

LEADING REGIONAL DEVELOPMENT IN A GLOBAL ENVIRONMENT



SOUTH WEST DEVELOPMENT COMMISSION
ANNUAL REPORT 2002 - 2003



Responsible Minister:

The Honourable Bob Kucera, MLA

Minister for Tourism; Small Business; Sport and Recreation; Peel and the South West

Accountable Authority:

South West Development Commission

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ANNUAL REPORT SUMMARY

This annual report provides a comprehensive analysis of the work undertaken by the South West Development Commission during 2002/03.

Under the Act, the Commission's role is to foster the economic development of the South West Region of Western Australia.

We conduct this work through a variety of projects that are aimed at growing the region, while retaining the assets that make the South West the best place to live, work and invest.

The section 'Our Performance' details our work and our clients' assessment of that work. A summary of our financial performance is also provided in the section 'Financial Statements'.

Minister for Peel and the South West

The Honourable Bob Kucera MLA
Minister for Tourism; Small Business; Sport and Recreation; Peel and the South West

Sir,

In accordance with Section 66(1) of the Financial Administration and Audit Act 1985, we hereby submit for your information and presentation to Parliament, the Annual Report of the South West Development Commission, for the financial year ended 30 June 2003.

The Annual Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

To fulfil the responsibilities required under Section 79(2) of the Financial Administration and Audit Act 1985, the South West Development Commission has complied with the following relevant written law:

Regional Development Commissions Act (1993)
Financial Administration and Audit Act (1985)
Public Sector Management Act (1994)

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



CAROL DEVITT
CHAIRMAN OF THE BOARD
15 August 2003



DON PUNCH
CHIEF EXECUTIVE OFFICER
15 August 2003

SOUTH WEST REGION – KEY FACTS

- The region faces the Indian and Southern Oceans in the South West corner of Western Australia and covers an area of 23,998 square kilometres.
- Incorporates 12 local government areas: The City of Bunbury and the shires of Harvey, Dardanup, Capel, Busselton, Augusta-Margaret River, Nannup, Donnybrook-Balingup, Collie, Bridgetown-Greenbushes, Boyup Brook and Manjimup.
- Has one of the fastest growing regional populations of Western Australia. The greatest growth is taking place in the Greater Bunbury area and the shires of Augusta-Margaret River and Busselton.
- An estimated 132,000 people live in the South West Region.
- Has the most diversified economy of all the State's nine regions. Activities include agriculture and horticulture; timber and forest products; mineral extraction, processing and manufacturing; retailing; tourism; construction; other manufacturing; service industries; fishing and aquaculture.
- The South West's gross regional product grew to an estimated \$5.0 billion for 2001/02.
- The region's unemployment rate is consistently lower than Western Australia's overall unemployment rate.
- The Port of Bunbury is the export port of the South West Region for bulk product. In 2002/03, 12 million tonnes of trade passed through the Port, up from 11.5 million tonnes in 2001/02 mainly due to an increase in woodchips and minerals sands exports from the region.

STATEMENT OF COMPLIANCE

The South West Development Commission was established under the Regional Development Commissions Act 1993. As an agency of the State Government of Western Australia, the Commission is required to comply with a number of parliamentary acts in the course of its business.

COMPLIANCE WITH WRITTEN LAWS

The South West Development Commission has complied with all relevant written laws including:

- *Regional Development Commissions Act 1993;*
- *Financial Administration and Audit Act 1985;*
- *Library Board of Western Australia Act 1951;*
- *Public Disclosure Act 2003;*
- *Public Sector Management Act 1994;*
- *Public Service Award 1992;*
- *Public Service General Agreement 2002;*
- *Equal Opportunities Act 1984;*
- *Occupational Health, Safety and Welfare Act 1984;*
- *Salaries and Allowances Act 1975;*
- *State Supply Commission Act 1991;*
- *Workers Compensation and Rehabilitation Act 1981;*
- *Disability Services Act 1993;*
- *Freedom of Information Act 1992;*
- *Disability Discrimination Act 1992;* and
- Circulars to Ministers from the Premier.

ACCESS AND EQUITY

The Commission has complied with the requirements to:

- Develop and implement a Disability Services Plan (*Disability Services Act 1993*);
- Report on initiatives as part of 'Action – A State Government Plan for Young People 2000-2003'.

PUBLIC SECTOR STANDARDS

The Commission has developed policy, guidelines and processes to support compliance with Public Sector standards, including a code of conduct that is provided to all staff on the commencement of their employment and is readily accessible on the Commission's information network.

Procedures designed to ensure compliance have also been put in place and regular internal assessments are undertaken as part of the Commission's internal audit program. No claims of breach of standards were made during the year in review.

Section 1.

Our Organisation

The South West Development Commission was enacted in April 1994, under the Regional Development Commissions Act 1993, and is one of nine uniformly legislated agencies.

Under the Act the Commission is responsible for fostering the economic development of the South West Region of Western Australia.

OUR ORGANISATION

ESTABLISHMENT

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

The South West Region of Western Australia covers 12 local government areas. They are the City of Bunbury and the shires of Harvey, Collie, Dardanup, Capel, Donnybrook-Balingup, Bridgetown-Greenbushes, Boyup Brook, Manjimup, Nannup, Augusta-Margaret River and Busselton.

HISTORY

Prior to 1994, the South West Development Commission was known as the South West Development Authority. The Authority was established by its own act of parliament in 1984 to plan, coordinate and promote the economic and social development of the South West Region of Western Australia.

Achievements of the Authority ranged from the development of Bunbury as a regional centre through the Better Cities Project and the establishment of the Kemerton Industrial Park and the Bunbury Institute of Advanced Education (now Edith Cowan University South West Campus); through to the implementation of townscape projects in towns throughout the region and the initiation of numerous family services.

The South West Development Commission replaced the Authority with a charter more strongly focused on economic development.

The Commission continued the work of the Authority in seeking to maximise opportunities to enhance the growth of the South West Region through economic diversification and infrastructure development. And, despite the change of emphasis, continued its involvement in key social and environmental issues within the region.

A decade on, the Commission is still committed to supporting the sustainable economic development of the South West, ensuring that the region's social needs are met and its environmental issues are addressed.

The South West Development Commission is a high profile organisation within the South West Region, which has strong alliances with all levels of government, business, industry and community organisations.

RESPONSIBLE MINISTER

The South West Development Commission is responsible to the Minister for Peel and the South West, the Hon. Bob Kucera MLA who replaced Hon Jim McGinty MLA as the Minister on 27 June 2003.

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

OBJECTS AND POWERS

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

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

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

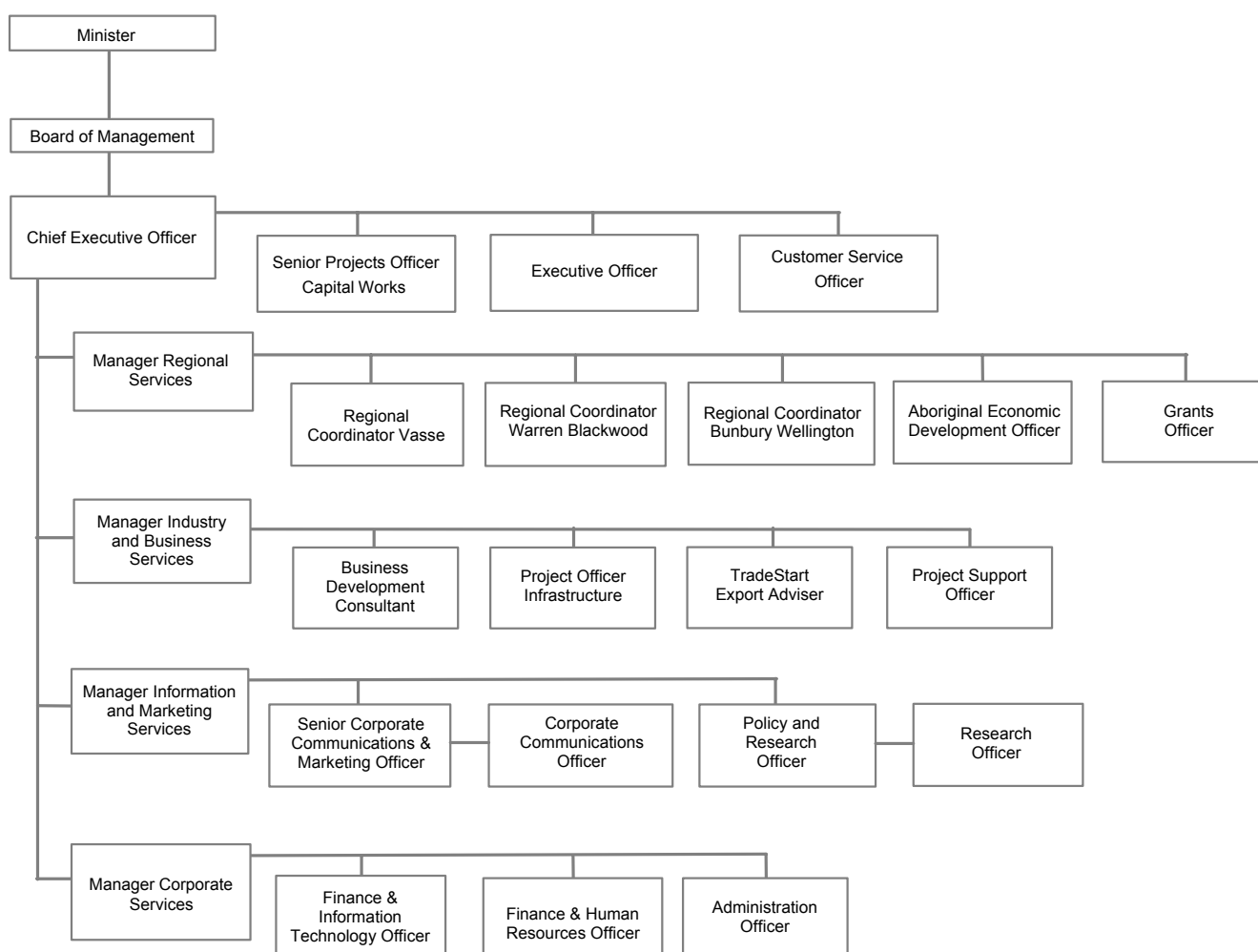
- Promote the region;
- Facilitate coordination between relevant statutory bodies and State government agencies;
- Cooperate with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community throughout the region;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

STRUCTURE

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

1. Executive Services – manages the organisation, and capital works projects.
2. Regional Services – assists communities to grow and diversify their economic base.
3. Industry and Business Services – assists business and industry to locate to and expand in the region.
4. Information and Marketing Services – promotes the region and provides information for regional decision-making.
5. Corporate Services – is the administrative arm of the Commission.

SOUTH WEST DEVELOPMENT COMMISSION ORGANISATION CHART AS AT 30 JUNE 2003



Section 2.

Our Region

The South West Region covers 23,998 square kilometres in the beautiful South West corner of Western Australia.

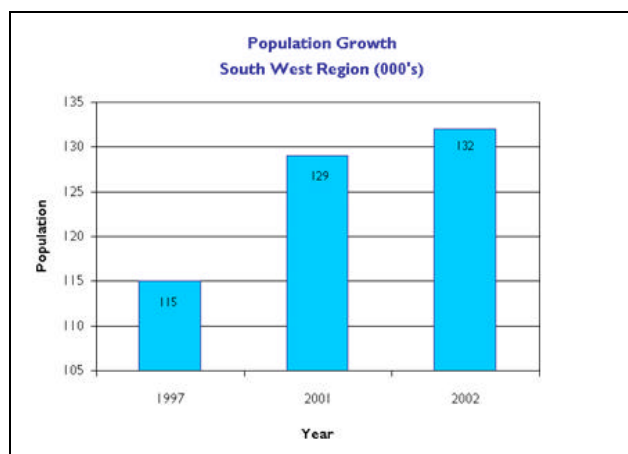
The South West has the most diverse regional economy of the State. Latest estimates value the region's gross regional product at \$5.0 billion.

OUR REGION

The South West Region of Western Australia is a diverse and dynamic region. Located in the South West corner of the State, the region faces the Indian and Southern Oceans and covers an area of 23,998 square kilometres.

The South West has a typically Mediterranean climate with dry summer months and generally high rainfall during winter. The region draws more intrastate, interstate and international visitors than any other region outside Perth.

More than a quarter of Western Australians who live outside the metropolitan area live in the South West. Approximately 132,000 people live in the South West and, with a growth rate twice that of the national average, it is one of the fastest growing populations of regional Western Australia. The region's population is predicted to grow to 142,200 by 2006 and 157,300 by 2011.



Source: ABS, Regional Population Growth, 2001-02.

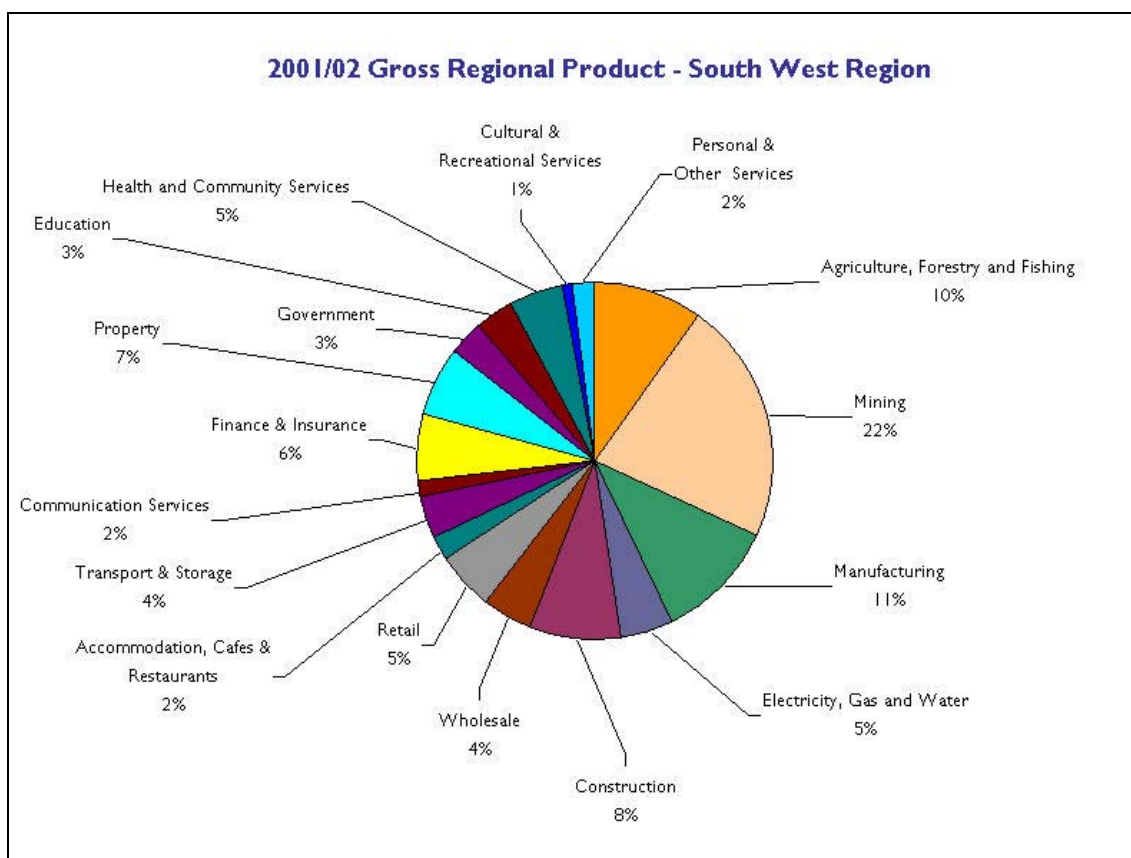


Source: ABS, Regional Population Growth, 2001-02.

The South West Region covers 12 local government areas, the City of Bunbury and the shires of Harvey, Collie, Dardanup, Capel, Busselton, Augusta-Margaret River, Nannup, Manjimup, Bridgetown-Greenbushes, Boyup Brook and Donnybrook-Balingup.

Principal urban centres are Greater Bunbury, Busselton, Collie and Manjimup. The City of Bunbury is the administrative, commercial, educational and cultural centre of the region and home to the Port of Bunbury. The Port handles 12 million tonnes of cargo annually, the main exports being alumina, woodchips and mineral sands.

The South West has a broad economic base covering agriculture; forestry; mineral extraction, processing and manufacturing; fishing; tourism; retailing and other manufacturing.

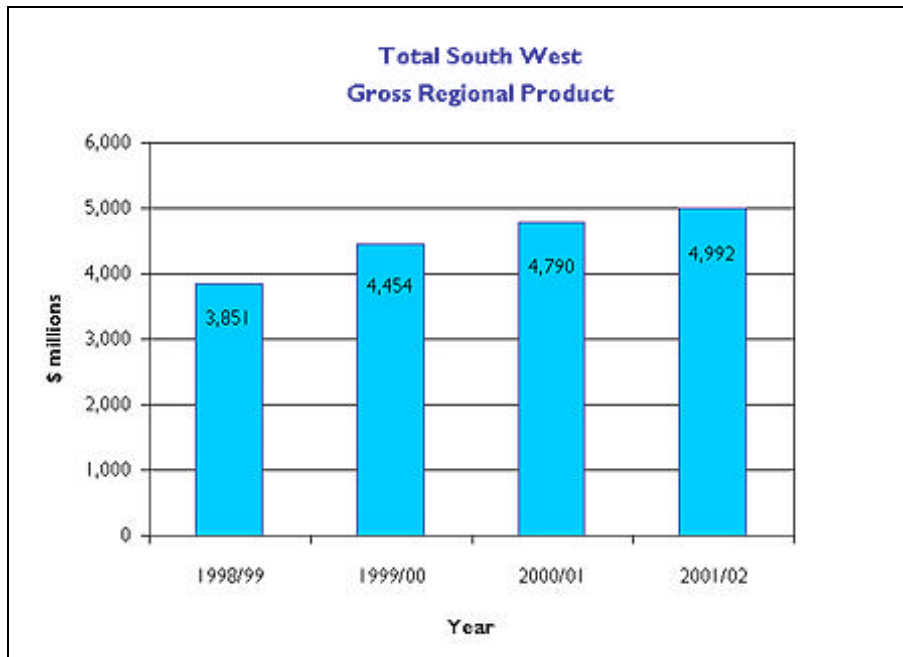


Source: Department of Local Government and Regional Development, 2003.

