

# **SOUTH WEST DEVELOPMENT COMMISSION ANNUAL REPORT 2005 - 2006**

LIVING AND WORKING IN AUSTRALIA'S SOUTH WEST



# ANNUAL REPORT



**Responsible Minister:**

The Honourable Norm Marlborough MLA

Minister for Small Business; Peel and the South West; Minister Assisting the Minister for Education and Training

**Accountable Authority:**

South West Development Commission

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This annual report is available in alternative formats, contact 9792 2000.

# ANNUAL REPORT SUMMARY

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This annual report provides a comprehensive analysis of the work undertaken by the South West Development Commission during 2005/06.

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 Norm Marlborough MLA  
Minister for Small Business; Peel and the South West;  
Minister Assisting the Minister for Education and Training

Sir,

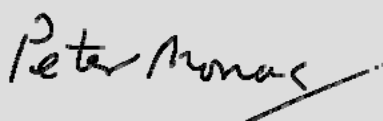
In accordance with Section 66(1) of the *Financial Administration and Audit Act 1985*, we hereby submit for your information and presentation to Parliament, the Annual Report of the South West Development Commission, for the financial year ended 30 June 2006.

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:

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

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



**PETER MONAGLE**  
**ACTING CHAIRMAN OF THE BOARD**  
19 September 2006



**DON PUNCH**  
**CHIEF EXECUTIVE OFFICER**  
19 September 2006

## SOUTH WEST REGION – KEY FACTS

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- 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 141,000 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 \$6.8 billion for 2004/05.
- The region's unemployment rate is consistently lower than Western Australia's overall unemployment rate.
- The Port of Bunbury is the export port of the South West Region for bulk product. 12.3 million tonnes of trade passed through the port in 2004/05.

# STATEMENT OF COMPLIANCE

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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 Interest Disclosure Act 2003*;
- *Public Sector Management Act 1994*;
- *Public Service Award 1992*;
- *Public Service General Agreement 2004*;
- *Equal Opportunity 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*;
- *Disability Discrimination Act 1992*;
- *State Records Act 2000*;
- *Electoral Act 1907*;
- *Freedom of Information 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*), and is in the process of developing and implementing a Disability Access and Inclusion Plan;
- Develop and implement a Public Interest Disclosure Policy (*Public Interest Disclosure Act 2003*); and
- Develop and implement a Complaints Management System to conform to the principles of AS4269 – 1995.

## 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

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## 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.

Over 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, Hon Norm Marlborough MLA who replaced Hon Mark McGowan MLA as Minister on 3 February 2006.

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.

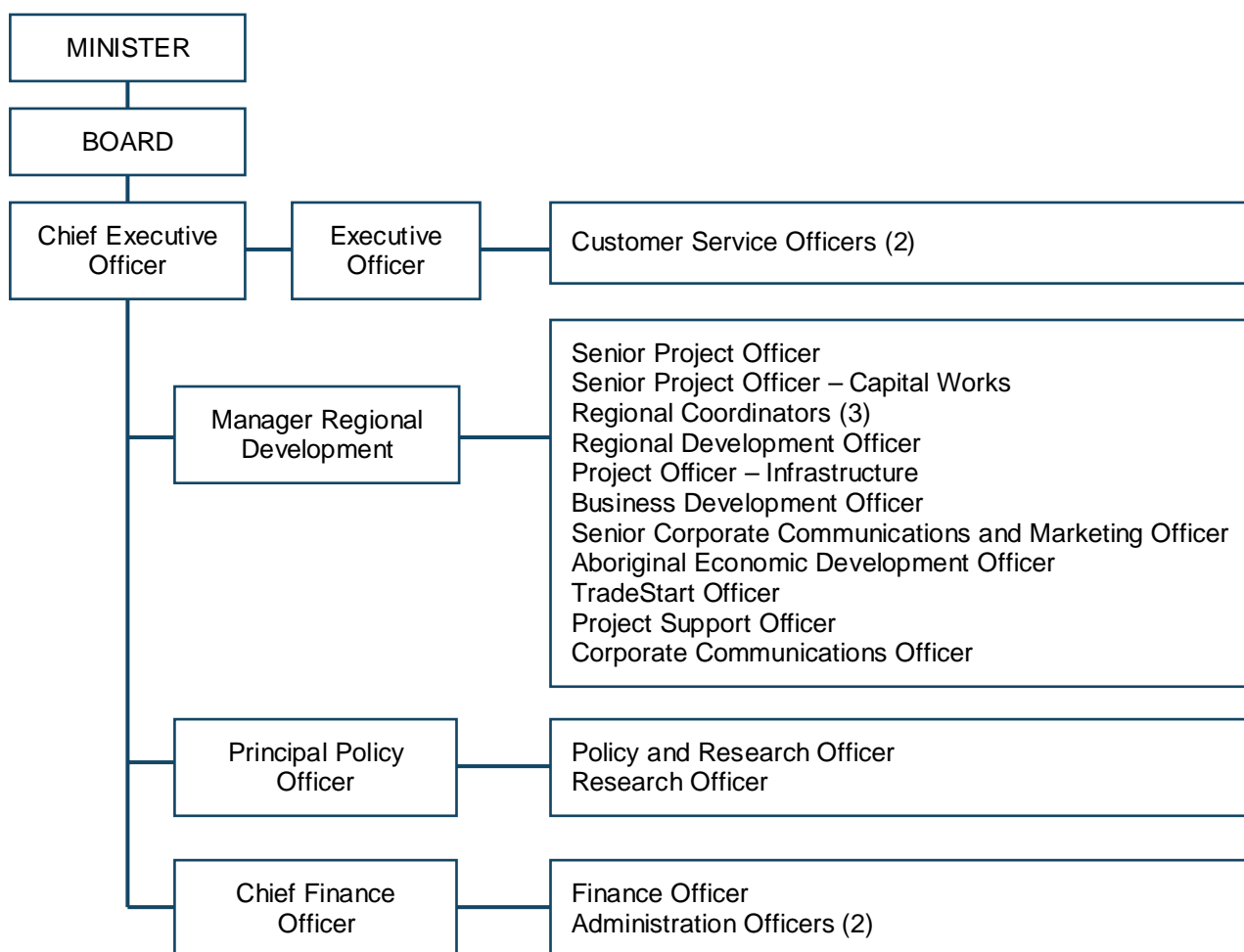


## STRUCTURE

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

1. Executive Services – manages the overall operation of the Commission.
2. Regional Development – aims to increase job opportunities and career diversity through attracting and developing businesses and social investment in the region, undertakes capital works projects, assists communities to grow and diversify their economic base, and promotes the region.
3. Policy and Research – provides policy and research services to assist in regional planning and decision-making.
4. Corporate Services – is the administrative arm of the Commission.

