38,461</u>	<u>38,892</u>
Asset Revaluation Reserve	5,922	5,922
Total Equity	<u>44,383</u>	<u>44,814</u>

28 Notes to the Statement of Cash Flows

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

Cash Assets	6,995	6,942
Restricted cash assets (note 15)	8,932	8,462
	<u>15,927</u>	<u>15,404</u>

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

Net cost of services	(59,973)	(50,738)
Non-cash items:		
Depreciation expense	1,162	1,091
Superannuation expense	1,448	512
Resources received free of charge	32	28

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

	2001	2000
	\$'000	\$'000
Loss on disposal of assets	69	44
Profit on disposal of assets	(11)	(530)
(Increase)/decrease in assets:		
Accounts receivables	(224)	1,428
Refundable rental bonds	(50)	26
Prepayments	(155)	(24)
Increase/(decrease) in liabilities:		
Accounts payable	264	(563)
Provisions for Conversion of loans to grants	5,676	2006
Accrued Salaries	32	92
Employee entitlements	211	(53)
Net GST receipts/(payments)	(5,665)	-
Change in GST in receivables/payables	3,316	-
Net cash provided by/(used in) operating activities	(53,868)	46,681

29. Remuneration and retirement benefits of Senior Officers

Remuneration

The number of Senior Officers whose total of fees, salaries and other benefits received, or due and receivable for the financial year, who fall within the following band is:

\$20,001-\$30,000	-	1
\$90,001-\$100,000	1	1
\$100,001-\$110,000	4	3
\$110,001-\$120,000	3	4
\$160,001-\$170,000	1	1

The total remuneration of senior officers is: 1,012 930

Retirement Benefits

The following amounts in respect of retirement benefits for senior officers were paid or became payable for the financial year.

Redundancy Payments	53	-
Total notional contributions to Gold State Superannuation Scheme and West State Superannuation Scheme	92	94

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

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
30. Explanatory Statement		
<p>The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into Consolidated Fund, all on a cash basis.</p>		
<p>The following explanations are provided in accordance with Treasurer's Instruction 945:</p>		
(a) Significant variations in actual expenditure from the budget expenditure item for the financial year.		
<p>(i) Amount provided for Recurrent Services for the year</p> <p>The Treasurer approved the section 25 transfer of WA Dairy Industry (Processing) Incentive Scheme for 2000/01 of \$5.15 million from Agriculture Western Australia. Expenditure under this scheme was \$10.48 million for the year.</p>		
<p>(ii) Amount provided for Capital Services for the year</p> <p>Funds for capital projects were drawn into the Department's Trust account to match expenditure as it occurred. Consequently, the low level of expenditure on capital works was reflected by a reduced level of drawings.</p>		
(b) Significant variations in actual expenditure from the budget estimates for the financial year.		
<p>Output 1</p> <p>There were no significant variations where actual expenditures exceeded or were less than an expenditure item in the annual estimates</p>		
<p>Output 2</p> <p>There were no significant variations where actual expenditures exceeded or were less than an expenditure item in the annual estimates.</p>		
<p>Other Revenue</p> <p>Revenue was increased compared with budget due to loan receipts from WA Treasury Corporation and receipts of GST from the Australian Taxation Office.</p>		
<p>Capital Expenditure</p> <p>Delays in the Jervoise Bay Project and Marine Industry Technology Park Projects account for the variance.</p>		
(c) Significant variations between actual expenditure from the financial year and actual expenditure for the immediately preceding financial year.		
<p>(i) Output 1</p> <p>As this is the first year of reporting under these two outputs, prior year comparisons cannot be made at output level.</p>		