South West Key Economic Indicators	
<i>Agricultural Production</i>	<i>\$473 million</i>
<i>Mineral Extraction and Processing</i>	<i>\$1854 million</i>
<i>Coal Production</i>	<i>\$258 million</i>
<i>Alumina Production</i>	<i>\$1076 million</i>
<i>Mineral Sands Production</i>	<i>\$305 million</i>
<i>Tin, Tantalum and Lithium Production</i>	<i>\$215 million</i>
<i>Mineral Manufacturing</i>	<i>\$358 million</i>
<i>Unprocessed Forestry Products (value)</i>	<i>\$70 million</i>
<i>Building Approvals (residential & non residential)</i>	<i>\$306 million</i>
<i>Viticulture (value of wine grapes at farm gate)</i>	<i>\$49 million</i>
<i>Tourism</i>	<i>\$512 million</i>
<i>Retail Turnover</i>	<i>\$977 million</i>
<i>Total Trade through Bunbury Port</i>	<i>12 million tonnes</i>

Note: Above indicators are based on the latest annual data available.

The South West's gross regional product is estimated at \$5.0 billion (2001/02).



Source: Department of Local Government and Regional Development, 2003.

HOW WE OPERATE IN THE REGION

The South West Development Commission has a central office in Bunbury and offices at Collie and Manjimup. Staff travel widely throughout the region and three staff members have specific responsibility for each of the three subregions – Bunbury Wellington, Warren Blackwood and Vasse.

We work in partnership with the region's local governments, State and Commonwealth government agencies, community organisations, and business and industry.

During the year in review our activities have again reflected the diversity of our role as a regional development commission. Within the framework of the Commission's strategic priority areas, we continued our work to assist regional communities to manage changes in their environment. Some communities in the region are experiencing significant industry restructuring or substantial population growth, while others are seeking to diversify their activities. For more information please turn to 'Our Performance'.

The Commission aims to be a responsive government agency, which is accessible throughout the South West Region. For information on how to contact the Commission, please refer to our details at the beginning of this annual report.

Section 3.

Our Role

Vision – To lead the development of the South West as a globally competitive region.

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

OUR ROLE

WHO WE ARE

The South West Development Commission is a State Government-funded agency, created by the *Regional Development Commissions Act 1993*. Under the Act the Commission's role is to foster the economic development of the South West Region of Western Australia.

WHAT WE DO

The Commission is a dynamic agency that aims to make a significant impact on a wide range of development issues in the region. The projects and issues on which we work are diverse and cover the entire South West Region. They also reflect the community's needs and aspirations. Our underpinning philosophy is to add value through our input of funds and staff resources into projects in the region.

We work in close partnership with other State and Commonwealth Government agencies, local governments, industry, business and community groups to bring positive outcomes for the region and its people.

OUR ROLE

- We work to help maximise local jobs by attracting new business and industry and helping existing business and industry to grow;
- We identify gaps in government services and infrastructure, and in doing so, then work to address these gaps;
- We work to support the development of communities and small towns; and
- We promote the lifestyle and the unique qualities the South West Region of Western Australia has to offer, and provide information to assist regional decision-making.

SERVICE DELIVERY

We deliver our services through three program areas: Regional Services; Industry and Business Services; and Information and Marketing Services. The Commission also undertakes capital works programs on behalf of the State Government and is supported in its work by Corporate Services, the administrative arm of the Commission.

HELPING INDUSTRY AND BUSINESS

We seek to ensure that across the region our businesses operate in a healthy economic environment, have the capacity to withstand change and can maximise opportunities for growth.

Industry and Business Services consolidates the Commission's business and industry support activities creating a climate to attract investment. Once new investors are attracted we provide a personalised service to enable business to negotiate Commonwealth, State and local government requirements.

SUSTAINING AND DEVELOPING COMMUNITIES

The Regional Services branch works with communities to initiate and develop projects that accelerate economic development and diversification. We are committed to improving government services in the South West Region; encouraging communities to identify their needs and then assisting them to address those needs.

INFORMING THE COMMUNITY

Information and Marketing Services promotes the region with the aim of attracting visitors, new residents and investors. We also provide information about the region to our customers and to facilitate regional decision-making.

The Commission's role has not changed since the last reporting period.

CORPORATE OBJECTIVES

CORPORATE VISION

To lead the development of the South West as a globally competitive region.

CORPORATE MISSION

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

CORPORATE VALUES

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

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

Balanced Development – we will take a well-planned, considered approach to our projects to ensure that the qualities of the region are enhanced for the future.

Excellence of Service – we aim to be global leaders in the area of regional development, with highly skilled personnel and a responsive attitude to our clients and stakeholders.

STRATEGIC SUMMARY

Balanced development throughout the South West is recognised by the South West Development Commission as a key consideration to ensure the qualities that make the region unique are preserved. In undertaking this task staff are committed to a high degree of professionalism and excellence of service.

The Commission developed its *2000-2005 Strategic Plan* in 1999, with an agenda to broaden the economic base of the region's inland communities and at the same time to assist Bunbury make the transition to a more global city. The SWDC Board and Executive revisit the plan annually and in 2001/02 a mid term review was undertaken.

During 2002/03 the Commission maintained its emphasis on assisting communities to manage changes brought about by industry restructuring in the region, however, by the end of the

period had also started to refocus on issues facing the high population growth areas of Greater Bunbury, Busselton and Margaret River.

The Commission's work within the plan's five strategic priority areas, outlined in the section 'Our Performance', continued to be varied and responsive to the needs of the regional community.

A wide range of projects and services were undertaken during the period, covering areas of activity as disparate as physical infrastructure, urban renewal, tourism, indigenous arts, community capacity building and leadership, and environmental issues. The Government's South West Online initiative was fully developed and implementation was significantly progressed. The success story of the Northcliffe Timber Cluster, featured within this report, illustrates the positive results that can be achieved when government agencies assist small businesses in small communities to achieve their goals. Taking advantage of new and emerging opportunities continued to be a feature of the Commission's activities, and was further enhanced during 2002/03 with the commencement of a TradeStart Export Adviser.

The annual review of the strategic plan by the SWDC Board and Executive took place in January 2003 and consolidated the Commission's direction for 2003/04. Major areas of activity will include: industrial land, urban renewal, business development, information technology and e-commerce, sustaining communities, and information and marketing.

The strategic review process adopted by the Commission ensures that it is well placed to continue to deliver its services to the region in a responsive, flexible and timely manner.

Section 4.

Chairman's Report

From Chairman of the Board,
Carol Devitt.

CHAIRMAN'S REPORT

The South West is a vibrant region with a diverse economy, excellent lifestyle and an outstanding natural environment. These qualities appeal to people the world over. As a consequence, during a time when the world has experienced an unprecedented level of uncertainty, our region has continued to grow. Our population is now estimated to be over 130,000 and our regional product is closing in on \$5.0 billion.

Signs of world troubles can be clearly seen in the inquiries the Commission receives for business migration. During the year in review the Commission assisted in processing 36 applications and received around 120 inquiries for skilled migration.

While business migration brings new investment, new ideas, and new ways of working, the uncertain world scene has set us some challenges. International tourism marketing is one area. Currently the region averages around 3.0 million visitors a year but only a tiny proportion, around 70,000, are from overseas. International visitors represent a substantial growth market for the region but it will be difficult to grow this market until confidence in safe travel is restored.

On the export front though, it is a quite different story. The 15 month promotion of gourmet Margaret River produce by Cold Storage, one of Singapore's largest retailers, is likely to result in South West premium foods on Singapore supermarket shelves. This represents the new opportunities that can be developed through international trade rather than relying on traditional domestic markets. There are many opportunities overseas provided we can meet market demand, quality standards and engage the markets with confidence.

To help meet this opportunity the Commission has formed an alliance with Austrade to deliver the TradeStart program. This will bring new relationships with overseas trade offices and access to a broader range of market intelligence. It is a relationship which the Commission values and which we are confident will take the region forward in a proactive manner.

In reviewing the past year I am particularly pleased to report on the progress of the Indigenous Arts Strategy. In the South West we have a very special story that is unique to Australia. It is the story of the Noongar people which is richly based in the forests, hills waterways and ocean fronts of the South West. The freshness of this story has sparked a great deal of interest overseas with both visual arts and fashion, and has provided a great stimulus to the development of art as a means of expression.

The Board of the Commission has finalised the annual review of our strategic plan. Advancing sustainable jobs development remains a key theme. During the coming year the Board expects to see a continuing emphasis on jobs through:

- Attracting investment
- Building competitive infrastructure
- Supporting a quality lifestyle and
- Maintaining environmental values

Balancing each of these agendas in a region as vibrant as the South West will remain a challenge.

THE YEAR IN REVIEW

Infrastructure

With the exception of the Collie to Bunbury and northern railways, roads are likely to continue to be the primary means of freight transport within the region. Planning has been completed for the port access route and is well advanced in relation to the Peel Deviation, Bunbury Ring Road and South Western Highway improvements. With plantation timber haulage expected to reach 1.5 million tonnes by 2005/06 it is not a matter of if these roads will be constructed, but when. The Commission will continue to work with Government at state and federal level to further the business case for construction to commence.

The review of passenger rail services to the region was released for public comment during the year. This set out short and long term options to improve the speed and marketability of the Australind rail service; it also set the parameters for how the passenger rail network could be extended to Busselton and interlink with the Mandurah to Perth railway.

Completion of the Rocky Point enhancement project at Bunbury together with enhancements to Koombana Beach set a foundation for the City to build on its 'Three Waters' vision. Developing Bunbury as a premier regional city is a key to showcasing the region's vibrancy. This strategy is being complemented by significant urban renewal programs at Manjimup and Collie which aim to rehabilitate disused land in the business and tourism areas of these towns, again with the aim of bringing a fresh energy and sense of community into the towns' CBDs.

Power has been a topical theme in the region. With planning for the disaggregation of Western Power well underway the Commission has been keen to ensure future investment in the South West Interconnected System occurs to meet the growth needs of industries and the community. In particular the Commission is keen to see mechanisms developed which allow businesses affordable access to power and have broader community benefits.

Water has similarly been a dominant theme and during 2003/04 the Commission will develop a high level analysis of present and future needs for water within the region as a basis for ensuring adequacy of supply and distribution into the future.

Information Technology

In 1998 the Commission undertook an initial audit into the region's information technology assets. The key recommendations of that report particularly in relation to mobile telephony have largely been addressed. In 2002 the Commission completed a second audit which also incorporated analysis of the business case for developing broadband and community owned telecommunication options.

Many recommendations of the report including provision of training support to assist small business to enter e-commerce have been acted upon. An incorporated body has been established to facilitate e-commerce activity to be complemented by broader development of the South West web portal to develop interactive capacity with government and community information.

Economic Development

Inland areas have continued to be a major focus. One particularly innovative and rewarding project has been the development of the Northcliffe Cluster Mill. The project has resulted in a group of six millers acquiring the former assets of Bunnings at Northcliffe and developing a cluster-based milling operation using third grade jarrah logs. A complete overview of the project is included in this report and it makes fascinating reading.

At a broader level the Invest South West strategy has continued to promote the expansion of business and new investment in the region. The Commission assisted in hosting the South West Regional Investment Tour showcasing the region to potential joint venture partners. The tour highlighted the need to ensure proposals are investor ready and this will be a new area of Commission activity during 2003/04.

The Commission also provided services to over 400 business during the year in review; these ranged from providing preliminary advice to detailed work relating to approvals, site selection and relationship building.

Sustaining and Developing Communities

Building the ability of local communities to meet local needs has been a continuing theme. The Commission through its formal funding programs provided grants for 22 projects through the Regional Development Scheme and 24 events and festivals through the Events Program. Complementing this, the Commission has supported a network of initiatives. These range from Community Builders to the youth and community development positions placed in each of the shires of the Warren Blackwood as a basis for putting people on the ground with the skills and commitment to assist local community organisations.

In addition the Commission continued to support a range of environmental initiatives including the South West Catchments Council, the Tuart Response Group and the Wellington Forest Advisory Committee.

Informing the Community

Where's Warren was completed during the year in review and was expected to inject an additional \$7 million into the Warren Blackwood sub-regional economy in the 12 months since the campaign began. It also improved positive perceptions by 22 per cent.

The campaign demonstrated how a community can be involved in the planning and implementation of a marketing strategy to promote the unique qualities of their area.

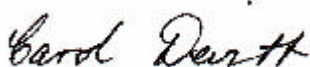
Where's Warren highlighted what a surprise package the South West really is with all that it has to offer. As well as the television advertisement and brochure, campaign kits were sent out to overseas trade offices, heads of banks and investment houses and various non-government trade facilitation groups.

The Commission's website continues to be a popular source of regional information with an average of 3000 contacts and with over 60,000 hits on web pages per month. During the forthcoming year the quality of investment information available will be strengthened with a particular emphasis on business migration.

FUTURE DIRECTIONS

The South West is a region of choice for many people. In a world which has become increasingly uncertain the fundamentals of the South West are still our greatest strength. We have a creative business sector, vibrant communities and natural resources that make us the envy of other regions. Our challenge is to use these assets wisely in the interest of everyone in the region both now and in the future.

I thank my fellow Board members for their balanced and considered contributions to the Commission's strategic direction. I congratulate the staff of the Commission for their ongoing commitment and professionalism. On behalf of the Board and staff I extend our deep appreciation to the former Minister for the South West, the Hon Jim McGinty, for his unfailing support and assistance within Government. We welcome our new Minister for the South West, the Hon Bob Kucera, whose synergistic portfolios include Small Business, Tourism and Sport and Recreation. I look forward to the next year as the region continues on its path to excellence.



CAROL DEVITT
CHAIRMAN

Section 5.

Our People

The 10-member Board of the South West Development Commission makes decisions on the strategic direction and priorities of the Commission.

5.1 BOARD

BOARD OF MANAGEMENT

The *Regional Development Commissions Act 1993* provides development commissions with a board of management. The South West Development Commission has a board comprising a Chairman, Deputy Chairman and eight other members. Three members are chosen from community nominations, three from local government nominations and three appointed by the Minister, including the Chairman and Deputy Chairman. Board members are appointed for one, two or three year terms at the discretion of the Minister. The tenth member of the board is the Commission's Chief Executive Officer.

RESPONSIBILITIES

The board is the governing body of the South West Development Commission and is responsible to the Minister for Peel and the South West for the efficient operations of the Commission.

The primary activities of the Commission's board can be summarised as follows:

- To set the overall strategic direction and goals for the Commission;
- To provide guidance on specific projects and initiatives;
- To formulate Commission policy;
- To review progress at regular intervals to ensure established goals are being achieved;
- To monitor Commission expenditure;
- To promote economic development;
- To represent the Commission at relevant meetings and functions;
- To provide a conduit between the Commission and the community; and
- To facilitate cooperation between organisations in the region.

The South West Development Commission Board held 10 meetings during the year in review.

CODE OF CONDUCT

The Commission's board abides by a code of conduct that promotes good practice and provides due diligence for board members in decision-making.

REMUNERATION TO BOARD MEMBERS

The following remuneration is currently paid to board members:

- Chairman - \$462/full day or \$305/part day plus \$6,500 per annum to a maximum of \$18,500 per annum.
- Deputy Chairman - \$385/full day or \$254/part day plus \$3,600 per annum.
- Members - \$308/full day or \$203/part day.

Motor vehicle allowance as prescribed in the Public Service Award 1992 is paid to board members on approved Commission business.

ADVISORY COMMITTEES

The Commission has five committees of the board:

- Vision 2029 – focuses on supporting youth participation in regional development.
- Wellington Forest Advisory Committee – provides advice on the development of the Wellington National Park.
- Western Five Working Group – progresses the planning and future development of the water-filled former open cut coal mine at Collie.
- South West Strategy 2003/04 – directs the preparation of a ‘triple bottom line’ action plan to provide a framework for the future sustainable growth of the South West Region.
- SWDC Risk Assurance and Audit Committee – provides reasonable assurance that the Commission has in place adequate systems of control and risk management to enable it to achieve its objectives in an efficient and effective manner.

Board Members for 2002/2003:

MEMBER	REPRESENTATIVE	TERM	TERM EXPIRY	MEETINGS ATTENDED
CAROL DEVITT CHAIRMAN	Ministerial	1 year	2003	10/10
<p>The first Western Australian woman Rhodes Scholar, Carol Devitt is involved in the Western Australian wine industry. She resides at 'Ashbrook', her family's Margaret River grape growing and winemaking business (est. 1975). Carol chairs the Edith Cowan University South West Campus (Bunbury) Advisory Board and is a member of the ECU Council. Carol is also a member of the Western Australian Regional Development Council and the Wesley College Council. Carol served as a director of the Western Power Corporation from its inception in 1995 through to December 2002.</p>				
FRED DRAKE-BROCKMAN DEPUTY CHAIRMAN	Local Government	3 years	2005	8/8
<p>(Appointed Deputy Chairman November 2002. Ceased board membership May 2003 – no longer a member of a council of a local government.)</p> <p>President of the Donnybrook-Balingup Shire Council, Fred Drake-Brockman is a Donnybrook beef farmer and Lowden Bushfire Brigade's Fire Control Officer. Fred chairs the Preston Valley Irrigation Cooperative and is a board member of the South West Region Planning Committee and the Bunbury Wellington Economic Alliance.</p>				
MICHAEL BENNETT	Local Government	3 years	2003	9/10
<p>President of the Dardanup Shire Council, Michael Bennett is a member of the Bunbury Wellington Economic Alliance Board, the Dardanup Tourism Committee and the Greater Bunbury Planning Committee. Michael is committed to local government and community development and the sustained economic growth of the South West Region.</p>				
MAUREEN THURSTON	Local Government	2 years	2004	10/10
<p>Maureen Thurston is Deputy President, Shire of Bridgetown-Greenbushes and Administration Officer with Roche Mining at Greenbushes Sons of Gwalia Mine. Maureen has lengthy local government experience and is Chairman of Blackwood River Valley Marketing Association, Chairman of Bridgetown-Greenbushes Roadwise Committee and past Chairman of Bridgetown's Mainstreet Project. Maureen is very interested in community participation in regional matters.</p>				
MARGARET LANE	Ministerial	3 years	2005	9/9
<p>(Resigned May 2003)</p> <p>Margaret Lane is a Councillor with the City of Bunbury and a small business owner. With her husband Michael, their business was awarded the Western Australia Small Business of the Year in 1998 along with several other associated awards. Margaret serves on several council committees and is also Chairperson of the Petroleum Products Prices Advisory Committee. She is keen to see small business prosper in the South West.</p>				
DR KEN ROBINSON	Ministerial	3 years	2003	8/10
<p>As Director, Centre for Regional Development and Research, and Associate Dean (Research and Higher Degrees) at Edith Cowan University, South West Campus, Dr Ken Robinson has a strong focus on regional development. Ken is a member of the Advisory Board Edith Cowan University (South West Campus) and serves as a member of the Scientific Advisory Committee of the Val Lishman Health Research Fund.</p>				

MEMBER	REPRESENTATIVE	TERM	TERM EXPIRY	MEETINGS ATTENDED
STEWART BUTEL	Community	2 years	2004	4/6
<p>(Appointed November 2002)</p> <p>Managing Director of Wesfarmers Premier Coal in Collie, Stewart Butel brings a strong knowledge of mining and industry to the board of the South West Development Commission. Stewart has 25 years experience within the coal mining industry, gained in both New South Wales and Queensland. Stewart is also a member of the Executive Council of the Western Australian Chamber of Minerals and Energy and a director of Cardinal Contractors Pty Ltd.</p>				
ANN MILLER	Community	2 years	2004	10/10
<p>Ann Miller has had a long and active involvement in community development in Western Australian non-government education, health and disability sectors. Ann farms in Boyup Brook with her husband, David and is currently Chairperson of Boyup Brook Telecentre, a member of the Boyup Brook Multi Purpose Health Service Council from 1999-2002, and chairs the management committee for the first licensed child care facility in Boyup Brook.</p>				
TED THOMPSON	Community	3 years	2005	8/10
<p>Former Manjimup Shire Councillor (1992-1997) and President (1994-1997), Ted Thompson operates an aquaculture venture in West Manjimup. Currently Ted is also employed as a project manager on a contract basis and works as an Administration Manager for his wife's company, Sheryl Thompson CPA.</p>				
DON PUNCH, SWDC CEO	Chief Executive Officer	N/A	N/A	10/10
<p>Chief Executive Officer of the South West Development Commission, Don Punch has extensive experience working throughout regional Western Australia for the Western Australian Public Service. Don has undertaken a variety of roles including working in regional and remote communities on the provision of infrastructure, identification and funding of community needs; and project management. Don is also a member of the Governing Council of the South West Regional College of TAFE and a member of the Board of Management for the Centre for Regional Development and Research, Edith Cowan University (South West Campus).</p>				

5.2 STAFF

Dedicated staff work on a full time or part time basis to develop the South West Region of Western Australia.