### SOUTH WEST DEVELOPMENT COMMISSION ORGANISATION CHART AS AT 30 JUNE 2006



# 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 \$6.8 billion.

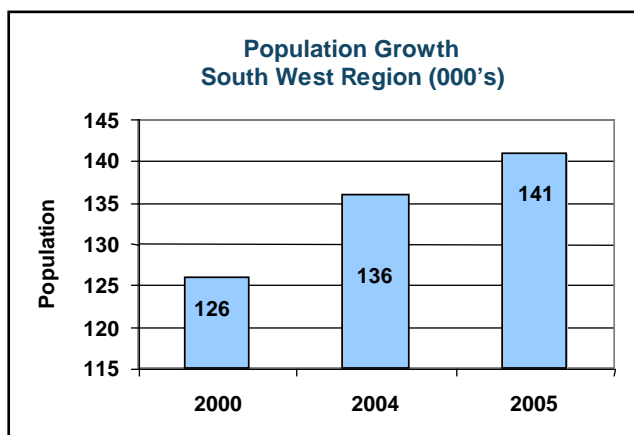
## OUR REGION

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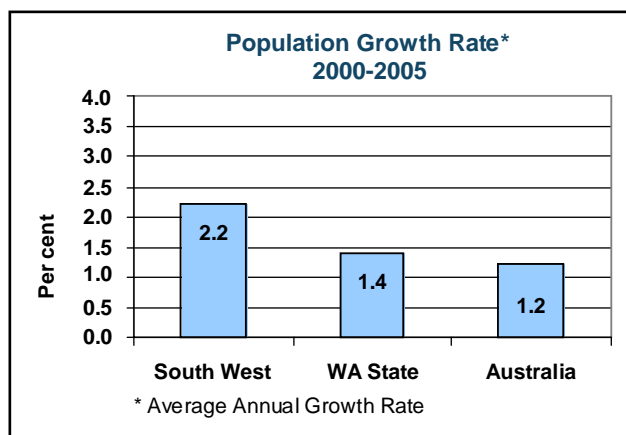
The South West Region of Western Australia is a diverse and dynamic region. Located in the South West corner of the State, the region faces the Indian and Southern Oceans and covers an area of 23,998 square kilometres.

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 141,000 people reside 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 153,800 by 2011 and 165,400 by 2016.



Source: ABS, *Regional Population Growth 2004-05*, February 2006



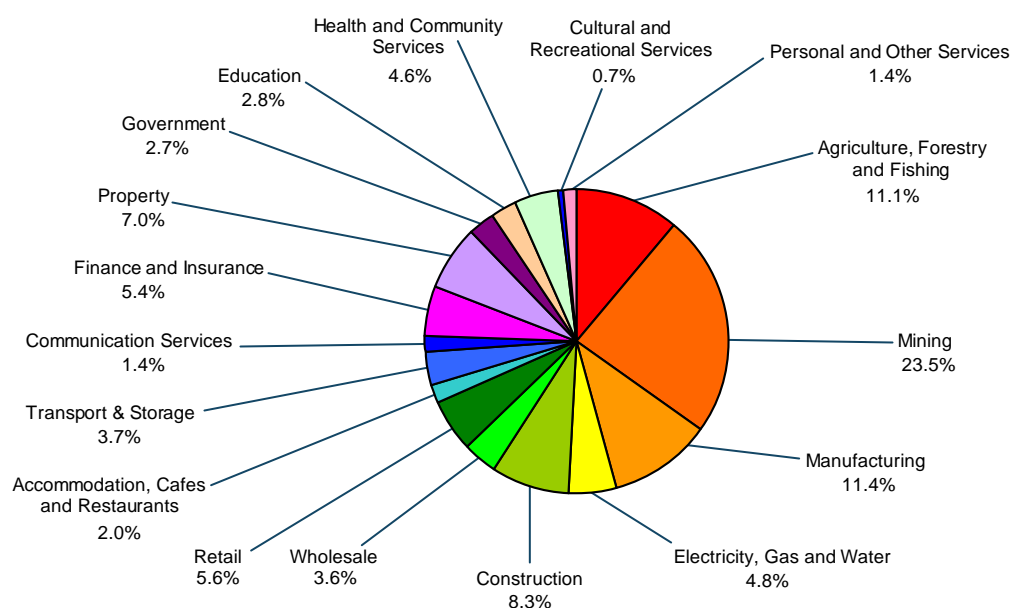
Source: ABS, *Regional Population Growth 2004-05*, February 2006

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 12.3 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.