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

	2001	2000
	\$'000	\$'000
(ii) Output 2		
As this is the first year of reporting under these two outputs, prior year comparisons cannot be made at output level.		
(iii) Administered Other Expenditure		
Represents increased expenditure on assistance related to the Regional Forest Agreement & WA Dairy Industry assistance.		
31. Commitments for Expenditure		
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within 1 year	2,248	2,491
Later than 1 year and not later than 5 years	1,583	8,849
	3,831	11,340
Representing:		
Non-cancellable operating leases	3,831	11,340
Other expenditure commitments (Grants)		
Within 1 year	2,502	2,600
32. Affiliated Bodies		
(i) Technology and Industry Advisory Council (TIAC)		
The Technology and Industry Advisory Council which was established under the Western Australian technology and Industry Awards Act, is totally funded by the Department of Commerce and Trade.		
	496	547
33. Losses and Write-Offs		
(i) Amounts Written-Off		
Amounts written off in accordance with section 45 of the Financial Administration and Audit Act 1985 by:		
(a) The Executive Council	-	-
(b) The Minister	-	-
(c) The Accountable Officer		
Debts	-	4
Assets	3	-

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

	2001	2000
	\$'000	\$'000
34. Other Trust Accounts		

An explanation of the purpose of each of the department's trust accounts and details of their financial operations are set out below:

Departmental Receipts in Suspense Account

Purpose – to hold funds pending identification of the purpose for which those monies were received.

Transactions		
Balance at 1 July	0	0
Receipts	983	258
Payments	983	258
Balance at 30 June	0	0

Exmouth Development Trust Account

Purpose – to hold funds for the purpose of stimulating economic activity and providing infrastructure to enhance long-term economic benefits to the Exmouth area.

Transactions		
Balance at 1 July	0	723
Receipts		
Shire of Exmouth	-	-
Interest on Trust Fund	-	16
		739
Payments		
Shire of Exmouth	-	739
		739
Balance at 30 June	0	0

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

	2001	2000
	\$'000	\$'000
Wittenoorn Relocation Trust Account		
Purpose – to hold funds for the purpose of utilising funds for the relocation of residents and land purchase packages.		
Transactions		
Balance at 1 July	174	388
Payments		
Grants and Subsidies	-	201
Other	3	13
	<hr/> 3	<hr/> 214
Balance at 30 June	171	174

Regional Headworks Development Scheme Trust Account

Purpose – to hold funds received by the Department for the purpose of assistance under the Regional Headworks Development Scheme.

Transaction		
Balance at 1 July	5,038	3,907
Receipts		
Contribution from Consolidated Fund	3,000	3,000
	<hr/> 8,038	<hr/> 6,907
Payments		
Grants and Subsidies	121	111
Loans to Industry and Local Authority	831	1,758
	<hr/> 952	<hr/> 1,869
Balance at 30 June	7,086	5,038

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

35. Additional Financial Instruments Disclosures

Interest rate risk exposure

The Department's exposure to interest rate risk and effective interest rates on financial instruments are:

	Weighted Effective Rate %	Fixed Interest Rate \$'000	Non Interest Bearing \$'000	Total \$'000
30 June 2001				
Assets				
Cash Assets			15,927	15,927
Receivables			3,177	3,177
Refundable rental bonds			461	461
Prepayments			219	219
Guarantee settlement receivable			44	44
Loans receivable	5.81	255	22,311	22,566
Total financial assets		255	42,139	42,394

	Weighted Effective Rate %	Fixed Interest Rate \$'000	Non Interest Bearing \$'000	Total \$'000
30 June 2001				
Liabilities				
Payables			961	961
Accrued salaries			278	278
Provisions			3,078	3,078
Loans payable	9.63	9,643	-	9,643
Total financial liabilities		9,643	4,317	13,960
Net financial assets/(liabilities)		(9,388)	37,822	28,434

DEPARTMENT OF COMMERCE AND TRADE
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for the year ended 30 June 2001