Staff work within the Commission's five areas of operation, which are managed by the corporate executive. The CEO is accountable for the overall operation of the South West Development Commission.

VOLUNTEERS

Without volunteers many of the projects initiated by the South West Development Commission could not be enacted, and we thank all of our volunteers throughout the South West Region for their dedicated work during the year in review.

EXECUTIVE OFFICERS (APPOINTED UNDER THE PUBLIC SERVICE MANAGEMENT ACT 1994)

Don Punch

Chief Executive Officer

MBA, Bachelor of Psychology and Bachelor of Social Work

Term of Appointment 1998-2006

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

Dominique Van Gent

Manager, Industry and Business Services

MBA and graduate qualifications in resource development

Dominique has a strong background in infrastructure, planning and development; and has actively assisted small business to maximise opportunities from major projects. During the last few years Dominique has been working closely with small business in the timber industry.

Jon Birch

Manager, Regional Services

Bachelor of Business, Post Graduate Diploma in Education, Diploma of Management

Jon has over 20 years of business and management experience in the education, small business, agriculture, computing and building fields. Jon is playing an active role in community development along with the promotion of tourism and information technology in the South West.

Vanessa Lewis

Manager, Information and Marketing Services

Bachelor of Economics

Vanessa has 26 years of experience in regional development in the South West Region, particularly in the areas of research, regional planning and policy development.

James Oliver

Manager, Corporate Services

Bachelor of Arts Psychology, Diploma in Legal Studies

James has held senior corporate level positions in regionally based organisations since 1983 and is responsible for the management of the Commission's finance, human resource, information technology and administration services.

5.3 REPORT ON HUMAN RESOURCES

As at the end of June 2003 the Commission had 25 employees. Forty-four per cent of employees were aged over 45 while eight per cent of employees were aged less than 25 years.

Aboriginal employees made up 12 per cent of employees while eight per cent of employees were from non-English speaking backgrounds.

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

STAFF LEVELS	TOTAL STAFF	NUMBER OF STAFF	
		FEMALE	MALE
LEVEL 1	4	3	1
LEVEL 2	2	1	1
LEVEL 3	2	2	
LEVEL 4	3	3	
LEVEL 5	8	4	4
LEVEL 6	2		2
LEVEL 7	3	1	2
LEVEL 9	1		1
TOTAL	25	14	11

STAFFING POLICIES

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

CODE OF CONDUCT

The Commission's staff members are guided by a code of conduct, which is a statement of the ethical principles, values and behaviours expected of South West Development Commission employees.

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

EQUAL EMPLOYMENT OPPORTUNITY

The Commission's Equal Employment Opportunity policy was implemented in the 1998/99 financial year. The policy recognises and supports the recognition of equal opportunity and diversity in achieving the Commission's objectives.

INDUSTRIAL RELATIONS

The Commission's employees are employed under the Public Sector General Agreement 2002.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety issues can be reported at any time and are addressed as they are identified. The Commission recently conducted an email survey among its employees to identify issues considered to present risks. This information will be used to assist management in providing a safe working environment.

FLEXIBLE WORKING ARRANGEMENTS

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

TRAINING DEVELOPMENT AND ACHIEVEMENTS

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

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

During 2002/03 employees were involved in a range of skill renewal and development and knowledge based activities that included topics such as sustainable industries, executive skills program, building smarter communities, power of partners, writing workplace documents, excellent interviews and impressions, bank of ideas, fundraising, social enterprises in small towns, Photoshop, PageMaker, showcasing international best practice, and a whole of Commission staff development day.

The Commission spent a total of \$6,240 on development and training activities during the reporting period.

Section 6.

Our Performance

The South West Development Commission works through five strategic priority areas to deliver programs and projects that aim to grow the region, whilst preserving the very assets that make the South West the best place to live, work and invest.

6.1 REPORT ON OPERATIONS

The Commission delivers its work through five strategic priority areas:

1. Physical Infrastructure;
2. Economic Development;
3. Information Technology and E-Commerce;
4. Sustaining and Developing Communities; and
5. Informing the Community.

These five priority areas integrate together to provide a balanced approach to regional development; ensuring that the region's physical infrastructure links into our capacity to support economic development and the growth of communities. The region is well placed to take advantage of trends in information technology, and the community is kept well informed to allow full participation and partnership in development.

STRATEGIC HIGHLIGHTS

Physical Infrastructure

We will work to ensure that the region's physical infrastructure meets the growth and changing needs of the South West.

Priority Outcomes for the South West	Achievements	Future Actions
Construct the Peel Deviation (Mandurah bypass road)	An action plan has been agreed to in discussion with the Minister for Planning and Infrastructure and timetable set.	Lobby the Commonwealth Government for the Perth to Bunbury link to be included in Commonwealth road funding programme 'Auslink'.
Ensure South Western Highway does not fail performance standards for vehicle movements	Prepared detailed briefing notes on the funding requirements for the South Western Highway for the Minister for the South West and for the Cabinet at its meeting in Donnybrook in February 2003.	Continue to demonstrate to Government the implications of the freight transport task on South West roads.
Maximise small town access to sewerage targeting flood prone and development potential areas	The timelines for the construction of infill sewerage in Pemberton were pushed back in the 2001/02 State Budget. These were not altered in the 2002/03 Budget.	Build the business case with the Water Corporation for continuation of infill sewerage as part of the South West Strategy.

Priority Outcomes for the South West	Achievements	Future Actions
Ensure there is a supply of appropriately zoned industrial land at strategic locations	<p>Established a working party consisting of SWDC, LandCorp and Wesfarmers Premier Coal to investigate a proposal for a major industrial park at Collie.</p> <p>In partnership with LandCorp, developed and released six general industry lots at the Picton Enterprise Park creating new industry opportunities.</p> <p>As part of the planning process for Preston Industrial Park, Department for Planning and Infrastructure coordinated meetings with stakeholders to commence implementation of strategies contained in the Industry 2030 planning policy.</p> <p>Obtained development approval for a \$12 million renewable fuel facility at Picton.</p>	<p>In partnership with LandCorp, develop Stage 3 of the Picton Enterprise Park.</p> <p>In conjunction with LandCorp, the Department for Planning and Infrastructure and the Shire of Dardanup, pursue structure planning and development of the Preston Industrial Park in line with the Industry 2030 planning policy.</p> <p>Complete the feasibility for a major industrial park at Collie.</p> <p>Renewable fuel site development to be completed by 30 September 2003.</p>
Promote industry development within small towns	<p>The Warren Blackwood industrial site study, partly funded by the Commission, was released for public comment in May 2003.</p> <p>Provided advice and information to the shires of Boyup Brook and Bridgetown at various times during the year on their industrial land needs. This included a market survey in Bridgetown.</p>	<p>Participate in implementation of the Warren Blackwood industrial site study as appropriate.</p> <p>Develop a light industrial area strategy for Pemberton, Boyup Brook and Bridgetown including identification of development partners.</p>
Identify options to manage drainage at the Nannup Mill	Completed the Nannup Mill drainage strategy.	No further action.
Redevelop former rail reserve in Manjimup's CBD as a stimulus to CBD renewal	Inclement weather has delayed completion. Project is 90 per cent complete.	Project will be completed by the Shire of Manjimup in October 2003.
Improve the quality of the Pemberton main street as a basis for attracting tourism investment	Funded the Pemberton main street engineering study with a grant through the State Government's Regional Development Scheme. A community and government agency consultation and planning strategy is being developed.	Support funding applications for main street development at Pemberton in accordance with the Shire's townscape plan.
Finalise a plan for redevelopment of the Bridgetown main street	Project development subject to community consultation within Bridgetown.	Assist Shire to finalise a strategy for the main street.

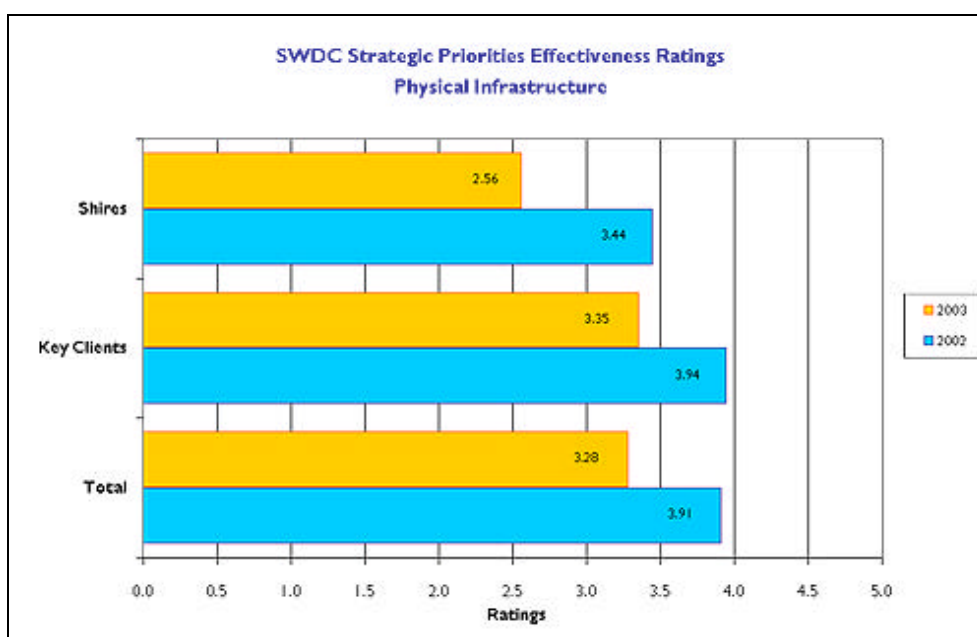
Priority Outcomes for the South West	Achievements	Future Actions
Ensure the South West Interconnected System is capable of meeting power demands for industry and residential growth	<p>Completed an evaluation of power supply and requirements to enable expansion of the dairy industry. Advice has been forwarded to the Minister for the South West and the Minister for Energy.</p> <p>The opportunity to supply power to Donnybrook utilising the power supply to a proposed chip mill is no longer available due to the WA Plantation Resources bluegum chipping project not proceeding. Western Power is investigating alternative options.</p>	<p>Discuss the evaluation of power supply and requirements for the dairy industry with the Regional Electricity Supply Committee.</p> <p>Lobby for an effective investment strategy for the South West Interconnected System as part of the Western Power disaggregation process.</p>
<p>Rail: Ensure passenger rail services meet the needs of South West residents</p> <p>Ensure effective plans are in place for future expansion of passenger rail services where viable</p>	<p>Finalised the review of passenger rail services in the South West in conjunction with the Department for Planning and Infrastructure. Report released for public comment (closed 30 May 2003). Steering committee to make recommendations to the Minister for Planning and Infrastructure in July/August 2003.</p>	<p>Develop an action plan for future development of passenger rail services based on public consultation.</p> <p>Develop options for a review of road passenger transport within the South West with Department for Planning and Infrastructure.</p>
Port: Position the Bunbury Port as the State's second port of choice, including expansion of the port and development of container services	<p>Completed a study into the potential for a container handling facility at the Port of Bunbury. The Port has subsequently called for expressions of interest in a container service. Funding was approved in the 2003/04 State Budget for container handling equipment.</p> <p>The Department for Planning and Infrastructure and Main Roads are currently finalising a detailed report into the Port access.</p>	<p>Continue to assist the Port in further development of the container strategy as required.</p> <p>Assist in implementing expansion plans for the Bunbury port including resolution of the future siting of the Leschenault Homestead.</p> <p>Provide advice to Government on the strategic importance of the Port Access route.</p>
Assist tourism in Pemberton through development of a unique hydroelectric power heritage energy project	Finalised civil works including new town water supply and supply to the aquaculture research station.	<p>Complete engineering works.</p> <p>Undertake community consultation in relation to walk trail development and interpretation.</p>
<p>Enhance Bunbury's waterfronts including:</p> <ul style="list-style-type: none"> ▪ Koombana Beach ▪ Rocky Point ▪ Back Beach 	<p>Completed Koombana Bay foreshore redevelopment.</p> <p>Rocky Point redevelopment completed.</p> <p>Community consultation commenced in relation to Back Beach.</p>	<p>Complete detailed design for Back Beach with City of Bunbury. Commence construction in 2003/04.</p>

Priority Outcomes for the South West	Achievements	Future Actions
Improve public amenity including: <ul style="list-style-type: none"> Eaton Foreshore Lighting Bunbury High School Sports Ground Leschenault Peninsula 	Completed Eaton Foreshore lighting. New school/public sports ground completed at Bunbury. Assisted Department of Conservation and Land Management (CALM) with concept planning for the Leschenault Peninsula. CALM completed the John Boyle O'Reilly heritage trail and associated visitor centre.	No further action.

HOW WE PERFORMED

SWDC's 2002/03 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in "Physical Infrastructure".

The ratings range from 1 – very ineffective to 5 – very effective. The results achieved are above mid-range and indicate that the Commission is seen to be effective in the area.



SPECIAL REPORT: NORTHCLIFFE TIMBER CLUSTER

After the introduction of the Western Australian Government's 2001 election policy 'Protecting Our Old Growth Forests' aimed at ending logging old growth native timber, a number of Northcliffe millers chose to remain in the timber industry.

Under the leadership of a dynamic local woman who wished to preserve the timber heritage of the town, five families formed a Cluster with the aim of obtaining a suitable location for their separate timber businesses.

The obvious site was the old Bunnings Northcliffe mill, which was closed in 1994.

Located alongside the 17 hectare mill site is a 10 hectare mill housing estate containing 30 houses of which approximately half were tenanted.

For planning and environmental reasons the ownership of the two lots was linked.

The South West Development Commission, in its role as an economic development agency with a specific interest in providing assistance to the smaller inland towns, joined the Cluster to assist the small group to achieve their goal.

The Commission worked within the spirit of the Government's 'Old Growth' policy looking at new opportunities for niche operators.

The Commission acted as a project manager, business planner, facilitator, mentor, broker and negotiator. At the same time it provided professional services and assistance in preparing submissions for funding.

The Commission also played a major role in developing the professional business expertise of the Cluster members.

Cluster members took the financial risk and provided funding to the project. As individuals they had a commitment to the future of their town, to provide jobs and to retain affordable housing in the community.

The Commission learned the value of providing project officer assistance to small businesses in small communities that have to deal with complex Government land systems and infrastructure providers.

On Thursday, 19 June 2003, the Northcliffe Cluster became the owner of the Northcliffe Mill and associated housing.

While this is a major step for the Cluster and for the town of Northcliffe, much work still needs to be done, but the members have a clear direction and appropriate business plan to guide them into the future.

They are living their motto 'Believing in Northcliffe – Investing in Our Future.'

Economic Development

We seek to ensure that, across the region, our businesses operate in a healthy economic environment, have the capacity to withstand change and maximise opportunities for growth.