### Gross Regional Product by Industry - South West Region 2004/05

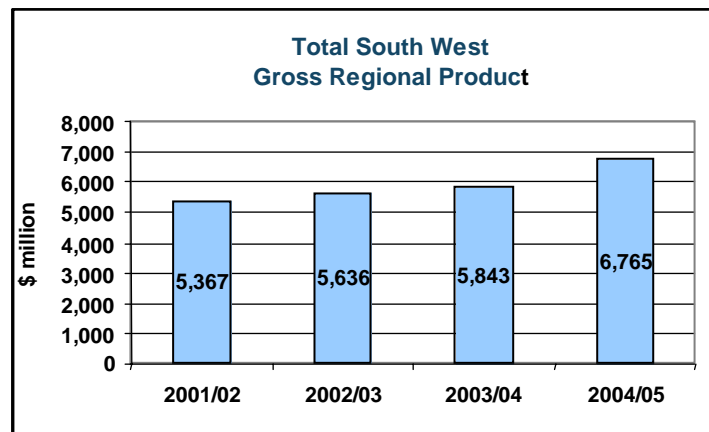


Source: Department of Local Government and Regional Development, 2006

<i>South West Key Economic Indicators</i>	
<i>Agricultural Production</i>	<i>\$557 million</i>
<i>Mineral Extraction and Processing</i>	<i>\$1,693 million</i>
<i>Coal Production</i>	<i>\$270 million</i>
<i>Alumina Production</i>	<i>\$972 million</i>
<i>Mineral Sands Production</i>	<i>\$268 million</i>
<i>Spodumene/Tantalite</i>	<i>\$180 million</i>
<i>Mineral Manufacturing</i>	<i>\$375 million</i>
<i>Unprocessed Forestry Products (value)</i>	<i>\$61 million</i>
<i>Building Approvals (residential &amp; non residential)</i>	<i>\$587 million</i>
<i>Viticulture (value of wine grapes at farm gate)</i>	<i>\$61 million</i>
<i>Tourism</i>	<i>\$591 million</i>
<i>Retail Turnover</i>	<i>\$1,205 million</i>
<i>Total Trade through Bunbury Port</i>	<i>12.3 million tonnes</i>

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

The South West's gross regional product is estimated at \$6.8 billion (2004/05).



*Source: Department of Local Government and Regional Development, 2006*

## HOW WE OPERATE IN THE REGION

The South West Development Commission has a central office in Bunbury and offices at Collie, Manjimup, Busselton and Harvey. Staff travel widely throughout the region. Staff members have specific responsibilities within 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 themes, we continued our work to assist regional communities to manage changes in their environment. Some communities in the region are continuing to experience significant population growth, some are still feeling the effects of industry restructuring, while others are seeking to diversify their activities. For more information please turn to "Our Performance".

The Commission aims to be both a pro-active and 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 – By 2020 the South West of Western Australia is recognised internationally as a region of excellence.

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

# OUR ROLE

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## 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 areas of activity: Investing in People; Investing in Infrastructure and Place; and Investing in Knowledge, Enterprise and Innovation. Through these themes the Commission aims to support the development of new industries, more diverse opportunities for people and pursue the establishment of community and industry infrastructure, while advancing sustainable jobs development. The Commission undertakes capital works programs on behalf of the State Government and is supported in its work by Corporate Services, the administrative section of the Commission.

### INVESTING IN PEOPLE

Within this priority area we focus on projects which engage the community in building the region's activities, including the development of key community infrastructure, leadership and learning projects.

### INVESTING IN INFRASTRUCTURE AND PLACE

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

## **INVESTING IN KNOWLEDGE, ENTERPRISE AND INNOVATION**

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

## **CORPORATE OBJECTIVES**

### **CORPORATE VISION**

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

### **CORPORATE MISSION**

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

### **CORPORATE VALUES**

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

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

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

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

## **STRATEGIC SUMMARY**

The South West Development Commission's 2000-2005 strategic plan drew to the end of its term on 30 June 2005, having provided the Commission with a valuable framework for managing its activities during a period of significant change and growth within the South West Region.

The SWDC Strategic Plan 2005-2020 became operational on 1 July 2005 and reflects the themes identified under "Service Delivery".

The plan, which provides direction through to 2020, is comprised of three time horizons: 2005-2010, 2010-2015 and 2015-2020. Such an approach clearly requires flexibility and review. The Commission's strategic planning process will continue to encompass both of these requirements.

During 2005/06, the first year of the new strategic plan, the Commission progressed strategies for job creation through value adding and knowledge-based industries, and for supporting creative communities. New lifelong learning and futures programs were embraced, while existing programs for industrial land development, urban renewal, Invest South West, leadership and community infrastructure were strengthened.

During the year in review, the Commission's work, within the three new strategic themes, and outlined in the section "Our Performance", was again varied and responsive to the needs of the regional community.



The Commission will continue to ensure that its strategic review process enables it to deliver its services to the region in a pro-active, responsive, flexible and timely manner.

All of the Commission's strategic planning is aligned with the State Government's Strategic Planning Framework, Regional Development Policy and State Sustainability Strategy.

# Section 4.

## Chairman's Report

From Acting Chairman of the Board,  
Peter Monagle.

## CHAIRMAN'S REPORT

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2005/06 represents a year of change for the South West Development Commission. The year has seen the resignation of the Chairman of the Commission Stan Liaros for health reasons. It has also seen the Commission welcome a new Minister, Hon Norm Marlborough MLA.

But in a region as vibrant as the South West, changes bring fresh perspectives and new approaches to the region's growth. The Government has set a clear vision for Bunbury and the region to grow as a major contributor to Western Australia's economy and to be a major alternative investment and residential destination to the metropolitan area.

The region itself has continued to grow with record approved subdivisions, a regional product now estimated to be \$6.8 billion and the emergence of new industries, including bio-diesel production, conveyor belt manufacture and collagen production to name but a few.

The finalisation of the Bluewaters power project at Collie, together with the private development of industrial land adjacent to the plant, should provide a springboard for a new wave of energy-based industries and support Collie's future as a major industry centre.

During the year in review, the Commission has advanced many of its major projects, including Lake Kerpwari, the Picton Enterprise Park, promotion of the Kemerton Industrial Park, as well as a host of regional projects. A particularly pleasing outcome has been the introduction of broadband to many of the region's rural centres through the Commission's partnership with Connect South West.

The Commission's Austrade partnership has continued to provide benefits both for the region and Austrade, with joint trade missions held in Singapore and Manila and planning for a major push into the U.S. lifestyle markets in 2006/07. This has seen the Commission consistently perform at one of the highest levels nationally in engaging small and medium enterprise in export.