	Weighted Effective Rate %	Fixed Interest Rate \$'000	Non Interest Bearing \$'000	Total \$'000
30 June 2000				
Assets				
Cash Assets			15,404	15,404
Receivables			360	360
Refundable rental bonds			411	411
Prepayments			64	64
Guarantee settlement receivable			44	44
Loans receivable	6.28	1,071	20,300	21,371
Total financial assets		1,071	36,583	37,654
30 June 2000				
Liabilities				
Payables			697	697
Accrued salaries			246	246
Provisions entitlements			2,867	2,867
Loans payable	10.08	8,878	-	8,878
Total financial liabilities		8,878	3,810	12,688
Net financial assets/(liabilities)		(7,807)	32,773	24,966

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
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36. Property, plant, equipment and vehicles

Reconciliations

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

2000/01

	Buildings \$000	Land \$000	Computer Equipment \$000	Furniture & Fittings \$000	Motor Vehicle \$000	Office Equip \$000	Software \$000	Total \$000
Carrying amount at start of year	6,178	9,334	1,298	12	71	293	235	17,419
Additions	0		539	3	90	44	4	680
Disposals	0	(3,420)	(59)	0	(30)	(3)	0	(3,510)
Revaluation increments	0	0	0	0	0	0	0	0
Depreciation	(418)	0	(486)	(7)	(38)	(117)	(96)	(1,162)
Write off of assets	0	0	(2)	0	0	0	0	(2)
Carrying amount at end of year	5,760	5,914	1,290	8	93	217	143	13,425

1999/2000

	Buildings \$000	Land \$000	Computer Equipment \$000	Furniture & Fittings \$000	Motor Vehicle \$000	Office Equip \$000	Software \$000	Total \$000
Carrying amount at start of year	6,941	10,716	1,435	21	113	348	297	19,871
Additions	0	97	222	0	10	82	41	450
Disposals	(30)	(2,600)	(42)	0	(7)	(4)	0	(2,683)
Revaluation increments	(345)	1,217	0	0	0	0	0	872
Depreciation	(388)	0	(431)	(9)	(36)	(125)	(102)	(1091)
Write off of assets								
Carrying amount at end of year	6,178	9,334	1,298	12	71	293	235	17,419

Also refer to note number 20

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

37. Events Occurring After Reporting Date

As at 1 July 2001, parts of both the Department of Commerce and Trade and the Department of Contract and Management Services merged to form the Department of Industry and Technology.

The Regional Development Division formerly part of the Department of Commerce & Trade has now been transferred to the newly formed Department of Local Government and Regional Development.

DEPARTMENT OF COMMERCE AND TRADE
Notes to and forming part of Financial Statements
for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
38 ADMINISTERED EXPENSES AND REVENUES		
ADMINISTERED EXPENSES		
Administration expenses	21,087	8,321
Transfer payments	6,065	14,002
Total administered expenses	<u>27,152</u>	<u>22,323</u>
ADMINISTERED REVENUES		
Contribution from Consolidated Fund	30,355	29,999
Commonwealth Contributions	17,450	0
Receipts credited to Consolidated Fund	(570)	(570)
Liabilities assumed by the Treasurer	40	21
Interest on Loan	196	211
Other Revenue	131	273
Total administered revenues	<u>47,602</u>	<u>29,934</u>
ADMINISTERED ASSETS AND LIABILITIES		
ASSETS		
Current		
Cash Assets	Note 1 <u>-692</u>	<u>4,384</u>
Total administered current assets	<u>-692</u>	<u>4,384</u>
Non-Current		
Property & Equipment	561	560
Receivables	447	0
Work-in-progress	59,304	27,900
Loan Receivable	4,248	4,623
Total administered non-current assets	<u>64,560</u>	<u>33,083</u>
Total administered assets	<u>63,868</u>	<u>37,467</u>
LIABILITIES		
Payables	2,165	569
Provisions	120	0
Accrued Salaries	10	23
Amounts due to the Treasurer	4,248	0
Total administered liabilities	<u>6,543</u>	<u>592</u>

Note 1 The department manages the balances of controlled and administered bank accounts within the context of the department's overall operating bank account balance, which is in credit. Funding to meet the deficit will be provided from next years administered appropriation.