Priority Outcomes for the South West	Achievements	Future Actions
Promote investment in the South West through the Invest South West strategy	<p>Supported three overseas exhibitions of South West produce.</p> <p>Hosted seven visiting delegations of overseas investors.</p> <p>Produced an industry attraction video/CD ROM.</p> <p>Researched and produced a report on the potential for investment into Western Australia from Dutch dairy and pig farmers.</p> <p>Provided technical advice to over 400 business organisations within the South West.</p>	<p>Implement a business migration marketing strategy.</p> <p>Undertake an investor ready program to assist regional business in attracting investment funding.</p> <p>Continue to focus on trade development, particularly with overseas trade offices.</p>
Promote the diversification of small town economies in the region	<p>Completed planning and established a working group to finalise design and commence works for the enhancement of the western entrance to Collie. Assisted in securing \$500,000 for implementation of the Collie Entrance Tourism Precinct project from the State Government's Regional Investment Fund.</p> <p>Established a working group to undertake detailed planning for the Western Five Lake project, aimed at restoring coal mine voids into recreation areas, at Collie.</p> <p>Supported Motoring South West Inc to expand and upgrade the Collie Motorplex sprint circuit via a grant of \$750,000 from the Regional Investment Fund. Lease agreement with CALM and Wesfarmers Premier Coal is nearing completion.</p> <p>Assisted the Shire of Busselton in securing a grant of \$500,000 from the Regional Investment Fund for construction of the Busselton Jetty Underwater Observatory.</p>	<p>Finalise detailed design for Collie Entrance Tourism Precinct. Shire of Collie to commence works in 2003/04.</p> <p>Complete investment planning for the Western Five Lake project including finalisation of environmental rehabilitation, indigenous consultation and development of a leasing framework. Produce business prospectus to attract developers.</p> <p>Finalise lease for Motoring South West Inc, and commence additional road improvements.</p> <p>Complete construction of goods shed and railway station at Collie.</p> <p>Develop a marketing strategy to target railway tourism at Collie.</p> <p>Assess options for the development of an industry prospectus to establish an olive press in Boyup Brook.</p>

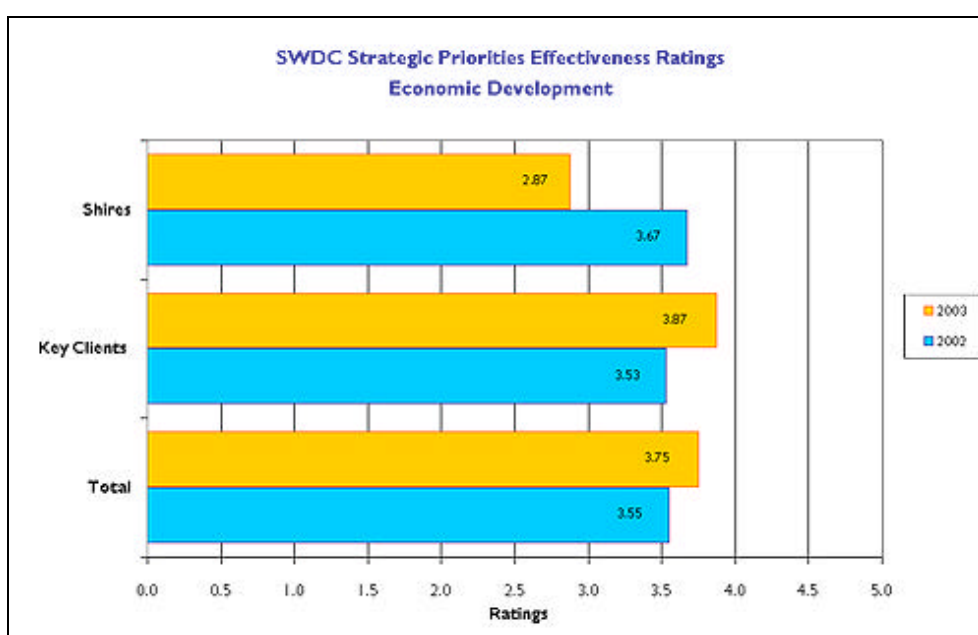
Priority Outcomes for the South West	Achievements	Future Actions
Promote the diversification of small town economies in the region (continued...)	<p>SWDC is working to progress the Collie and Yarloop Rail Heritage projects. Completion of the Collie railway rolling stock sheds is near completion and work on the replica railway station has commenced.</p> <p>Funded a feasibility study into the establishment of an olive press in the Boyup Brook area.</p>	
Build relationships with Commonwealth agencies as a basis for improving investment in the region	Completed contractual arrangements with the Commonwealth Government to promote the region's export capability through the TradeStart program.	Develop a South West presence in overseas trade offices of Austrade.
Promote Indigenous economic development through the promotion of Noongar art forms	<p>Through the Noongar Arts Program, provided opportunities for local Aboriginal artists by organising four exhibitions throughout the South West Region and participating in the Premier's Reconciliation Exhibition during October-December 2002.</p> <p>Managed the promotion of Aboriginal designed textiles inspired by the South West in Malaysia.</p> <p>Commenced promotion of the Noongar Six Seasons concept. Noongar culture acknowledges six seasons in a year, not four.</p> <p>Awarded a contract for the development of a feasibility study into a Noongar Cultural Centre in Bunbury.</p> <p>Promoted links with the Agent General's Office in London.</p>	<p>Continue to develop the indigenous arts industry.</p> <p>Six Season Art promotion will be held across the South West.</p> <p>One overseas exhibition will be held during 2003/04.</p> <p>Business Plan for a Noongar Cultural Centre will be completed.</p> <p>Opportunities to expand marketing into Europe will be explored.</p> <p>The Commission will participate in national efforts to secure indigenous intellectual property rights over art works.</p>
Improve coordination of investment attraction at the local government business level by supporting economic alliances	<p>The Commission provided financial and technical support to:</p> <ul style="list-style-type: none"> ▪ Business Grow ▪ Warren Blackwood Economic Alliance ▪ Bunbury Wellington Economic Alliance 	An agreement will be developed with the Bunbury Wellington Economic Alliance for the development of Local Government in Industry Attraction programs.

Priority Outcomes for the South West	Achievements	Future Actions
Ensure the implementation of the 'Protecting Our Old Growth Forests' Policy results in tangible benefits to the region (The policy is aimed at supporting the timber industry after ceasing logging in old growth forests.)	<p>Continued to facilitate the implementation of the Forest Industry Structural Adjustment Package with respect to industry attraction and community development.</p> <p>Provided \$478,972 to a range of community and economic development programs in the Warren Blackwood sub-region.</p> <p>Projects included the community purchase of the Sotico timber mill and village at Northcliffe (known as the Northcliffe Timber Cluster project), a general package and early planning for the Manjimup Processing Centre site. Work is underway to develop a high-value wood manufacturing business on the site.</p>	<p>Complete structure planning for the Manjimup Processing Centre.</p> <p>Contribute to the finalisation of a tourism icon within the Warren Blackwood.</p> <p>Complete development of the Northcliffe Timber Cluster.</p>

HOW WE PERFORMED

SWDC's 2002/03 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in "Economic Development".

The ratings range from 1 – very ineffective to 5 – very effective. The results achieved are above mid-range and indicate that the Commission is seen to be effective in the area.



SPECIAL REPORT: SKILLED MIGRATION SCHEMES

The South West Development Commission is assisting employers in the South West to find skilled staff by acting as the first point of contact for businesses wanting to hire migrants.

The Commission acts as a certifying body for two visa schemes on behalf of the Commonwealth Department of Immigration and Multicultural and Indigenous Affairs.

As a regional certifying body for the Department, the South West Development Commission processes applications for two regional migration schemes - the Regional Sponsored Migration Scheme (RSMS) for permanent migration and the Long-Stay Business Visa (Regional 457) for temporary migration.

These regional visa schemes allow South West business operators, who are unable to find a suitable candidate on the local labour market, to sponsor a person from overseas into a specific vacancy.

In 2002/03 the Commission received 36 applications from potential migrants.

In addition, the Commission dealt with approximately 120 enquiries regarding skilled migration mainly from potential migrants from South Africa, Zimbabwe and the United Kingdom.

During the year, Christelle Barnard, a technician at Bunbury-based medical diagnostics firm, Imaging the South, migrated from South Africa to the South West.

"Moving to the South West from South Africa has been the best decision for my family, both personally and professionally. The daunting process of migrating to a new country was much easier than we anticipated with the assistance of the South West Development Commission. We now have a great lifestyle, job satisfaction and are building our first home here in the South West," she said.

Imaging the South is just one example of a business located in the South West, having successfully recruited and retained qualified overseas staff to the South West Region.

SPECIAL REPORT: TRADESTART SHOWS WINES IN EUROPE

The South West Development Commission through its TradeStart partnership with Austrade arranged wine tasting events in Athens, Milan and Madrid from 12 May to 19 May 2003.

These events were highly successful in promoting Western Australian wines in a region that had little or no appreciation of the wine-making skill and quality of wines from our region.

The wines were well received, with comparisons being made to Europe's finest.

A notable reaction was received from the Chair of the Athens Olympic Organising Committee who said "the freshness of the wines matched the cuisine and lifestyle of the Mediterranean countries".

The Athens event was attended by over 120 people. Several of these were importers who conducted a series of tastings taking notes on each wine and the balance were hoteliers, wine distributors, media, restaurateurs and opinion leaders in the Greek community.

Those attending the Madrid event were all potential buyers and were very professional in their approach. The wines were all tasted and seriously evaluated by the buyers with the view to selling in their sectors of the Spanish market. The wines were well accepted with one importer requesting further samples of eight wines on the night.

About 60 people attended the wine tasting in Milan. There was a good mix of importers/distributors and opinion leaders of Milanese society.

The general reaction was similar to Athens and Madrid, in that there was little understanding of Western Australian wines and no appreciation of the quality of South West wines. There was a very favourable response to the WA wines and surprise at the quality of the wines showcased.

South West winemakers received their first orders within four weeks of the events and Austrade is following up the interest generated by these events and expects orders from all the markets visited.

There was a general consensus from all three markets that the development of South West Australian wine sales would be small until the wines gained market acceptance. However, there was firm belief that the wines had potential to achieve long term growth.

SPECIAL REPORT: COLLIE ENTRANCE TOURISM PRECINCT

After a commitment by the State Government to provide funding to develop a plan for a 'themed tourism precinct' at the western entrance to Collie, the South West Development Commission has been integral in leading moves to help implement the plan.

The Commission funded local consultants to produce a master plan that included recommendations on:

- Remodelling the Collie Visitor Centre and Tourist Mine to include a 'learning journey' of the town's unique 100 year history of coal mining and power generation.
- Improved vehicle parking, relocation of toilets, redeveloping the playground, installing pathways and the provision of gas barbecues and drinking fountains.
- Landscaping with native and deciduous trees and shrubs to soften and add colour to barren areas, and improved signage.

In July 2002, the Minister for the South West publicly launched the Collie Entrance Tourism Precinct Plan in Collie, and the Commission convened a Working Group to implement it.

In late 2002 and early 2003, the SWDC, in conjunction with the Shire of Collie, submitted several detailed applications to a range of government, industry, business and community organisations to help fund this important project. While several are still unresolved, to date, successful submissions include:

- State Government's Regional Investment Fund \$500,000
- Shire of Collie \$115,000
- Collie River Valley Marketing Group \$10,000

The Collie Entrance Tourism Precinct Working Group, assisted by the Commission, is currently preparing an interpretive and design plan which will interface with an architectural brief to redesign the existing Collie Visitor Centre and adjoining Tourist Coal Mine.

Under the Collie Entrance Tourism Precinct Plan, the coal mine will be re-engineered to open into the Visitor Centre thereby improving revenue and management.

I.T. & E-Commerce

Our aim is to ensure that the region has the infrastructure and the knowledge to take advantage of developments in information technology and particularly its application to business.

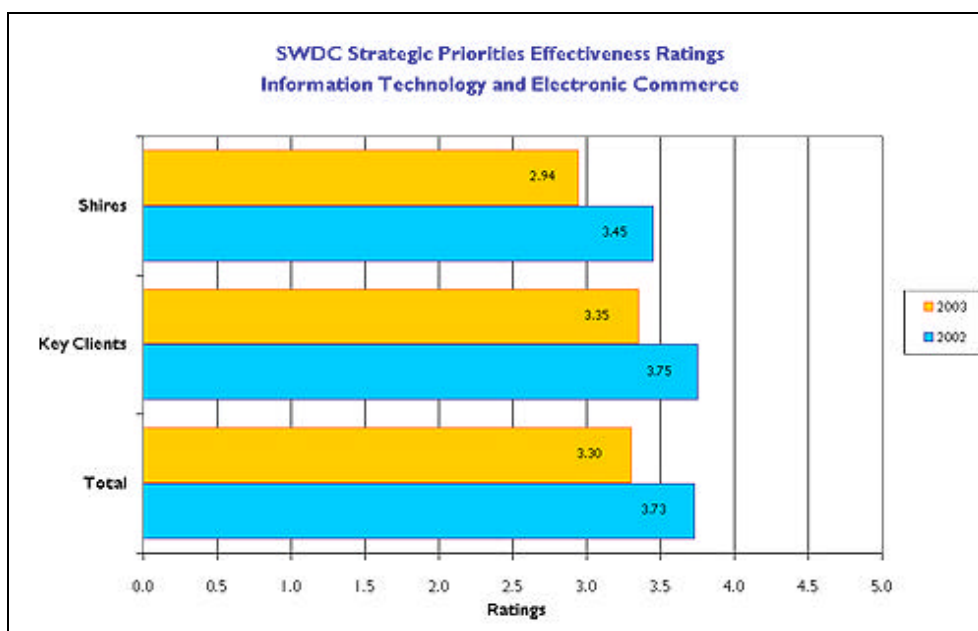
Priority Outcomes for the South West	Achievements	Future Actions
Increase the level of information technology use within the region through the South West Online Program (South West Online is a \$5.5 million State Government commitment aimed at bringing about improvements in technology and e-commerce in the region.)	<p>Completed and released the telecommunications infrastructure and opportunity study and best practice study for public comment. The public comment period is complete and a strategy to address the outcomes is being developed.</p> <p>Continued to coordinate the South West Online Strategy in consultation with key stakeholders.</p> <p>Established Connect South West Association Inc to manage the e-commerce training facility and expansion of Mysouthwest as a business, community and government portal.</p> <p>Funded the development of a new business, community and government web portal based on Mysouthwest.</p> <p>E-commerce training and development program funded, targeting small and medium business entering e-commerce for the first time.</p> <p>Completed business case to assist the development of private call centre services as a basis for stimulating available infrastructure.</p> <p>Funded planning for the e-library to be established in conjunction with the Bunbury City Council to provide electronic interactivity to library services. The City of Bunbury employed a consultant to develop the business plan for the e-library. The plan is now complete.</p> <p>Finalised criteria for an ECU E-Commerce PhD program.</p>	<p>Review public submissions on the telecommunications infrastructure and opportunity study.</p> <p>Complete design and development of community and government interfaces with Mysouthwest.</p> <p>Call centre operations to commence in Bunbury and Collie.</p> <p>Undertake detailed design and construction of an e-library through the City of Bunbury. Establish funding agreement.</p> <p>Implement a three-year PhD program into e-commerce and business web portal sustainability.</p>
Increase access to High Speed Data transmission services	Access points and regional standards identified.	Work with regional telecommunications providers to identify options for improving access/reducing cost.

Priority Outcomes for the South West	Achievements	Future Actions
Improving free-to-air broadcasts	The free-to-air broadcasting strategy (including technical delivery and potential funding sources) for Walpole and Northcliffe was pursued.	Fund and construct required infrastructure to improve access to free to air broadcast services at Walpole and Northcliffe.
Improve Boyup Brook mobile telephone coverage	Completed July 2002.	Examine mobile black spots identified in 2003 Infrastructure Audit and develop business case for coverage.
Public/Private partnerships to enhance the region's telecommunications	A strategy to tap into Commonwealth Government funds for the further development of telecommunications infrastructure is being developed.	Mobile telephone coverage on main highways and expanded broadband services to be priorities for action.

HOW WE PERFORMED

SWDC's 2002/03 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in "I.T. & E-Commerce".

The ratings range from 1 – very ineffective to 5 – very effective. The results achieved are above mid-range and indicate that the Commission is seen to be effective in the area.



SPECIAL REPORT: I.T. AND E-COMMERCE

Efficient telecommunications are essential in developing an economically competitive South West Region.

With this in mind, the South West Development Commission undertook a comprehensive study of regional telecommunications during 2002/03. The study built on the findings of a similar study undertaken in 1998.

It had also been necessary to re-examine the region's telecommunications services in light of the objectives of South West Online, a series of policy commitments by the WA Government aimed at developing a smart community in the South West Region.

The 2003 South West Online Telecommunications Infrastructure and Opportunity Study was prepared by consultants, Gibson Quai, after extensive consultation with industry and communities.

The study:

- Found that telecommunications infrastructure and services in the South West are similar to those offered in the Perth Metropolitan area.
- Recommended better use be made of existing infrastructure and services. This involves an education campaign and training where appropriate.
- Highlighted gaps in regional infrastructure and services. These included limited access to broadband, the need for improved dial-up internet access speeds, improved mobile phone coverage of major highways, and greater internet training.
- Presented three business cases. These included the establishment of a community telco, consolidation of government demand for Bunbury and examining the impact of e-commerce on home-based businesses.

The Commission further tested these findings during a regional series of discussions and public comment period. Advice to Government on regional priorities and solutions will be provided. The Commission will work with industry stakeholders and funding partners in the coming year to deliver on the report's recommendations.

The Connect South West Association Inc has been funded by the WA Government through the Commission, to encourage business and the community to embrace technology. Connect South West will work with the Commission during 2003/04 to implement the education recommendations of the report.

Sustaining and Developing Communities

We will actively work to maintain and improve government services in the South West, encouraging communities to be involved in identifying their needs and then assisting them in addressing the gaps identified.