Growth is not without its challenges though. Increased land values have priced many people out of the housing market even at a rental level. There is a continuing challenge to ensure community infrastructure, including transport, maintains pace with population growth, and importantly, the environmental sensitivities of the region will continue to promote debate and tension over conflicting land use values.

Other challenges include maximising the potential of young people to take advantage of the skills shortage and engage in training to take advantage of the diverse jobs that are available.

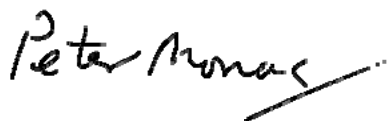
Coordinating a response to these issues will remain a key part of the Commission's work in the year ahead.

I would like to thank my fellow board members for the commitment, enthusiasm and ideas throughout the past year. I would also like to acknowledge the contribution of our Chairman Stan Liaros and the former Minister for Peel and the South West, Hon Mark McGowan MLA.

I would also like to thank our new Minister, Hon Norm Marlborough MLA, for his passion and zeal in supporting the development of the South West.

Finally, I would like to thank our CEO Mr Don Punch for his excellent planning and leadership and our diligent staff who contribute in so many ways to making our region what it is.

The South West is an inspiring region. It is an honour to assist in guiding its future.

A handwritten signature in black ink, reading "Peter Monagle". The signature is written in a cursive style with a long, sweeping underline.

**PETER MONAGLE**  
**ACTING 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

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### BOARD OF MANAGEMENT

The *Regional Development Commissions Act 1993* provides regional 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 nine 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 is paid to board members on approved Commission business according to Australian Taxation Office rates.

## ADVISORY COMMITTEES

The Commission has four committees of the board:

- Wellington Forest Advisory Committee – provides advice on the development of the Wellington National Park.
- Lake Kepwari (Western Five) Working Group – progresses the planning and future development of the water-filled former open cut coal mine at Collie.
- SWDC Audit and Risk Assurance 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.
- South West Human Services Planning Committee – facilitates coordination and planning at a regional level between agencies involved in the provision of community and human services.

## BOARD MEMBERS FOR 2005/06

MEMBER	REPRESENTATIVE	TERM	TERM EXPIRY	MEETINGS ATTENDED
<b>STAN LIAROS</b> <b>CHAIRMAN</b>	Ministerial	3 years	2008	4/5
<p>(Appointed August 2005; Leave of absence from March 2006)</p> <p>Bunbury businessman, Stan Liaros, is group general manager/director of Group Training South West Inc, and currently sits on the board of AQWEST (the Bunbury Water Board). Stan is deputy chairman of Group Training Australia (WA) and has served in a number of positions with several trade unions. He is a community-minded family man and is also a member and supporter of several chambers of commerce in the region. His company is actively involved in sponsorship and support of local football, hockey, cricket and surf lifesaving.</p>				
<b>PETER MONAGLE</b> <b>DEPUTY / ACTING CHAIRMAN</b>	Local Government	3 years	2008	9/9
<p>(Reappointed September 2005; Acting Chairman from March 2006)</p> <p>Harvey Shire Council president, Peter Monagle, has been a shire councillor since 1996. Peter is also a member of the South West Region Planning Committee and the Greater Bunbury Regional Planning Committee. Previously, Peter was a Commonwealth public servant, head teacher in Papua New Guinea and a local retailer. Peter has extensive and varied business experience, he founded and operated several businesses in the South West and is currently a business administrator residing at Roelands. With 25 years involvement in his community, including the creation of the Brunswick Community Channel Park, Peter is enthusiastic about community and economic development in the South West.</p>				
<b>POSY BARNES</b>	Community	3 years	2008	5/5
<p>(Appointed November 2005)</p> <p>Posy Barnes has a masters of business administration and is chief executive officer of Jobs South West Inc. in Bunbury. Prior to this Posy managed the State's second largest training provider, SMYL Community Services. She has a strong background in management, public relations and marketing and has worked extensively throughout Western Australia and in London. Posy brings a wealth of experience to the Commission in employment and training matters.</p>				
<b>MAUREEN THURSTON</b>	Local Government	3 years	2007	8/9
<p>(Reappointed December 2004)</p> <p>Maureen Thurston is a Bridgetown-Greenbushes Shire councillor and administration officer with St Brigid's School at Bridgetown. Maureen has lengthy local government experience and is chairman of Bridgetown-Greenbushes Roadwise Committee and the Tourism Advisory Committee, and past chairman of both Bridgetown's Mainstreet Project and the Blackwood River Valley Marketing Association. Maureen is very interested in community participation in regional matters.</p>				
<b>BARBARA DUNNET</b>	Local Government	3 years	2006	8/9
<p>(Appointed October 2003)</p> <p>Currently president of the Nannup Shire Council, Barbara Dunnet has been a shire councillor since 1997. Barbara has a farming and teaching background, and helps run her family's cattle grazing operation and irrigated agricultural pursuits at Scott River. Barbara is chairperson of the Augusta Walpole Coastal Strategy Steering Committee, vice chairperson of the South West Zone of the WA Local Government Association, member of the State Coastal Planning and Coordination Council and serves on several committees addressing primary industry and local government issues.</p>				



MEMBER	REPRESENTATIVE	TERM	TERM EXPIRY	MEETINGS ATTENDED
<b>TANYA HEASLIP</b> (Appointed October 2003) Strategic consultant, lawyer and director of her own company, Tanya Heaslip has over 18 years experience advising government and companies about land access and development issues in Western Australia and the Northern Territory, specialising in mining and Indigenous issues. Tanya is a board member of the South West Area Consultative Committee, member of the Association of Mining and Exploration Companies and a former executive officer of the WA Chamber of Minerals and Energy. She lives in Margaret River and is involved at a community level with tourism, local arts, the wine industry and women in business. Tanya is focused on strategic and sustainable long-term economic development in the South West.	Ministerial	3 years	2006	5/9
<b>NICHOLAS OAKS</b> (Reappointed September 2005) Nick Oaks is a commissioner with the Forest Products Commission. He is currently a councillor and former president of the Bridgetown-Greenbushes Shire Council and is a board member of the Forest Heritage Centre that manages the Australian School of Fine Wood. Nick has a practical interest in employment and training issues and their impacts on regional economic and community development.	Ministerial	2 years	2007	7/9
<b>JOHN BIRD</b> (Appointed December 2004) John Bird has been deputy president of the Collie Shire Council since 2003 and is a former community relations manager at Griffin Coal. He is an author, sportsman, thoroughbred horse breeder and proprietor of a bed and breakfast accommodation house in Collie. John has contributed a great deal to the Collie community, organising events such as the Australian Rowing Championships at Wellington Dam and the Griffin Arts Festival.	Community	3 years	2007	9/9
<b>DAVID TRENCH</b> (Appointed December 2004) David Trench is an active contributor to the Bunbury business community and is currently deputy chairman of the Bunbury Wellington Economic Alliance and immediate past president of the Bunbury Chamber of Commerce and Industries. David is Asia Pacific regional director of Bristol Babcock and has a military background having served five years in the 10 <sup>th</sup> Light Horse Regiment. David sits on two business committees advising the Bunbury City Council, is a board member of ECU advisory board and board member of the Val Lishman Foundation. He also works as a marketing consultant to a Bunbury-based real estate firm.	Community	3 years	2007	8/9
<b>DON PUNCH, SWDC CEO</b> 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.	Chief Executive Officer	N/A	N/A	8/9

#### Members who retired in 2005:

<b>CAROL DEVITT</b> (31 July 2005)	Ministerial	1 year	2005	1/1
<b>TED THOMPSON</b> (31 October 2005)	Community	3 years	2005	2/4

## 5.2 STAFF

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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 strategic plan, which is 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 AS AT 30 JUNE 2006 (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.

#### **Graeme Baesjou**

*Manager Regional Development*

Graduate Diploma in Management Studies

Diploma of Administration Studies

Graeme is a recent appointee with 10 years of experience in regional development.

#### **Vanessa Lewis**

*Principal Policy Officer*

Bachelor of Economics

Vanessa has 29 years of experience in regional development in the South West Region, particularly in the areas of research, regional planning and policy development.

#### **Val Cartwright**

*Chief Finance Officer*

Advanced Diploma of Accounting

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

## 5.3 REPORT ON HUMAN RESOURCES

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As at the end of June 2006 the Commission had 25 employees.

Thirty-two per cent of employees were aged over 45 with no employees aged less than 25 years. Fifty-two per cent of employees were female and both Aboriginal and non-English speaking background employees made up four per cent each. On a regular basis the Commission hosts school-based work experience students and TAFE structured workplace learning students.

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

STAFF LEVELS	TOTAL STAFF	NUMBER OF STAFF	
		FEMALE	MALE
LEVEL 1	4	4	-
LEVEL 2	2	1	1
LEVEL 3	2	1	1
LEVEL 4	2	2	-
LEVEL 5	8	3	5
LEVEL 6	3	1	2
LEVEL 7	2	1	1
LEVEL 8	1	-	1
LEVEL 9	1	-	1
<b>TOTAL</b>	<b>25</b>	<b>13</b>	<b>12</b>

### 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.

### INDUSTRIAL RELATIONS

The Commission's employees are employed under the *Public Service General Agreement 2004*.

### OCCUPATIONAL HEALTH AND SAFETY

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

## **FLEXIBLE WORKING ARRANGEMENTS**

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

## **TRAINING DEVELOPMENT AND ACHIEVEMENTS**

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

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

During 2005/06, employees were involved in a range of skill renewal, development and knowledge-based activities that included: Taking Control of Everyday Stress; Rapid Fire Project Management; Pathways to Leadership; Understanding the Media; Public Sector in Focus; Work Life Balance; Dynamic Presentations; and Records Management.

A new Professional Development System is in place that fosters personal growth across the streams of Leadership and Management, Community and Project Development, and Corporate and Administration.

The Commission spent a total of \$25,357 on development and training activities during the reporting period.

## **EMPLOYEE VOLUNTEERING POLICY**

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

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

# Section 6.

## Our Performance

The South West Development Commission works through three strategic themes 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

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The Commission delivers its work through three strategic themes:

1. Investing in People;
2. Investing in Infrastructure and Place; and
3. Investing in Knowledge, Enterprise and Innovation.

These three strategic themes are integrated 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.

The themes are also aligned with the State Government's Strategic Planning Framework, Goal 4: The Regions, "to ensure that regional Western Australia is strong and vibrant". The activities of the South West Development Commission aim to ensure that the South West is a strong and vibrant region.

In turn, the Strategic Planning Framework Goal 4 is synonymous with the outcomes of the State Government's Regional Development Policy. The Commission reported to Government on relevant strategies within these outcomes in August 2004 and will report on the outcomes in July 2006.

The following summary of strategic highlights for the Commission's three strategic themes reflects South West Development Commission activities within both the Strategic Planning Framework and Regional Development Policy.

### STRATEGIC HIGHLIGHTS

#### *Investing in People*

*Involving people in our communities is a key to building self-reliance and positive futures.*

The Commission's priority outcomes for "Investing in People" in the South West assist in achieving the State Government's Strategic Planning Framework and Regional Development Policy strategic outcomes:

- Planning in partnership for a sustainable future;
- Effective Government service delivery to regions;
- Skilled communities;
- Improved regional infrastructure;
- Diversified regional economies;
- Lifelong learning in the regions;
- Effective health service delivery;
- Enhanced quality of regional lifestyles; and
- Cohesive communities.