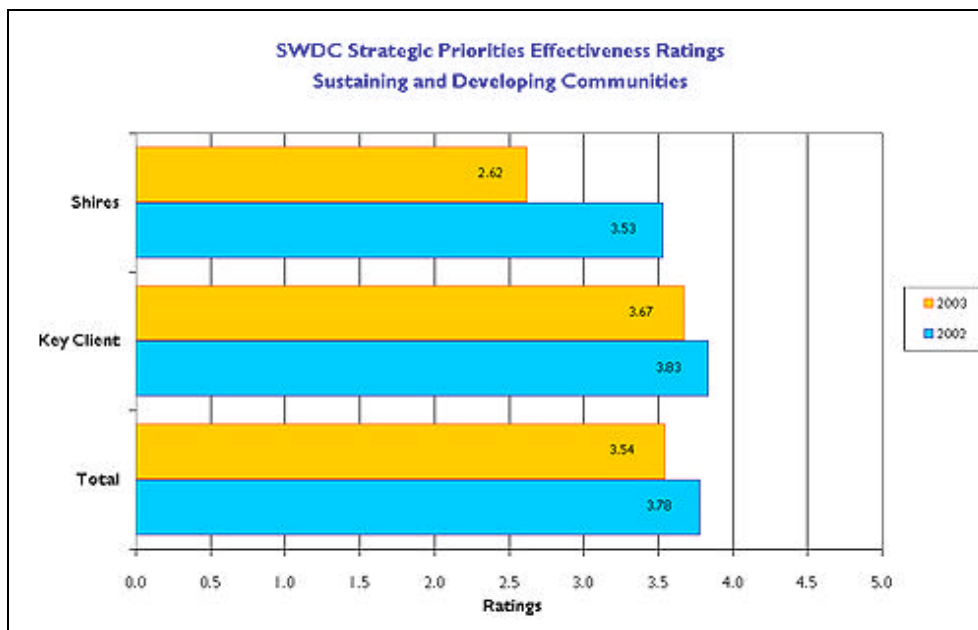
Priority Outcomes for the South West	Achievements	Future Actions
Planning for the future of the South West Region with community endorsement	Took into account other State planning documents, recognising previous community consultation.	Plan for the future of the region based on government objectives in the regional development policy. Support development of a South West water strategy (as part of the new South West Strategy).
Ensure the region has effective natural resource management strategies in place	<p>Assisted, advised and maintained representation on:</p> <ul style="list-style-type: none"> ▪ South West Catchments Council, ▪ Tuart Response Group, and ▪ Peel South West Coastal Management Group. <p>Wellington Forest Advisory Committee was maintained as a sub-committee of the SWDC Board. Currently members are acting as the Wellington National Park Community Advisory Committee for the purpose of assisting the Department of Conservation and Land Management to draft a management plan for the Wellington National Park and nearby conservation parks. The draft plan is expected to be available for public comment later in 2003.</p> <p>Business plan for the South West Catchments Council, funded by SWDC, has been completed.</p> <p>Continued to assist in the development of a coastal management plan from Maidens to Leschenault Peninsula. Liaised with City of Bunbury, which has established a community advisory committee for the development of the plan, and provided all coastal management reports prepared by SWDC relating to this area.</p>	<p>Implement relevant South West Catchments Council recommendations.</p> <p>Assist in the development of the Tuart Conservation and Management Strategy.</p> <p>Assist in the completion of the Wellington National Park Management Plan.</p> <p>Assist development of a coastal management plan from Maidens to Leschenault Peninsula.</p>

Priority Outcomes for the South West	Achievements	Future Actions
Develop leadership skills within small communities to enable development and implementation of local action plans	<p>Developed a community leadership training package in partnership with University of Western Australia and the South West Community Builders group.</p> <p>Assisted in the development of the Balingup Vintage aged care program.</p> <p>Administered the South West Regional Development Grants Program providing funding to 22 small and medium development projects across the region.</p> <p>Administered the South West Events program providing funding to 24 events and festivals within the region.</p> <p>Finalised SWDC Community Development Programme funded through the 'Protecting Our Old Growth Forests' Policy for the Warren Blackwood Sub-region.</p> <p>Assisted the completion of a South West Youth Strategy and continued to focus on community and youth leadership programs in the region.</p> <p>Assisted the Northcliffe Cultural and Interpretive Centre Committee to obtain grant funding of \$200,000 from the Commonwealth Government and \$100,000 from the State Government collocation scheme.</p>	<p>Implement the leadership training package in partnership with the University of Western Australia.</p> <p>Finalise the Industrial Heritage marketing framework.</p> <p>Establish a Community Foundation to support financing of community projects at Northcliffe and Balingup.</p> <p>Administer the 2003/04 Regional Development Scheme and the SWDC Events Program.</p> <p>Coordinate Vision 2029, the SWDC's youth advisory committee, as a youth leadership forum.</p> <p>Finalise funding and commence construction of the Northcliffe Interpretative and Cultural Centre.</p>
Ensure visitor support services meet best practice standards	<p>Funded community consultation and business plan development for a South West Indigenous Cultural Centre.</p> <p>Completed project planning and initial consultation for the implementation of tourist bureau best practice guidelines and associated training.</p> <p>Finalised planning for the development of a central marketing hub for Living Windows and Working Life heritage trails.</p>	<p>Identify financing options for the development of an Indigenous Cultural Centre.</p> <p>Implement the best practice training framework for visitor centres through Tourism South West.</p> <p>Identify financing options and develop a common marketing/discovery centre for Living Windows and Working Life heritage trails.</p>

HOW WE PERFORMED

SWDC's 2002/03 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in "Sustaining and Developing Communities".

The ratings range from 1 – very ineffective to 5 – very effective. The results achieved are above mid-range and indicate that the Commission is seen to be effective in the area.



SPECIAL REPORT: WESTERN FIVE LAKE PROJECT

Western Five is a former coalmine void which is 75 metres deep, covers an area of 100 hectares, and will hold 30 million cubic metres of water when full.

The mine void has been extensively rehabilitated by Wesfarmers Premier Coal Ltd, which has advised the South West Development Commission of its intention to hand back the site as a valuable community asset.

The South West Development Commission has recognised the enormous potential for this water body and surrounds and that it presents a unique recreational opportunity for the local community and for visitors to the Collie area.

Developers wishing to establish accommodation and facilities have already expressed their interest to service water ski enthusiasts and others attracted by a range of water based activities.

After funding consultants to develop a concept plan for the site, the Commission convened in August 2002 a Western Five Working Group to progress the plan, ensuring the void is developed in a sustainable manner.

In December 2002, the Commission appointed consultants to commence work on the next phase of the planning process, the production of a development plan that assessed the project's market potential and provided the framework to guide future development and planning at the lake.

The plan determined the most appropriate types and combinations of land use to ensure that the future use will be equitable, sustainable and compatible with the surrounding area.

The consultant's report was received in April 2003. It will now be implemented by the Western Five Working Group and the results referred to the State Government for assessment and decision on funding infrastructure and services.

Approaches by the Commission to the WA Conservation Commission in March 2003 have secured in-principle agreement for further exploration of the former mine site for a tourist lake development, and resulted in a commendation to the Western Five Working Group for proposing a decision making process that will be 'inclusive and well informed'.

The Western Five project will in time bring many visitors to Collie. It is consistent with the Government's policy of helping to diversify the economic base of the town as its traditional industries are experiencing significant job losses because of restructuring to remain competitive.

Informing the Community

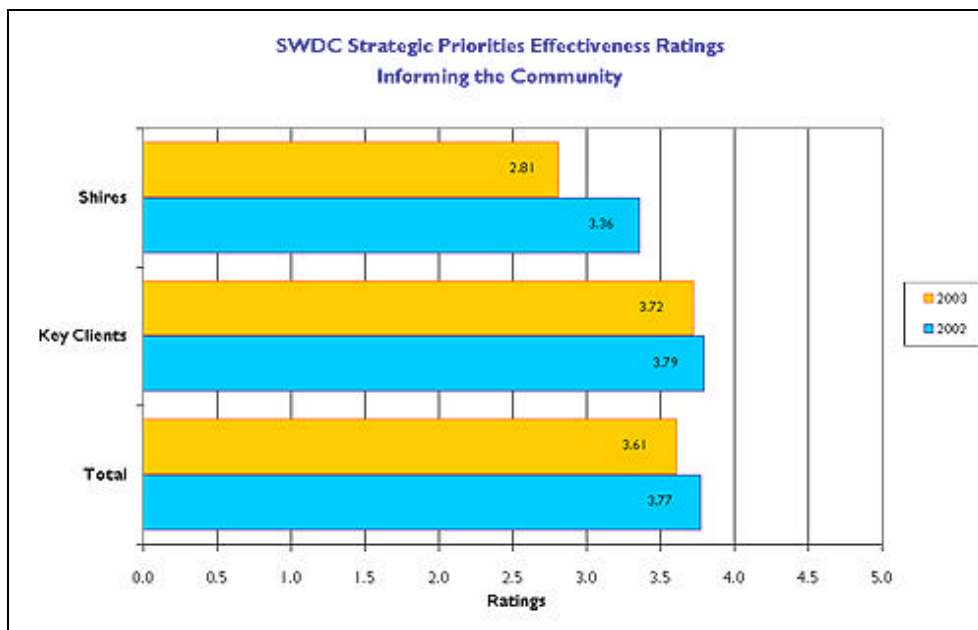
We will provide our clients with accurate, timely and relevant regional information and advice; and promote the region's qualities in the global economy.

Priority Outcomes for the South West	Achievements	Future Actions
Ensure strategic assets of the region are marketed effectively	<p>Improved positive perceptions of the Warren Blackwood by 22 per cent through the Where's Warren marketing campaign, which was also expected to inject an additional \$7 million into the sub-regional economy in the 12 months since the campaign began.</p> <p>Finalised development of a marketing strategy for Kemerton Industrial Park.</p> <p>Produced a South West lifestyle documentary.</p> <p>Maintained current and accurate South West information service (web site, brochures, statistics and research information).</p> <p>Updated and reprinted SWDC and regional profile brochures.</p> <p>Produced regular SWDC newsletter 'Regionwide'.</p> <p>Maintained up-to-date online South West Events Calendar. Provide hard copies as requested.</p>	<p>Implement the Kemerton marketing strategy including new site signage, new brochure suite and development of a single marketing desk for the park.</p> <p>Finalise a marketing program for the Edith Cowan University South West Campus.</p> <p>Expand the SWDC website to provide targeted information for business migrants.</p> <p>Implement an email newsletter to provide clients with up-to-date information.</p> <p>Facilitate entry signage to the region.</p>

HOW WE PERFORMED

SWDC's 2002/03 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in "Informing the Community".

The ratings range from 1 – very ineffective to 5 – very effective. The results achieved are above mid-range and indicate that the Commission is seen to be effective in the area.



SPECIAL REPORT: NOONGAR ARTS PROJECT

A Noongar arts industry in the South West has been identified as being a way for Noongar people to revitalize the Noongar culture.

Artwork is seen as an avenue to provide artists with the opportunity to participate in business enterprise. By following Noongar protocols and consulting with elders the Noongar stories and culture survives and is experienced through the visual and performing arts.

The Noongar Arts Project has been driven by the South West Development Commission through its Aboriginal Economic Development Officer and is aimed at assisting artists to enhance their skills and keep the Noongar culture alive.

Noongar Arts Project has provided:

- Access to materials, equipment and resources.
- Professional art development workshops that create the opportunity for artists to work with well-known Noongar artists.
- Biography and photos of artists for exhibitions.
- Artists with information about copyright issues.
- Assistance regarding Australian tax law.
- Exposure for Noongar artists to participate in the domestic and international markets.

During the year, the Noongar Arts Project was responsible for the following exhibitions.

- Buren Yeirl, Bunbury Regional Art Galleries, 20 October 2002
- Brunswick Show, Brunswick Showgrounds, 26 October 2002
- Wardan Centre, Yallingup, official opening, 7 November 2002
- Mammoth Cave, Margaret River, 9 November 2002
- Premier's Reconciliation Exhibition, Perth, 9 December 2002

The Brunswick Show and Premier's Reconciliation Exhibitions incorporated both artworks and fashion designs by indigenous people. Aboriginal girls modelled the fashions which incorporated fabrics designed by Noongar textile artist, Francine Kickett.

The Mammoth Cave exhibition was the first of its kind with Aboriginal art on display inside a cave. During the exhibition three artworks were sold to an international visitor from England.

The South West Development Commission has forwarded a portfolio of works and biographies to the Agent General in London as part of an evaluation of the European market.

SPECIAL REPORT: COLLIE MOTORPLEX

The Collie Motorplex, a motor sports enthusiasts playground 14 kilometres east of Collie, is attracting patrons from across the State.

The complex, established on a decommissioned coal mine in the jarrah forest is administered by Motoring South West Inc and is strongly supported by the South West Development Commission.

The project has five key objectives:

1. Develop a high quality driver training and motor sport complex.
2. To create jobs and enhance business growth in Collie through the influx of competitors and spectators to the complex.
3. To diversify the economic base of Collie that has for many years been over-reliant on coal mining and power generation.
4. Reduce road death and injuries by providing an affordable, accessible and effective driver training facility.
5. Provide Collie and the South West with a community benefit as well as a cultural dividend through well-organised motor sport and driver training.

Over 2002/03, the Collie Motorplex project has had a very positive impact on the Collie economy by drawing motor sport competitors and spectators to the town who spend money on food and drinks, fuel and accommodation.

Motoring South West is likely to meet its 2002/03 Business Plan objective of being financially self-sustaining (at an operational level) by the end of 2003.

A major problem facing Motoring South West has been their inability to secure a lease, as this requires a variation to the existing *Collie Coal (Western Collieries) Agreement Act 1979*.

In April 2003, in a bid to resolve these difficult leasing problems, the South West Development Commission called the key parties together, to establish an agreed pathway after thorough consultation and advice from the Crown Solicitors Office.

Completion of the lease will enable Motoring South West to receive State Government funding of \$950,000 to upgrade the track and surrounds.

The Collie Motorplex and the Western Five Lake Project are located within two kilometres of each other. This proximity, combined with their infrastructure and facilities should prove mutually beneficial to the sustainability of both projects and be an added attraction for visitors.

COMMUNICATIONS AND MARKETING

The South West Development Commission has continued to actively promote the South West Region and work it has undertaken in the region.

The following major activities were undertaken in 2002/03:

The Warren Blackwood Sub-regional Marketing Campaign

A \$200,000 campaign promoting the Warren Blackwood Sub-region commenced in 2001/02 aimed at raising awareness and encouraging people to visit, live and invest.

The campaign included a television commercial, outdoor billboards, development of a website (www.whereswarren.com) and a brochure.

While most of the promotion for the campaign occurred in the previous financial year, distribution of the campaign brochure continued into the 2002/03 financial year. The Commission distributed the brochures to Embassies and trade officials worldwide, major corporations, Western Australian Government agencies, chambers of commerce, backpacker hostels, Perth and Sydney hotels and Sydney cafes.

At the conclusion of the campaign, market research company, Asset Research undertook a survey to test its success.

The research showed the campaign was estimated to inject an additional \$7 million into the region's economy in the 12 months following its inception.

The survey also showed that 54 per cent of those surveyed intended to visit in the next 12 months, with 41 per cent having more definite plans to visit. The planned average length of stay increased from 6.6 days to 8.2 days. Following the campaign, 30 per cent of respondents indicated they would entertain the idea of living in the area and 35 per cent would entertain the idea of investing in the Warren Blackwood.

Noongar Arts and Fashion

The South West Development Commission has worked hard in promoting Aboriginal art and fashion during the year, hosting media visits and actively marketing works by the region's indigenous artists.

In August the Commission hosted a visit to the South West by two prominent Malaysian media outlets.

High profile fashion magazine, Utusan RIAS, shot a five page fashion spread around Busselton and Yallingup featuring Western Australian indigenous designs by two WA designers – Francine Kickett and Pauline Emiliani.

One week later the South West Development Commission hosted a visit by Malaysia's national television broadcaster RTM Radio Television which shot a documentary featuring traditional

indigenous culture, Australian farm animals, emus and the South West's tall timber country in and around the South West and Great Southern.

During the year the Commission also developed a presentation featuring works from South West Noongar artists. This was used to promote sales of artworks in London.

South West Lifestyle and Industry Attraction Videos

The Commission created two videos on the South West Region featuring lifestyle and industry attraction during the financial year. The videos were produced on CD-Rom to be used as a marketing tool both in Australia and overseas. Copies are available from the Commission.

Kemerton Industrial Park Marketing

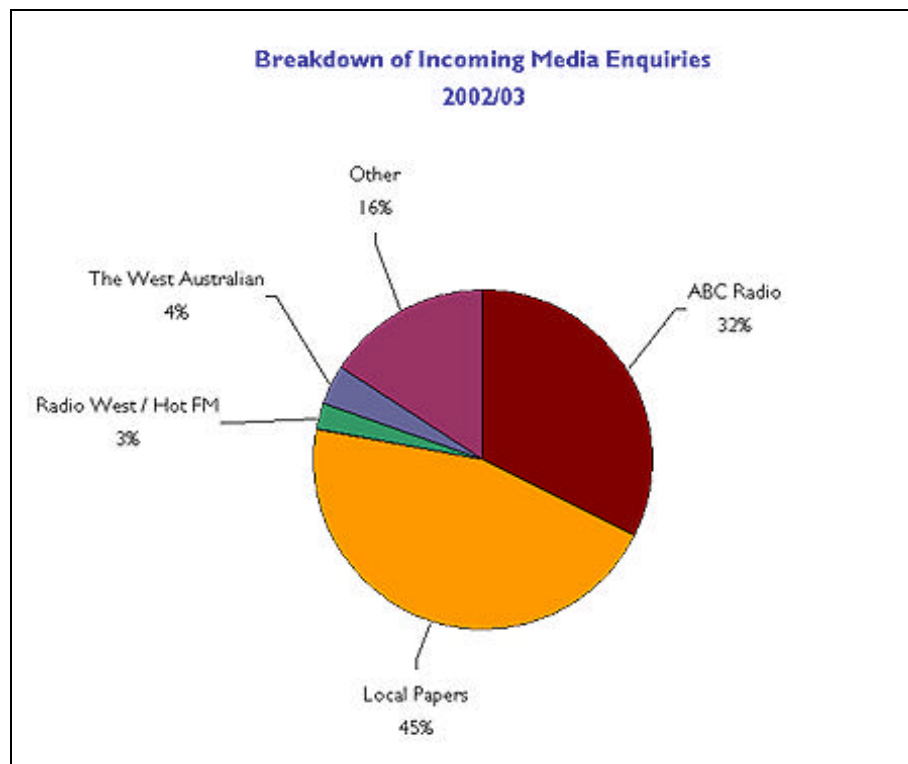
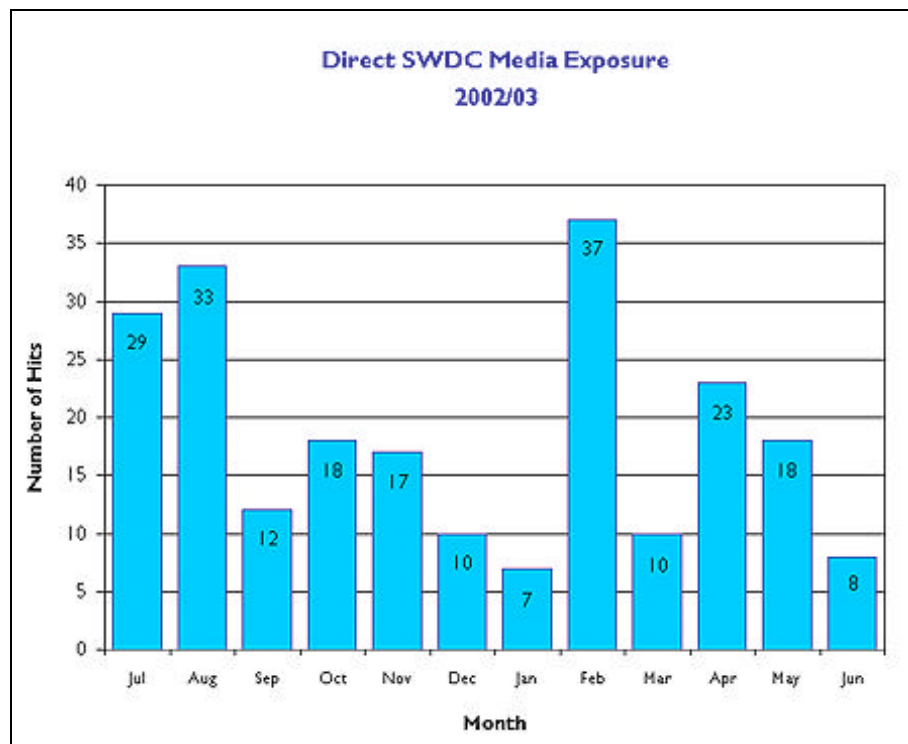
During the year in review the Commission developed a marketing strategy for the Kemerton Industrial Park near Bunbury to help raise the profile of the area and attract new industries. The strategy was developed after consultation across Government and with the community. As a result of the strategy, the Commission assisted with the development of a new logo and identifier for use on stationery and brochures. Work is underway by LandCorp to develop a new entrance statement and signage to improve the visual appeal of the park in the coming financial year.