Priority Outcomes for the South West	Achievements	Future Actions
<b>LEARNING COMMUNITIES</b>		
<b>Leadership</b> Build on our Southern Region Leadership Development Strategy.	Conducted the Southern Region Leadership Forum and skills workshops. Introduced an awards program, established a skills consortium and initiated a State leadership framework for community leadership support and development.	Deliver the 2006 leadership forum and awards program and conduct 12 leadership skills workshops across the Southern Region.  We will pilot a community program to support the administration of not-for-profit organisations in partnership with Rotary and further develop the skills consortium structure.
<b>Futures Program</b> Use a national futures conference to engage the community in thinking about the future development of the region and promote Bunbury as an innovative city.	Commenced the South West Futures Program, including preparation for a national conference in the region early in 2007.	Deliver the South West Futures Conference as a national conference in February 2007, establish a South West Futures Council and promote Bunbury as an innovative city.
<b>Lifelong Learning</b> Facilitate the development of telecentres and learning centres into new technology-based learning centres.	Commenced a pilot program for the introduction of community learning centres in the region.  Facilitated completion of the regional electronic library.	Assess the pilot program for online community learning centres based at telecentres and learning centres within the region.
<b>Government Services – Vasse and Bunbury</b> Facilitate a review of government service planning in the Vasse and Bunbury growth areas.	Conducted an agency-shire forum at Busselton to review growth and service requirements for the Shire of Busselton.	Implement a planning project to engage the coastal strip in planning for human service delivery and affordable housing.
<b>Healthy Communities Project</b> Facilitate the development of local community plans through the Healthy Communities Project.	Continued to provide follow-up, to the community planning workshops and subsequent plans, in the towns of Dunsborough, Augusta and Nannup. Funding applications to continue the project with a focus on research were not successful.	Project has been completed.
<b>COMMUNITY INFRASTRUCTURE</b>		
<b>Collie Swimming Pool</b> Complete heating of the Collie swimming pool.	Contributed financially to the heating of the Collie swimming pool.	Provide \$250,000 for further redevelopment of the Collie swimming pool.
<b>Binningup Library</b> Enhance library facilities at Binningup.	Contributed financially to build a community library in Binningup.	Library will be completed in 2006/07.

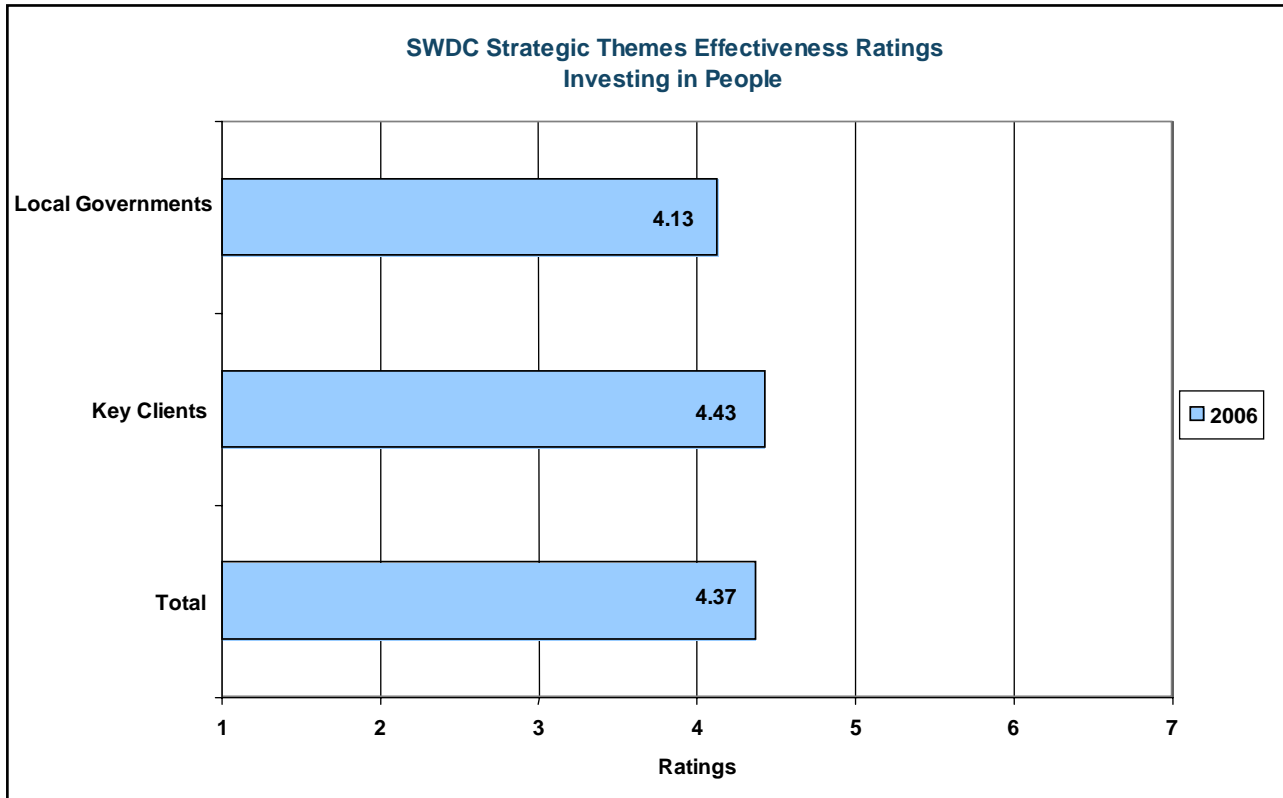
Priority Outcomes for the South West	Achievements	Future Actions
<b>South Bunbury Primary School</b> Complete funding for South Bunbury Primary School facilities.	Contributed financially to improve facilities at South Bunbury Primary School.	Project will be completed in 2006/07.
<b>Lake Kerpwari</b> Finalise the hand back process and infrastructure development for Lake Kerpwari.	Facilitated public consultation and planning for the development of Lake Kerpwari at Collie, including final risk analysis and design documentation for the future of the lake.	Open Lake Kerpwari at Collie for public recreational activity. Attract an investment portfolio for the future development of the lake.
<b>RDS 2005/06</b> Conduct the 2005/06 Regional Development Scheme funding round.	Administered the 2005/06 Regional Development Scheme. There were 18 successful grant applications.  The State Government is providing \$500,000 per annum during this, the second four-year scheme. By agreement, \$100,000 was allocated in 2005/06 for a South West Community Foundation.	Administer the 2006/07 Regional Development Scheme.
<b>South West Community Foundation</b> Develop the South West Community Foundation.	Developed the South West Community Foundation Model and established an interim advisory board.  Planned an awareness and donations campaign that includes a public launch.	Implement the South West Community Foundation Model with an operational board of management.
<b>Youth</b> Develop a strategy for integrated youth support in the region through the Office for Children and Youth.	A senior development officer, who will provide a linkage with the youth networks in the region, has been located in the Commission's office.	Develop a framework for supporting youth access to training and jobs within the region, including careers and apprentice showcase models.
<b>Housing</b> Examine options to improve access to affordable housing in the region.	Provided comment on the 'Housing Strategy WA – Discussion Draft', Department of Housing and Works, in March 2006.	Implement a review of affordable housing strategies along the coastal strip from Bunbury to Augusta.
<b>Aged Care</b> Develop responses so smaller communities can provide for aged care needs.	Completed planning for the Balingup VINTAGE initiative.  Provided funding for the development of aged care facilities at Brunswick.	Complete Brunswick aged care project.
<b>South West Human Services Planning Committee</b> Ensure social and community infrastructure keeps pace with the growth of the region.	Continued to support the South West Human Services Planning Committee in developing a framework for ensuring human services match changing needs in the region.	A model for incorporating social development into development planning for the region through the statutory process will be developed.



## HOW WE PERFORMED

SWDC's 2006 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in "Investing in People". The rating scale ranged from 1 – very ineffective to 7 – very effective.

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



(Due to the introduction of the new strategic plan and a change of rating scale, the results of only one client survey are available for this year's report. An accumulation of results will appear in future reports.)

## **SPECIAL REPORT: SOUTHERN REGION LEADERSHIP STRATEGY 2006**

The Southern Region Leadership Strategy is an ongoing plan spanning the Great Southern, South West and Peel regions.

It is aimed at strengthening the capacity and motivation of existing and emerging community leaders (usually volunteers on committees) within regional communities so they contribute to the development of their town and region.

It is also intended to provide a support structure, ongoing training and networking opportunities, motivation, encouragement and acknowledgement to existing and emerging community leaders in the regions.

In this way people develop the confidence to take the next steps in reaching their potential as community leaders.

By strengthening the leadership capacity and motivation of people involved in community activity, groups are able to plan, conduct projects and work with volunteers much more effectively.

This project is being used as a framework for state-wide implementation through partnerships with Leadership WA and the WA Community Foundation.

Through this partnership, funds will be sought from the State Government, and key industry and business stakeholders to ensure the sustainability of the community leadership strategy.

On 30 June and 1 July 2005 the Commission hosted the inaugural 2005 leadership conference in Bunbury. Among the guests was former WA Governor John Sanderson.

During 2005/06, the Commission has continued work on delivering the leadership strategy, engaging with the community, industry and other government agencies to host another event on 7-8 September 2006.

As part of the lead-up to the September forum a series of community capacity building workshops focusing on governance, community mentoring, project management, and succession planning have been organised in Mt Barker, Katanning, Ongerup, Albany, Manjimup, Dunsborough, Bridgetown, Bunbury, Pinjarra, Waroona, Boddington and Mandurah.

## **SPECIAL REPORT: LIFELONG LEARNING INITIATIVE**

The South West Development Commission has been working in partnership with the region's telecentres and learning centres to expand the availability of courses that people take for self-development purposes.

A wide range of lifelong learning courses and non-vocational training, such as University Extension courses, is available in the metropolitan area and the Commission is working to enable more of these types of courses to be offered throughout the South West.

The Commission, in partnership with the Telecentre Support Branch and Learning Centre Link, hosted the 'Learning Communities Connected' forum at Edith Cowan University in Bunbury in October 2005.

Participants identified issues relating to the changing social demographics of the region, expanded role of technology at home, the need for continual career development, availability of non-tertiary learning opportunities, life skills, impact of a changing workplace, retiree community and particularly the need for an online library database service.

The forum was a forerunner for the South West Development Commission's call for expressions of interest for its \$120,000 Lifelong Learning Initiatives Program – made available to assist the groups over the next two years.

The Commission commenced an open call process in early January resulting in four initiatives being funded across the South West in 2006/07.

Successful project ideas ranged from a regionally based 'I Compute' initiative in the Warren Blackwood region; facilitating the sharing of local expertise and web page training through a 'Sharers and Carers' program in Northcliffe; technology upgrades and skills workshops at Milligan House, Bunbury; and a 'Learning Communities' initiative for the Brunswick and Yarloop communities.

The Commission is now responding to one of the key items identified at the October forum – the need to develop improved online support services for both learning and telecentres via creation of an online resource library.

The Commission is now in discussion with the Telecentre Support Branch and Learning Centre Link refining the design, capability and services that will be available through a comprehensive online "library" to be available in 2006/07.

## ***Investing in Infrastructure and Place***

***Understanding the interplay between the environment, our infrastructure and our communities is fundamental to progressing the development of the South West Region and creating sustainable jobs now and for a growing population into the future.***

The Commission's priority outcomes for "Investing in Infrastructure and Place" in the South West assist in achieving the State Government's Strategic Planning Framework and Regional Development Policy strategic outcomes:

- Planning in partnership for a sustainable future;
- Effective Government service delivery to regions;
- Improved regional infrastructure;
- Enhanced regional investment;
- Enhanced quality of regional lifestyles; and
- Improved environmental management.