Regionwide Newsletter

The Commission revamped its eight-page quarterly newsletter, Regionwide, to improve its appeal to stakeholders. During the financial year the stakeholder mailing list was more than doubled to 1600 people. Regionwide is seen by the Commission as an important tool in keeping our stakeholders informed.

Media Management

During 2002/03 the Commission handled 157 media inquiries and undertook a daily news monitoring service. To keep the community up-to-date with its activities the Commission issued 20 media releases, as well as using its homepage and website to distribute news and information via the Web.



AGENCY PUBLICATIONS AVAILABLE TO THE PUBLIC

Title	Date
South West Profile	2003
Our Role in the Region	2003
South West Economic Perspective	July 2001
Regionwide	March 2003
South West Telecommunications Infrastructure and Opportunities Study	2003
South West Projects Update	May 2003
SWDC Strategic Plan 2000-2005	2000
SWDC New Service Delivery Structure	2000
2029 Forum Report	September 1999
South West Youth Survey	December 2000
Living Windows into the South West	2002

Publications available on SWDC website (www.swdc.wa.gov.au)

South West Events Calendar	2003
South West Capability Register	2003
Annual Report	2002
Annual Report	2001
Annual Report	2000

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

6.2 REPORT ON ACCESS, EQUITY AND CUSTOMER FOCUS

PUBLIC SECTOR STANDARDS AND CODE OF CONDUCT

The South West Development Commission has complied fully with the Public Sector Standards, Code of Conduct and Code of Ethics. Compliance has been monitored throughout the year through a process of quality assurance of decisions relating to recruitment, selection and employment. The Commission's Code of Conduct developed from the Public Sector Sector Code of Ethics has been reviewed and standards overall have been incorporated into the Commission's internal audit program.

The Commission views the principles embodied in the Public Sector Standards, Code of Conduct and Code of Ethics as paramount and as such they are reflected in the management processes practised by the agency.

OFFICIAL CORRUPTION COMMISSION

A nil report was returned for the 2002/03 financial year.

DISABILITIES SERVICES PLAN

The Commission's Customer Service Committee is responsible for monitoring and implementing the Disabilities Services Plan which was developed in 1996. A significant upgrade of the plan was undertaken last year to ensure continuous improvement of services and advice to people with disabilities.

As part of its ongoing review of the plan the Commission met with Disability Services and has incorporated a project to improve communication between service providers and people with disabilities via the Connect South West program.

The Commission's offices in Bunbury can be accessed by ramps and self-opening doors. Disabled parking is available at the building entrance. There is lift access to the Commission's offices on the 9th floor. The Commission also ensures its publications, including its web page and logo, are in line with standards developed to ensure the needs of people with disabilities are met.

EQUAL EMPLOYMENT OPPORTUNITY

The Equal Employment Opportunity (EEO) Plan was prepared in the 1998/99 financial year. Implementation of the strategies of the plan includes EEO principles being incorporated into corporate documentation, monitored through the Executive, incorporated as a responsibility of managers and is a key consideration in recruitment, appointment and management of employees. This plan expires in 2004 and will be reviewed in the forthcoming year.

FREEDOM OF INFORMATION

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

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

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

No Freedom of Information enquiries were received during the year in review

CULTURAL DIVERSITY AND LANGUAGE OUTCOMES

The Commission's operations have reflected the initiatives of the plan whenever relevant during this reporting period.

YOUTH OUTCOMES

The Commission is committed to the interests of young people and providing opportunity for the development of community leaders. Part of this commitment includes maintaining a committee of young people to advise the Commission and its Board on matters pertaining to youth.

Furthermore the South West Development Commission's Vision 2029 initiative meets the following areas of the State Government's plan for young people 2000-2003:

1. Promoting a positive image of young people.
3. Better preparing young people for work and adult life.
5. Promoting the development of personal and leadership skills.
6. Encouraging young people to take on roles and responsibilities that lead to active adult citizenship.

CLEANER PRODUCTION

The Commission is a signatory to the Cleaner Production Statement, an initiative of the Western Australian Sustainable Industry Group. As a signatory the Commission has developed and implemented a plan that has as its objective to be "Eco-Efficient". One initiative of this plan includes the recycling of waste paper. To maximise recycling opportunities all employee's work areas are provided a container into which paper for recycling is placed.

COMPLIANCE WITH STATE SUPPLY POLICY

The Commission has met the State Government requirements associated with purchasing goods and services. Purchases exceeding \$50,000 (the Commission's partial exemption level) were assisted through the Department of Housing and Works. During the year the Commission bettered the minimum State Supply Commission 'buy local' target of 70 per cent with 74 per cent of discretionary expenditure being directed towards the local economy.

ELECTORAL ACT COMPLIANCE

The Commission is required to comply with section 175ZE of the Electoral Act.

To meet these requirements, the Commission has listed the amounts spent on the following classes of expenditure in 2002/03.

(a)	Advertising Agencies	\$ 36,268.10
(b)	Market Research Organisations	
	Asset Research	\$ 11,004.40
(c)	Polling Organisations	\$ 0
(d)	Direct Mail	\$ 2,195.35
(e)	Media Advertising Organisations	
	Marketforce Productions	\$ 10,423.86
	Intersector	\$ 133.34
	Class (e) - amounts paid	\$ 25,901.20
(f)	Other Advertising	\$ 5,349.87
<hr/> Total		\$80,718.82

SPONSORSHIP

Power of Partnerships Conference	\$ 500
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COMMISSION GRANTS

The South West Development Commission administered two contestable grant programs during 2002/03: the South West Regional Development Scheme and the South West Events Program.

South West Regional Development Scheme

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

Under this Scheme the Government provided \$400,000 during the reporting period for the South West Development Commission to administer grants for regional development projects in the South West Region.

The following 22 successful grant applications were approved in 2002/03:

Recipient	Project Name	Grant
Augusta-Margaret River Tourism Association	The Augusta Eco-Triangle – Linking Living Windows	\$65,500
Boyanup 2020 Inc	Boyanup and District Farmers' Market	\$9,660
Boyup Brook Rural Youth Incorporated	Business Incubator Feasibility Study	\$5,000
Bunbury Regional Arts Management Board Inc	Indigenous Arts Officer	\$27,000
Busselton-Dunsborough Environment Centre	Geographe Community Landcare	\$10,000
Collie Chamber of Commerce and Industry Inc	Worsley/Allanson/Collie Intensive Land Use Zone	\$15,000
Collie Heritage Group Incorporated	Railway Rolling Stock Display Shed	\$16,500
Dolphin Discovery Centre	Dolphin Discovery Centre Enhancement Project	\$28,000
Donnybrook Balingup Chamber of Commerce Inc	Donnybrook and Districts Tourist Information Centre Showcase	\$8,000
Green Skills Inc	Greenskills Organic Industry Development	\$5,000
Greenbushes Eco-Cultural Discovery Centre Inc	Interactive Mining Module	\$20,000
Harvey Mainstreet Inc	Harvey Community Radio	\$22,000
N.O.A.H on behalf of Lake Jasper Certified Seed	Developing seed potato export	\$28,000
Shire of Boyup Brook	Wildlife and Indigenous Interpretive Centre Feasibility Study	\$8,000
Shire of Capel	Tourism Infrastructure	\$11,814

Recipient	Project Name	Grant
Shire of Dardanup	Implementation of SW Tapestry Tourism Futures Modelling	\$15,000
Shire of Manjimup	Entry Statement for Manjimup Timber Park (Formerly Interpretive Signs for the Manjimup Timber Park)	\$8,000
Shire of Manjimup	Where to from here? Interpretive Plan for the Manjimup Park	\$8,000
Shire of Nannup	CDMA Mobile Phone Tower	\$10,000
South West Olive Association (WA) Inc	Warren Blackwood Olive Processing Facility Feasibility Study	\$24,500
South West Regional College of TAFE	Aquaculture Training Facility	\$40,000
South West Working Life Association	Working Life Main Roads Signage	\$15,000

South West Events Program

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

- Attract visitor dollars to the local economy;
- Provide visitors with an experience of high quality;
- Increase employment and enterprise activities;
- Promote the South West as a region of excellence.

The South West Events Program (formally called Cultural Events) was initiated by the Commission in 1996/97. This program has run successfully for the last seven years, assisting 142 groups and disbursing \$214,567 during that time. The following successful grant applications received funding in 2002/03:

Recipient	Event Name	Grant
Artatac Busselton Beach Festival	Battle of the Bands - Busselton Beach Fest	\$2,000
Augusta Chamber of Commerce	Augusta-A-Fare	\$600
Augusta-Margaret River Tourism Association	Noongar Art Expo in Mammoth Cave	\$1,545
Australind Senior High School Band Committee	WAYJO Concert	\$818
Busselton Aero Club	Busselton Air Show	\$2,273
Busselton Allsports	Busselton Jetty Swim	\$2,500
Collie Country Music Club	Collie Country Music Roundup	\$1,200
Collie Railway Station Group	Official opening of reconstructed Collie Railway Station	\$727
Donnybrook Balingup Chamber of Commerce Inc	Donnybrook Mainstreet Christmas Party	\$455
Dunsborough-Yallingup Chamber of Commerce	Dunsborough Mini Wine and Food Festival	\$364
Harvey Garden Expo	Harvey Garden Expo	\$3,100
Manjimup Chamber of Commerce	Cherry Harmony Festival	\$2,300
Manjimup Motor Cycle Club	Manjimup 1500	\$2,273
Margaret River Artisan Association Inc.	Capes Arts and Crafts Fair	\$455
Margaret River Artisan Association Inc.	Dunsborough Arts Festival	\$1,364
Margaret River Enterprise Centre	Women in Business Conference	\$500

Recipient	Event Name	Grant
Munda Biddi Trail Foundation	Munda Biddi Cycle Trail	\$1,092
Nannup Music Club	Nannup Music Festival	\$2,091
Southern Capes Motorcycle	Capel 200 Trail Ride	\$1,200
WA Enduro Committee & Trail Enduro Motor Club	Trail Ride at Harvey	\$400
West Australian Car Club Inc	Forest Rally	\$2,273
Wonnerup House Management Committee	Heritage Festival - Wonnerup House	\$364
Yarloop Workshops	Yarloop Festival	\$2,273
Zonta Club of Bunbury Area	Zonta International Conference 2003	\$2,100

CUSTOMER FOCUS OUTCOMES

The Commission has a Customer Service Committee chaired by the Chief Executive Officer. The Committee has members from all teams within the Commission and operates to ensure that throughout the Commission there is an understanding of the needs of our customers and our services are delivered in a relevant manner.

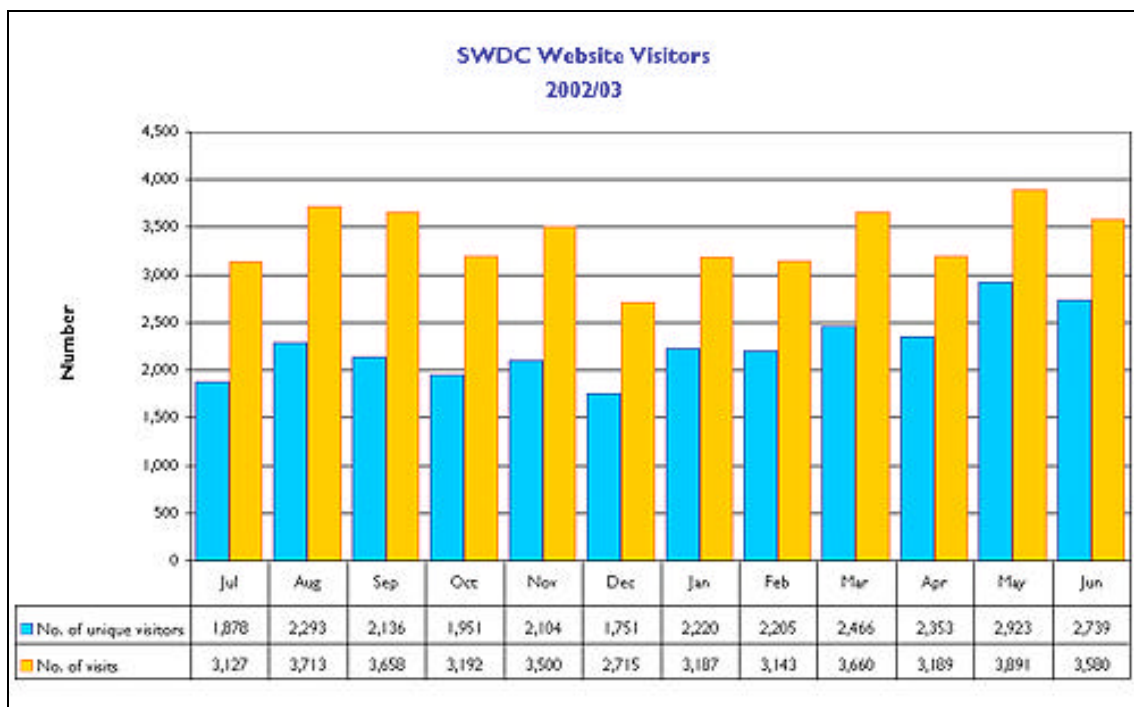
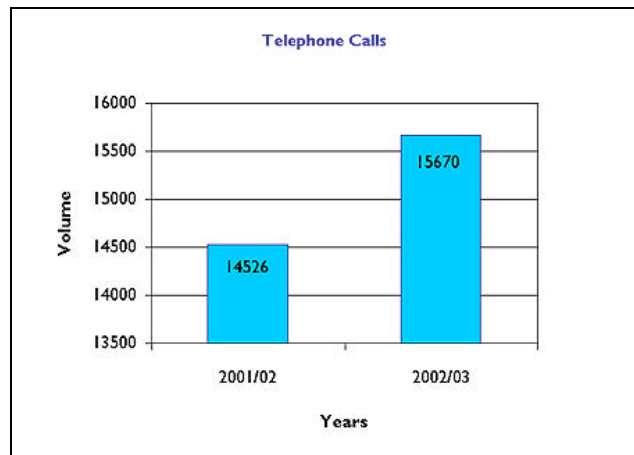
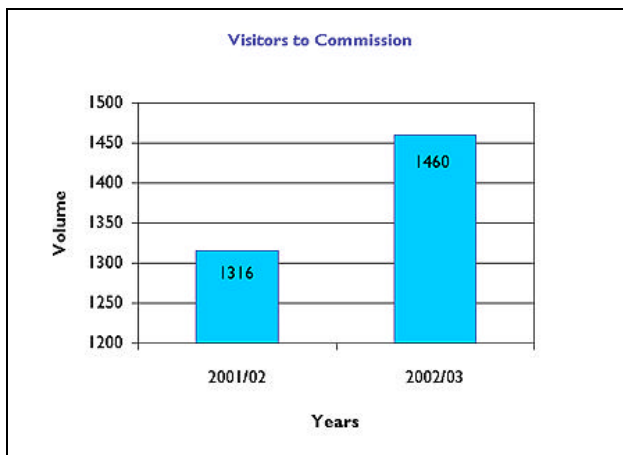
The South West Development Commission Board and staff are committed to providing quality customer service in a friendly and courteous manner. We maintain the highest ethical standards of honesty and fairness and endeavour to respond quickly to all verbal, written and electronic requests for information and services.

At all times we guarantee confidentiality and report regularly on the progress of work. Information is provided in an open, honest and accountable manner. A comprehensive annual survey is conducted to monitor performance.

The South West Development Commission welcomes feedback on its activities and services. We encourage our clients and the general public to contact us with any comments or suggestions that can assist the Commission to improve its service delivery.

COMMISSION CONTACT

During the year in review there has been a 10.9 per cent increase in visitors to the Commission and a 7.8 per cent increase in telephone calls. This shows growth in the Commission's contact with new and existing clients.



CLIENT SURVEY

The Commission measures its performance through an annual client survey. Key customer groups of the Commission are State and Commonwealth government agencies, the region's local governments, the business and industry sector and local community organisations.

Independent consultancy firm, Asset Research was employed to undertake the annual SWDC Client Survey in June 2003. Clients were surveyed to determine their views and understanding of the Commission's role, activities and performance.

The survey questionnaire was distributed to 180 randomly selected key clients and 24 local government representatives. Altogether 149 completed surveys were received. A key client response rate of 73.9 per cent and a 67 per cent response rate from the local governments (with responses received from all South West local governments) were achieved. The overall survey response rate was 73 per cent.

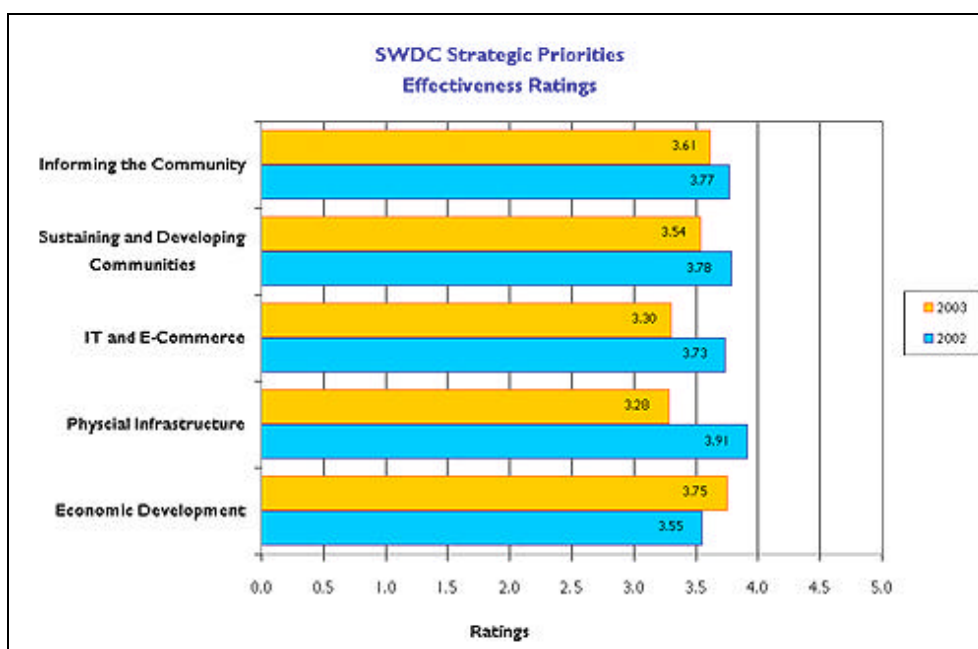
The results of the survey indicate that there has been a marginal increase in the perception that the Commission performs a role involving the economic development of the region. There has been a comparative reduction in the broad recognition that the Commission is involved in the development of the South West.

Commission projects, which received the highest proportion of awareness, were those that were most visible or received the greatest volume of publicity. Living Windows was the most recognised project in this survey period, followed by the Kemerton Industrial Estate, Northcliffe Timber Cluster and Working Life.

Survey respondents rated the Commission positively in providing a regional development service in relation to effectiveness, timeliness and quality of service.

The Commission's five strategic priority areas were evaluated in this survey period. All responses are above the mid range level of the rating scale indicating an overall belief that the priorities are effective.

(Ratings: 1 = Very Ineffective 2 = Ineffective 3 = Neither ineffective or effective 4 = Effective 5 = Very Effective)



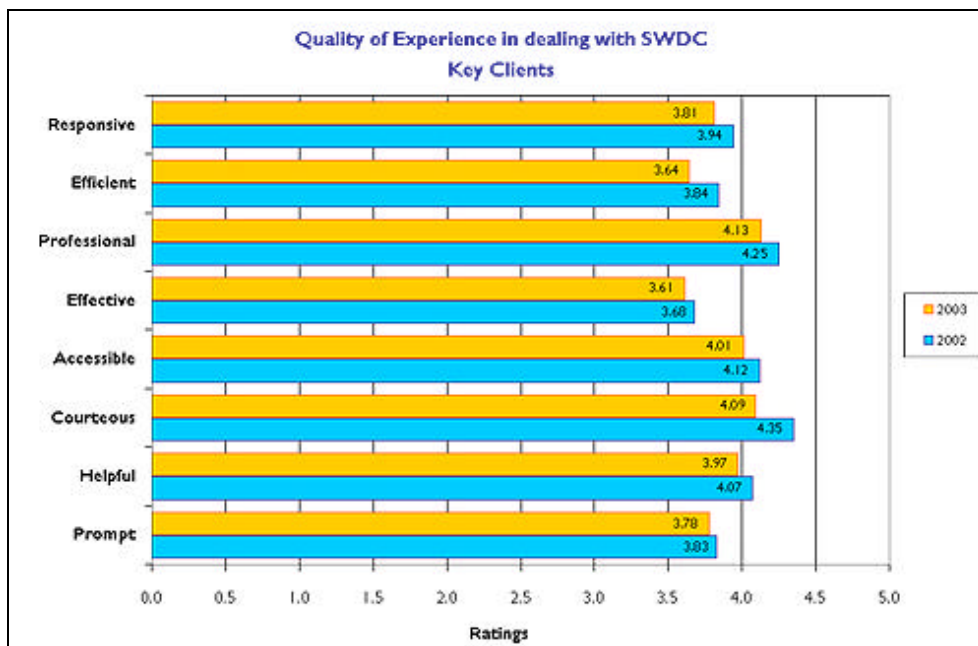
The results for key clients show a relatively static level of use of all aspects of the Commission's services. The key area of service use remain:

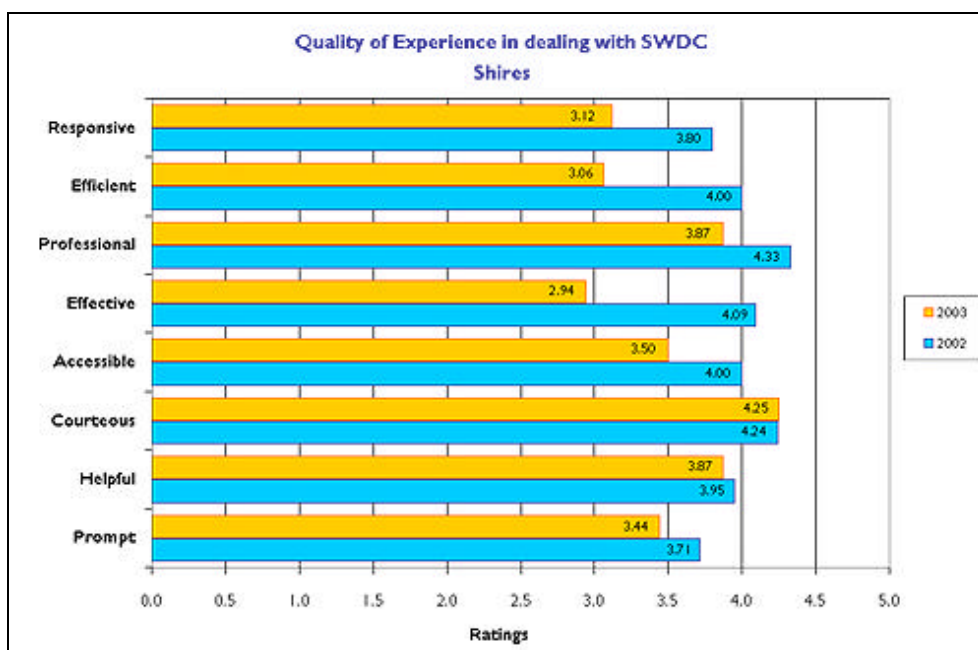
- Source of funds;
- Provision of information about the region/Commission;
- Coordination between other organisations and groups;
- Community consultation;
- Provision of advice;
- Assistance with promotions; and
- Assistance with securing funds from other sources.

Ratings of the Commission's performance in relation to the effectiveness of the services delivered show very positive results. When compared to the 2002 survey results, there is a general variation (both positive and negative) in scores for key clients. Shire scores represent a consistent reduction of 2002 scores, however are still above the mid-point for scores.

The Commission performed well in relation to all aspects of organisational performance, although scores reflected a marginal decrease in quality of experience when dealing with the Commission on an organisational level.

(Ratings: 1 = Very Ineffective 2 = Ineffective 3 = Neither ineffective or effective 4 = Effective 5 = Very Effective)





In view of the economic climate during the year and the downturn in major project activity, the Commission has received pleasing results.

Section 7.

Performance Indicators



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

SOUTH WEST DEVELOPMENT COMMISSION PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2003

Audit Opinion

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

Scope

The Board's Role

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

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

Summary of my Role

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

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

D D R PEARSON
AUDITOR GENERAL
September 25, 2003

CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2003

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



CAROL DEVITT
CHAIRMAN OF ACCOUNTABLE AUTHORITY
15 August 2003



DON PUNCH
MEMBER OF ACCOUNTABLE AUTHORITY
15 August 2003

PERFORMANCE INDICATORS

OUTCOME

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

Key Output:

Regional Development

1.0 EFFECTIVENESS INDICATORS

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

1.1 SOUTH WEST DEVELOPMENT COMMISSION CLIENT SURVEY 2003

As a requirement of its Strategic Plan, the Commission undertook an evaluation of its operations in June 2003. Clients were surveyed to determine their views and understanding of the Commission's role, activities and performance. Previous, similar surveys were undertaken in 1993, 1996, 1998, 2000, 2001 and 2002.

Key performance results from the 2003 survey, including a comparison with results from the 2002 survey, are detailed below.

An independent consultant, Asset Research, undertook the survey. The Commission provided Asset Research with a database comprising 258 key clients and 24 representatives from South West local governments. The key clients were made up of Commonwealth and State government agencies, and private organisations having regular contact with the Commission over the last 12 months. Questionnaires were mailed out to 180 of the key clients and all local government representatives. Key clients to whom the mailout was sent were selected at random by Asset Research.

A total of 149 completed surveys were received by Asset Research, comprising 16 completed surveys from local government representatives (with responses received from all South West local governments) and 133 from key client agencies and private organisations. This represents a key client response rate of 73.9 per cent and a 67 per cent response rate from the local governments. Overall survey response rate was 73 per cent.

The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of key clients within a possible sampling error of +/- 5 per cent. The sampling error range for this survey period is +/- 5.51 per cent.

Many questions in the survey required the respondent to provide a rating on a scale of 1 (low) to 5 (high). The results of these ratings are provided as an average. In cases where the survey asked for options to be listed, the percentage of the clients that selected each option has been identified.

1.1.1 Effectiveness of the South West Development Commission (1 = very ineffective, 5 = very effective)

Key Outputs	Total Average 2003	Total Average 2002	Shires Average 2003	Shires Average 2002	Key Clients Average 2003	Key Clients Average 2002
Regional Development	3.48	3.83	2.88	4.00	3.55	3.84

1.1.2 Rating the Commission's performance in its effectiveness of delivering services (1 = very ineffective, 5 = very effective)

Services	Shires Average 2003	Shires Average 2002	Key Clients Average 2003	Key Clients Average 2002
Planning assistance	3.29	3.39	3.61	3.51
Source of funds	3.00	3.59	3.81	3.57
Assistance in securing funds from other sources	3.50	3.81	3.47	3.52
Advocacy	3.50	3.41	3.77	3.71
Community consultation	3.40	3.71	3.82	3.74
Co-ordination between other organisations and groups	3.33	4.00	3.96	3.93
Problem solving	3.33	3.35	3.68	3.55
Assistance with industrial development	3.20	3.21	3.26	3.60
Identification of investment opportunities	3.67	3.16	3.18	3.61
Project development	3.60	3.90	3.64	3.75
Organisation support	3.00	3.76	3.67	3.54
Assistance with promotions	3.40	3.50	3.66	3.88
Provision of advice	3.60	3.81	4.02	3.92
Information about the region/Commission	4.00	4.06	4.12	4.08
Marketing advice/information	3.33	3.50	3.42	3.73

2.0 EFFICIENCY INDICATORS

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

	Note	2002-2003	2001-2002
Regional Development			
Operating	1	\$3,904,291	\$6,584,906
Hours	2	50,546	49,383
Cost Per Hour	3	\$77	\$133

Notes On Variance between Reporting Period

Note 1: Operating cost information is sourced from the Statement of Financial Performance. A net movement of \$2,680,615 is shown. The variation is due mainly to contractual liabilities being brought to account and higher borrowing cost expenses in the 2001 - 2002 year. Based on current methodology the 2001-2002 cost per hour would be \$128.

Note 2: Increased hours is due to the employment of 2 trainees and the return of a staff member from leave without pay.

Note 3: Hours are taken from employees' individual time sheets. Cost per hour is derived by dividing the operating cost by the total number of hours worked by all employees. The decreased cost per hour is due to increased employee hours and decreased net cost of services for the 2002 - 2003 year.

Section 8.

Financial Statements



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

SOUTH WEST DEVELOPMENT COMMISSION FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003

Audit Opinion

In my opinion,

- (i) the controls exercised by the South West Development Commission provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at June 30, 2003 and its financial performance and cash flows for the year ended on that date.

Scope

The Board's Role

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

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

Summary of my Role

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

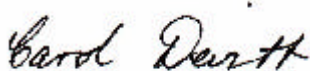
An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to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

D D R PEARSON
AUDITOR GENERAL
September 25, 2003

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

The accompanying financial statements of the South West Development Commission 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 financial year ending 30 June 2003 with the financial position as at 30 June 2003.

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.



CAROL DEVITT
CHAIRMAN OF ACCOUNTABLE AUTHORITY
15 August 2003



DON PUNCH
MEMBER OF ACCOUNTABLE AUTHORITY
15 August 2003



JAMES OLIVER
PRINCIPAL ACCOUNTING OFFICER
15 August 2003

SOUTH WEST DEVELOPMENT COMMISSION STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$	2002 \$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	2	1,802,046	1,517,794
Supplies and services	3	733,114	3,288,604
Depreciation expense	4	96,897	95,786
Borrowing cost expenses		859,005	992,821
Administration expenses	5	164,662	175,170
Accommodation expenses	6	229,588	226,162
Grants and subsidies	7	1,718,934	522,497
Other expenses from ordinary activities	8	18,979	30,430
Total cost of services		5,623,225	6,849,264
Revenue from ordinary activities			
Revenue from operating activities			
User charges and fees	9	97	6,488
Trading profit	10	691,594	0
Commonwealth grants and contributions	11	218,266	112,000
Revenue from non-operating activities			
Interest revenue		19,169	368
Other revenues from ordinary activities	12	453,102	145,502
Total revenues from ordinary activities		1,382,228	264,358
NET COST OF SERVICES	28	4,240,997	6,584,906
REVENUES FROM GOVERNMENT			
Output appropriation	13	4,474,000	5,018,895
Resources received free of charge		13,123	8,728
Grants from Government agencies		495,878	232,094
Total revenues from State Government		4,983,001	5,259,717
CHANGE IN NET ASSETS		742,004	(1,325,189)
Net increase in asset revaluation reserve		853,993	0
Total revenues, expenses and valuation adjustments recognised directly in equity		853,993	0
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS		1,595,997	(1,325,189)

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

SOUTH WEST DEVELOPMENT COMMISSION STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$	2002 \$
Current Assets			
Cash assets	27	4,068,909	5,204,285
Restricted cash assets	14B	359,028	191,047
Inventories	15	508,444	993,218
Receivables	16	172,786	129,102
Amounts receivable for outputs	17	169,000	82,000
Other assets	18	6,362	4,207
Total Current Assets		5,284,529	6,603,859
Non-Current Assets			
Restricted cash assets	14C	27,602	23,961
Inventories	15	1,256,871	1,106,010
Property, plant, equipment	19	5,680,667	4,619,974
Infrastructure	20	1,306,935	818,717
Works of art	21	13,220	12,000
Total Non-Current Assets		8,285,295	6,580,662
Total Assets		13,569,824	13,184,521
Current Liabilities			
Payables	22	41,362	1,831
Interest bearing liabilities	23	791,741	765,962
Provisions	24	262,920	223,628
Other liabilities	25	1,304,929	2,775,211
Total Current Liabilities		2,400,952	3,766,632
Non-Current Liabilities			
Interest bearing liabilities	23	8,445,169	9,236,910
Provisions	24	574,230	433,505
Total Non-Current Liabilities		9,019,399	9,670,415
Total Liabilities		11,420,351	13,437,047
NET ASSETS		2,149,473	(252,524)
Equity	26		
Contributed equity		1,613,000	807,000
Reserves		3,211,663	2,357,670
Accumulated deficiency		(2,675,190)	(3,417,194)
TOTAL EQUITY		2,149,473	(252,524)

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

SOUTH WEST DEVELOPMENT COMMISSION STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$	2002 \$
CASH FLOWS FROM STATE GOVERNMENT			
Output appropriations		4,387,000	4,936,895
Capital contributions		806,000	807,000
Grants from State Government agencies		505,438	167,994
Net cash provided by Government		5,698,438	5,911,889
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee expenses		(1,617,018)	(1,534,884)
Supplies and services		(1,152,019)	(783,537)
Borrowing costs		(887,416)	(1,040,558)
GST payments on purchases		(309,673)	(209,830)
Other payments		(2,964,166)	(998,410)
Receipts			
Sale of Goods and Services		1,061,311	0
User charges and fees		1,128	5,118
Commonwealth grants and contributions		208,826	112,000
Interest received		19,169	368
GST receipts on sales		77,768	18,631
GST receipts from taxation authority		184,164	241,893
Other receipts		110,535	158,588
Net cash used in operating activities	28	(5,267,391)	(4,030,621)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments land development		(315,810)	
Purchase of non-current physical assets		(313,030)	(373,597)
Net cash used in investing activities		(628,840)	(373,597)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(765,961)	(741,069)
Net cash used in financing activities		(765,961)	(741,069)
Net increase/(decrease) in cash held		(963,754)	766,602
Cash assets at the beginning of the financial year		5,419,293	4,652,691
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	27	4,455,539	5,419,293

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

1 Significant Accounting Policies

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

General Statement

The financial statements constitute a general-purpose financial report, which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to 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, are disclosed in individual notes to these financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, with the exception of certain non-current assets and liabilities, which subsequent to initial recognition, are at fair value.

a) Output Appropriations

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

b) Contributed Equity

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

c) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Commission obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

d) Revenue Recognition

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

e) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

f) Depreciation of Non-current Assets

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

Depreciation is calculated on the straight-line basis using rates that are reviewed annually. Useful lives for each class of depreciable asset are:

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

Works of Art controlled by the Commission are classified as heritage assets. They are anticipated to have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

g) Revaluation of Land, Buildings and Infrastructure

The Commission has a policy of recording land, buildings and infrastructure, other than land and buildings held for resale, at valuation. The three yearly revaluations of the Commission's land, buildings and infrastructure undertaken by the Valuer General's Office for the Government Property Register are recognised in the financial statements.

h) Inventories

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

i) Leases

The Commission has entered into a number of operating lease arrangements for the rent of the office building where the lessor effectively retains the entire 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.

j) 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 calculated at 5% of monthly receivables.

k) Payables

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

l) 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.

m) Employee Benefits

Annual leave

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

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits, and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

This method of measurement of the liability is consistent with the requirements of Accounting Standard AASB 1028 "Employee Entitlements".

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

Superannuation

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

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

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

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employees Superannuation Board's records are not structured to provide the information for the Commission. Accordingly, deriving the information for the Commission is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

Employee benefit on-costs

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

n) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Commission considers the carrying amount approximates net fair value.

o) 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.

p) Cash

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

q) Comparative Figures

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

r) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest dollar.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	2003 \$	2002 \$
2 Employee Expenses		
Wages and salaries	1,299,380	1,182,456
Superannuation	156,867	56,427
Long service leave	125,124	42,483
Annual leave	84,754	102,419
Other related expenses (I)	135,921	134,009
	1,802,046	1,517,794
 (I) These employee expenses include superannuation, payroll tax, WorkCover premiums and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee liabilities at Note 24.		
3 Supplies and Services		
Consultants and contractors	481,101	3,071,169
Repairs and maintenance	25,590	23,539
Travel	0	1,268
Other	226,423	192,628
	733,114	3,288,604
4 Depreciation Expense		
Office equipment	57,178	58,147
Buildings	39,719	37,639
	96,897	95,786
5 Administration Expenses		
Communication	56,244	55,272
Consumables	105,951	109,790
Other staff costs	2,467	10,108
	164,662	175,170
6 Accommodation Expenses		
Lease rentals	197,172	200,544
Repairs and maintenance	27,910	20,683
Cleaning	4,506	4,935
	229,588	226,162
7 Grants and Subsidies		
Non public organisations	166,445	161,097
Public organisations	1,552,489	361,400
	1,718,934	522,497

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	2003 \$	2002 \$
8 Other Expenses from Ordinary Activities		
Guarantee fee for loan	19,562	21,058
Doubtful debts expense	(583)	7,312
Carrying amount of non-current assets disposed of	0	2,060
	18,979	30,430
9 User Charges and Fees		
User charges and fees	97	6,488
	97	6,488
10 Trading Profit		
Sales	1,061,311	0
Cost of Sales:		
Opening inventory	2,099,228	0
Land Development	315,810	0
Reclassification of land from asset to inventory	150,861	0
Reclassification of land from inventory to asset	(430,867)	0
	2,135,032	0
Closing inventory	1,765,315	0
Cost of Goods Sold	369,717	0
Trading Profit	691,594	0
11 Commonwealth Grants and Contributions		
Recurrent	218,266	112,000
	218,266	112,000
12 Other Revenues for Ordinary Activities		
Sundry income	26,898	45,404
Grants local government	0	13,139
Grants public organisations	10,000	6,136
Rental from property	81,622	78,613
Government vehicle scheme	2,210	2,210
Proceeds from sale sundry items	153	0
Prior year adjustment in contractual liabilities	332,219	0
	453,102	145,502

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	2003 \$	2002 \$
13 Revenues from State Government		
Appropriation revenue received during the year:		
Output appropriations (I)	4,474,000	5,018,895
	4,474,000	5,018,895
Resources received free of charge (II)		
Determined on the basis of the following estimates provided by agencies:		
Office of the Auditor General	13,000	8,500
Crown Solicitor's Office	123	228
	13,123	8,728
Grants received from Government agencies	495,878	232,094
	495,878	232,094
Total Revenue from State Government	4,983,001	5,259,717

- (I) Output appropriations are accrual amounts reflecting the full cost of outputs delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (II) Where assets or services have been received free of charge or for nominal consideration, the Commission recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners, in which case the Commission shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	2003 \$	2002 \$
14A Project Revenues for the Year		
Financial support and fees were received from community, government and semi-government organisations for the projects stated below.		
Walpole Telecommunications	0	2,000
2029 Committee	0	4,000
Kemerton Bunbury Transport Corridor	70,401	1,500
Manjimup Horticulture Industry Advisory Group	13,470	25,736
Aboriginal Economic Development Officer	80,000	48,894
Speciality Dairy Products	0	17,932
Community Builders Initiative	20,545	1,705
Northcliffe Timber Technology	0	20,000
Runaway Bus	0	15,139
Regional Initiatives Fund	192,745	0
Boyup Brook Mobile Phone Service	97,500	107,500
Working Life Industrial Heritage	960	180
Pemberton Heritage Energy Precinct	2,000	23,000
Horticulture Conference 2001	0	2,727
South West Power Infrastructure	12,500	0
Tradestart	98,060	0
Year of the Outback	5,000	0
	593,181	270,313

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	2003 \$	2002 \$
14B Restricted Cash Current		
Unexpended Project Revenues		
Some of the project revenues stated above were unexpended as at 30 June 2003. Given below is a list of the projects with unexpended revenues.		
SW Information Technology Advisory Service	0	7,067
Kemerton Bunbury Transport Corridor	122,332	87,481
Manjimup Horticulture Industry Advisory Group	13,273	19,208
Aboriginal Economic Development Officer	13,482	2,934
Waste Concrete Research Trials	0	19,500
Speciality Dairy Products	5,648	6,095
Walpole Telecommunications Tower	0	361
Nannup Mill Drainage	0	4,860
Community Builders Initiative	27,000	7,027
Northcliffe Timber Technology	12,666	13,032
Boyup Brook Mobile Phone Service	0	7,500
Working Life Industrial Heritage	240	180
Runaway Bus	0	15,139
Regional Initiatives Fund	91,358	663
Tradestart	72,360	0
Year of the Outback	669	0
	359,028	191,047

14C Restricted Cash Non Current		
Provision for 27th pay	27,602	23,961
	27,602	23,961

Amount held for the payment of the 27th Pay in 2007

15 Inventories

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

- Current at cost	508,444	993,218
- Non-current at cost	1,256,871	1,106,010
	1,765,315	2,099,228

The Commission values inventories at the lower of cost or net realisable value.

16 Receivables

Current		
Government agencies	106,194	129,743
Commonwealth government	10,384	0
External	25,647	2,746
Provision for doubtful debts	(6,389)	(7,312)
GST receivable	36,950	3,925
	172,786	129,102

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	2003 \$	2002 \$
17 Amounts receivable for outputs		
Current	169,000	82,000
	169,000	82,000

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

18 Other Assets		
Current		
Prepayments	6,362	4,207
	6,362	4,207

19 Property, Plant and Equipment		
Office equipment		
At cost	313,264	350,184
Accumulated depreciation	(183,779)	(187,111)
Written down value	129,485	163,073
Buildings		
At valuation (2002)	789,500	754,500
Accumulated depreciation	(270,718)	(230,999)
Written down value	518,782	523,501
Land		
At valuation (2002)	5,032,400	3,933,400
	5,032,400	3,933,400
Total Property, Plant and Equipment	5,680,667	4,619,974

The revaluation of land and buildings was performed in 2002 in accordance with an independent valuation by the Valuer General's Office. Valuation has been determined on the basis of current market buying values. The valuation was made in accordance with a regular policy of three yearly revaluation with another revaluation due in 2005.

Reconciliation

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

	Land	Buildings	Office Equipment	Total
Carrying amount at start of year	3,933,400	523,501	163,073	4,619,974
Additions	0	0	27,900	27,900
Revaluation	1,099,000	35,000	0	1,134,000
Disposals	0	0	(64,820)	(64,820)
Depreciation written back	0	0	60,510	60,510
Depreciation	0	(39,719)	(57,178)	(96,897)
	5,032,400	518,782	129,485	5,680,667

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	2003 \$	2002 \$
20 Infrastructure		
Works in progress	1,306,935	818,717
	1,306,935	818,717
The works in progress was the Pemberton Heritage Energy Precinct.		
21 Works of Art		
At valuation	12,000	12,000
At cost	1,220	0
	13,220	12,000
Works of Art consist of the Baudin Charts at valuation and Aboriginal Art at cost.		
22 Payables		
Current		
Other creditors	41,362	1,831
	41,362	1,831
23 Interest Bearing Liabilities		
Current		
Amount due to the WATC	791,741	765,962
	791,741	765,962
Non-current		
Amount due to the WATC	8,445,169	9,236,910
	8,445,169	9,236,910
Total Interest Bearing Liabilities	9,236,910	10,002,872
24 Provisions		
Current		
Annual leave	117,149	81,753
Long service leave	130,940	129,847
Other (I)	14,831	12,028
	262,920	223,628
Non-current		
Long service leave	178,314	65,900
Superannuation	395,916	367,605
	574,230	433,505

- (I) The settlement of annual leave liabilities gives rise to the payment of employment on-costs including superannuation and WorkCover premiums. The liability for such on-costs is included here. The associated expense is included at Note 2.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	2003	2002
	\$	\$
Employee Benefit Liabilities		
The aggregate employee entitlement liability recognised and included in the financial statements is as follows:		
Provision for employee benefits:		
Current	262,920	223,628
Non-current	574,230	433,505
	837,150	657,133

The superannuation liability has been established from data supplied by the Government Employees Superannuation Board. The Commission considers the carrying amount of employee entitlements approximates the net fair value.

25 Other Liabilities

Current		
Accrued expenses	271	189,768
Accrued salaries	36,377	28,217
Accrued superannuation	3,284	1,916
Accrued interest	195,513	223,924
Contractual	1,069,484	2,331,386
	1,304,929	2,775,211

26 Equity

Contributed equity		
Opening balance	807,000	0
Capital Contributions (I)	806,000	807,000
Closing balance	1,613,000	807,000

- (I) Capital Contributions, have been designated as contributions by owners and are credited straight to equity in the Statement of Financial Position.

Reserves		
Asset revaluation reserve (I)		
Opening balance	2,357,670	2,357,670
Net revaluation increments:		
Land	818,993	0
Buildings	35,000	0
Closing balance	3,211,663	2,357,670

- (I) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Accumulated deficiency		
Opening balance	(3,417,194)	(2,092,005)
Change in net assets	742,004	(1,325,189)
Closing balance	(2,675,190)	(3,417,194)

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

Notes to the Statement of Cash Flows	2003	2002
	\$	\$
27 Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash	4,068,909	5,204,285
Restricted cash (refer to note 14B and 14C)	386,630	215,008
	4,455,539	5,419,293

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

Net cost of services	(4,240,997)	(6,584,906)
Non-cash items:		
Depreciation expense	96,897	95,786
Doubtful debts expense	(923)	7,312
Resources received free of charge	13,123	8,728
Prior year adjustment	332,219	0
Equipment written off	0	2,060
Cost of goods sold	(369,717)	0
Other	58	6,361
Increase/(decrease) in assets:		
Current receivables	20,606	(4,044)
Other current assets	2,155	(1,873)
(Increase)/decrease in liabilities:		
Current accounts payable	(39,531)	(3,316)
Current provisions	(39,292)	26,172
Other current liabilities	(853,522)	2,409,914
Non-current provisions	(140,726)	(41,646)
Net GST receipts/(payments)	(80,766)	0
Change in GST in receivables/payables	33,025	48,831
Net cash provided by/(used in) operating activities	(5,267,391)	(4,030,621)

29 Remuneration of Members of the Accountable Authority

The number of members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$ 0 - \$10,000	8	11
\$10,001 - \$20,000	1	2

The total remuneration of the members of the Accountable Authority is:

40,835	50,993
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The superannuation included here represents the superannuation expenses incurred by the Commission in respect of Members of the Accountable Authority.

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	2003 \$	2002 \$
30 Remuneration of Senior Officers		
The number of Senior Officers other than senior officers reported as Members of the Accountable Authority, whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:		
\$70,001 - \$80,000	0	3
\$80,001 - \$90,000	2	0
\$90,001 - \$100,000	1	0
\$100,001 - \$110,000	0	1
\$120,001 - \$130,000	1	0
The total remuneration of senior officers is:	382,795	375,095
The superannuation included here represents the superannuation expense incurred by the Commission in respect of Senior Officers other than senior officers reported as Members of the Accountable Authority.		
No Senior Officers are members of the Pension Scheme.		
32 Lease Commitments		
Non cancellable operating lease commitments		
Motor vehicle - not later than one year	54,030	32,368
Motor vehicle - later than one year, not later than five years	21,257	1,877
Office rentals - not later than one year	260,274	284,500
Office rentals - later than one year, not later than five years	1,125,272	1,138,000
Office rentals - later than five years	926,443	0
33 Capital and Significant Commitments		
Coastal Enhancement		
Not later than one year	3,608,036	2,993,596
34 Contingent Liabilities		
There are no contingent liabilities that the Commission is aware of as at 30 June 2003.		

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

35 Explanatory Statement

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$ 20,000.

	2003	2002	Variance
	\$	\$	\$
Employee Expenses	1,802,046	1,517,794	284,252
Supplies and services	733,114	3,288,603	(2,555,489)
Borrowing cost expenses	859,005	992,821	(133,816)
Grants and subsidies	1,718,934	522,497	1,196,437
Trading profit	691,594	0	691,594
Commonwealth grants and contributions	218,266	112,000	106,266
Other revenues from ordinary activities	453,102	145,502	307,600

Employee expenses

The increase in employee expenses was the addition of an Austrade Officer and two trainees to the Commission as well as an increase in employee benefits and wages policy increments.

Supplies and services

These activities vary according to the value of projects and services the Commission is involved in. The amount includes a reduction in the current contractual liabilities identified in accordance with SAC 4.

Borrowing cost expenses

Variance is due to the diminishing WATC loan portfolio and the associated reduced borrowing cost.

Grants and subsidies

Until May 2003 grants had to be paid through the Department of Local Government and Regional Development after advice from the Crown Solicitor's office. The variance is due to the Commission regaining the ability to pay grants and the reporting of those grants in the statements.

Trading Profit

The variance is due to the sale of land inventory by arrangement with Landcorp.

Commonwealth grants and contributions

The variance is due to receiving funds from Austrade to support the activities of a Tradestart Officer.

Other revenue from ordinary activities

The increase in revenue from ordinary activities is due to an adjustment of a prior year contractual liability transaction.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

Significant variations between estimates and actual results for the financial year

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% or \$20,000.

	Actual 2003 \$	Estimates 2003 \$	Variance \$
Employee expenses	1,802,046	1,484,000	318,046
Supplies and services	733,114	2,747,000	(2,013,886)
Depreciation expense	96,897	75,000	21,897
Accommodation expenses	229,588	345,000	(115,412)
Grants and subsidies	1,718,934	695,000	1,023,934
Trading profit	691,594	800,000	(108,406)
Other revenues from ordinary activities	453,102	83,000	370,102

Employee expenses

The difference in employee expenses estimates and actuals was due to the addition of Project Officers funded by grants, two trainees and an increase in employee benefits and wages policy increments.

Supplies and services

The variance is due to the treatment of contractual liabilities and expected services payments being paid out as grants.

Depreciation

This variance is due to the replacement of assets.

Accommodation expenses

The variance is due to an overestimation.

Grants and subsidies

Grants previously had to be paid through the Department of Local Government and Regional Development after advice from the Crown Solicitor's office. In May 2003 the Commission was able to make grant payments and the variance is the payment of grant monies to recipients and Department of Local Government and Regional Development.

Trading Profit

The variance is the difference in expected sales of land inventory and the actual sales that occurred.

Other revenues from ordinary activities

The increase in revenue from ordinary activities is due to an adjustment of a prior year contractual liability transaction.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

	2003 \$	2002 \$
36 Supplementary information		
<u>Write-offs</u>		
Public property	0	2,059
	0	2,059
<u>Losses Through Theft</u>		
Losses of public monies	0	200
	0	200

The Board of the Commission has the authority to write off amounts up to \$50,000. Amounts greater must be written off by the Minister.

37 Land Development

The Commission, under an agreement with the Western Australian Land Authority developed and sold Part Lot 5 South Western Highway - Picton. The following statement represents the Commission's interest in assets employed in this operation.

	Total \$	0% LandCorp \$	100% SWDC \$
Current Assets			
Cash assets	50,281	0	50,281
Receivables	242	0	242
Developed land	881,282	0	881,282
Work in progress	17,732	0	17,732
Other Current assets	262	0	262
Total Current Assets	949,799	0	949,799
Non-current Assets			
Undeveloped land	0	0	0
Total Non-Current Assets	0	0	0
Total Assets	949,799	0	949,799
Current Liabilities			
Accounts payable	0	0	0
	0	0	0
Total Current Liabilities	0	0	0
NET ASSETS	949,799	0	(949,799)
Participants Equity			
LandCorp Contribution	0	0	
SWDC Contribution	550,657		550,657
Retained profit	399,142	0	399,142
	949,799	0	949,799

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

38 Output: Regional Development

In 2001/2002 the Commission had three outputs of Facilitation Consultation Co-ordination, Information Promotion Advice and Infrastructure (Land) Development. In 2002/2003 the outputs were amalgamated into one output of Regional Development and the Statement of Financial Performance reflects the costs associated with the provision of this output.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

39 Additional Financial Instruments Disclosures 2002/2003

(a) Interest Risk Exposure

The Commission's exposure to interest rate risk, and the effective interest rate risks are:

	Weighted average interest rate %	Fixed Interest Rate Maturities			Non interest Bearing	Total
		1 yr or less \$	1 to 5 yrs \$	Over 5 yrs \$	\$	\$
<u>Assets</u>						
Cash assets		0	0	0	4,068,909	4,068,909
Restricted cash		0	0	0	359,028	359,028
Receivable		0	0	0	172,786	172,786
Total financial assets		0	0	0	4,600,723	4,600,723
<u>Liabilities</u>						
Payable		0	0	0	(41,362)	(41,362)
Other Liabilities		0	0	0	(1,304,929)	(1,304,929)
Borrowings from WATC	8.07%	(791,741)	(3,443,720)	(5,001,449)	0	(9,236,910)
Employee benefits		0	0	0	(837,150)	(837,150)
Total financial liabilities		(791,741)	(3,443,720)	(5,001,449)	(2,183,441)	(11,420,351)
Net financial assets (liabilities)		(791,741)	(3,443,720)	(5,001,449)	(2,417,282)	(6,819,628)

Additional Financial Instruments Disclosures Financial Year 2001/2002

Interest Risk Exposure

The Commission's exposure to interest rate risk, and the effective interest rate risks are:

	Weighted average interest rate %	Fixed Interest Rate Maturities			Non interest Bearing	Total
		1 yr or less \$	1 to 5 yrs \$	Over 5 yrs \$	\$	\$
<u>Assets</u>						
Cash assets		0	0	0	5,204,285	5,204,285
Restricted cash		0	0	0	215,008	215,008
Receivable		0	0	0	129,102	129,102
Total financial assets		0	0	0	5,548,395	5,548,395
<u>Liabilities</u>						
Payable		0	0	0	(1,831)	(1,831)
Other Liabilities		0	0	0	(2,775,211)	(2,775,211)
Borrowings from WATC	8.88%	(765,962)	(3,331,037)	(5,905,873)	0	(10,002,872)
Employee benefits		0	0	0	(657,133)	(657,133)
Total financial liabilities		(765,962)	(3,331,037)	(5,905,873)	(3,434,175)	(13,437,047)
Net financial assets (liabilities)		(765,962)	(3,331,037)	(5,905,873)	(2,114,220)	(7,888,652)

(b) Net Fair Value of Financial Instruments

Financial Liabilities 2002/2003

WA Treasury Corp short and long term debt

Carrying Amount \$	Net Fair Value \$
\$9,236,910	\$9,976,704

The estimate of the net fair value was provided by the Western Australian Treasury Corporation.

(c) Credit Risk Exposure

Of the accounts receivable figure, the majority is owed by other government agencies, thus the Commission's credit risk is negligible.

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