<b>Priority Outcomes for the South West</b>	<b>Achievements</b>	<b>Future Actions</b>
<b><i>MODERN COMPETITIVE TRANSPORT INFRASTRUCTURE</i></b>		
<b>Passenger Transport</b> Continue to support the review of passenger transport services by the Department for Planning and Infrastructure (DPI).	DPI has initiated a review of intra-regional services and presented a preliminary report to the South West zone of WALGA.	Finalise the report and identify where services can be established in the region.
<b>Australind Train</b> Facilitate a business case for a new Australind rail set.	A comprehensive review of the Australind was completed in 2003.	Work with the Public Transport Authority to establish a long-term development plan for the Australind.
<b>Perth-Bunbury Highway</b> Ensure construction proceeds in a timely manner and maximises the involvement of local contractors.	Undertook briefings with consortium proponents to maximise local content from construction of the Peel Deviation.	Support local industry briefings as sub-contracts become available.
<b>South Western Highway</b> Facilitate a review of the South Western Highway to improve road efficiency.	Main Roads WA has prepared strategies for highway improvements, including overtaking lanes, widening and new signage.	Continue to work with stakeholders to support future development of the highway.
<b>Margaret River Perimeter Road</b> Provide funding to facilitate CBD planning at Margaret River in conjunction with planning for the proposed Perimeter Road.	See "Townscape Plans" under strategic priority "Urban Renewal".	
<b>Port Access Road and Outer Ring Road</b> Support timely planning and construction of the Port Access Road and continue lobbying for the Bunbury Outer Ring Road.	Planning and design work is progressing on the Port Access Road. Timing for the Outer Ring Road is under review.	Establish the Bunbury Outer Ring Road Stakeholders' Group to develop a business case and assist in securing funding for the construction of the Outer Ring Road.

Priority Outcomes for the South West	Achievements	Future Actions
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#### **Port Containerisation**

Provide funding to examine the expansion of rail export container services from the South West Region to Fremantle Inner Harbour, including an intermodal facility.

Provided funding and technical support to the study 'expansion of rail export container services from the South West of Western Australia to Fremantle Inner Harbour'.

Study has been completed. Containerisation is now subject to market forces in relation to shipping costs and service viability.

#### **Fuel and Oil Transport**

Provide funding to further examine options for fuel and oil transport from road to rail and sea.

Provided funding and technical support to the study 'evaluation of transport, handling and storage of fuel, crude oil and lubricants in the southern half of Western Australia'.

Project has been completed. DPI will review outcomes of the study and examine opportunities to improve the efficiency of the fuel freight task.

### **COMPETITIVE UTILITY AND INFRASTRUCTURE PROVISION**

#### **South West Water Plan**

Undertake a review of water infrastructure requirements in the region.

Commenced the development of a South West Water Plan.

A South West Water Plan will be completed in 2006/07.

#### **Small Town Sewerage**

Undertake an economic analysis of sewerage provision to small town development.

Commenced the investigation and analysis of regional benefits that flow from investment in sewerage infrastructure.

Provide advice to Government on key areas requiring urgent attention under the existing health and environmental needs criteria. A regional development plan will be presented to Government outlining the economic benefits of broader in-fill provision.

#### **Broadband**

Continue to support broadband development in the region through the 'Serious Broadband' initiative.

Facilitated the aggregation of broadband demand leading to increased rollout in 34 towns within the region.

Establish a benchmark for 'Serious Broadband' based on Canadian and European standards and link to Connect Australia.

### **LAND FOR INDUSTRY**

#### **Picton Land**

Complete a project plan and development scope for the balance of Commission land holdings at Picton.

Commenced planning for Stage 4 of the Picton Enterprise Park.

Undertake structure planning for the Commission's Picton land holdings in partnership with LandCorp.

#### **Preston Sewerage**

Implement the Preston Sewer extension.

Undertaking due diligence work for the entire Picton industrial land that includes sewer and other infrastructure planning.

Commence engineering design for the Preston sewerage extension.

Priority Outcomes for the South West	Achievements	Future Actions
<b>Light Industrial Areas</b> Support the development of light industry land at Harvey, Boyup Brook and Bridgetown.	<p>Drainage works in the Harvey light industrial area were completed in March 2006, with funding through the Regional Development Scheme.</p> <p>Continued to work in partnership with the Shire of Boyup Brook in the development of its light industry land.</p> <p>Liaised with the Shire of Bridgetown-Greenbushes and offered assistance if required.</p>	<p>Continue to support local governments in developing their light industry land.</p>
<b>Collie Shotts Industrial Park</b> Continue evaluation of the Collie Shotts industrial park.	<p>Undertaking a demand assessment of industrial land in Collie.</p>	<p>Finalise arrangements for a land consolidation package to be presented to Government.</p>
<b>URBAN RENEWAL</b>		
<b>Big Swamp</b> Complete a funding agreement for the enhancement of the Big Swamp at Bunbury.	<p>Assisted in the development of a management and development plan for the Big Swamp in Bunbury. This has now been referred to the EPA.</p>	<p>Subject to conditions set by the EPA, commence construction of boardwalks.</p>
<b>Koombana Bay Groyne</b> Complete funding for the Koombana Bay groyne.	<p>City of Bunbury has rejected a proposal for the project and will review possible alternative facilities as part of the Outer Harbour proposal.</p> <p>Outer Harbour Stage 1 feasibility work is complete and has been referred to State Cabinet for consideration. Stage 1 includes facilities for public access, boat penning and launching.</p>	<p>Develop an alternative plan for improved access via Casuarina Harbour.</p>
<b>Bunbury Court House</b> Support the refurbishment of the old Bunbury Court House.	<p>Resolved vesting and control of the building and developed agreement for community access.</p>	<p>Finalise lease for community group access and complete renovations to the building.</p>
<b>Pioneer Park</b> Fund the redevelopment of Pioneer Park.	<p>Landscape design has been completed.</p>	<p>Pioneer Park development works will be completed.</p>
<b>Collie River Restoration</b> Complete a grant agreement for the restoration of the Collie River.	<p>Finalised a grant agreement for \$30,000 with the Department of Environment. To date \$17,818 has been paid on the achievement of milestones.</p>	<p>Complete construction of riffles in required areas.</p>
<b>Pemberton Tourism Precinct</b> Complete planning for the redevelopment of the Pemberton Tourism Precinct.	<p>Stage 1 of Pemberton Pool site redevelopment is underway.</p> <p>Works have started at the Pemberton Pool site with restoration of the outside shelter, removal of dying trees and connection of scheme water supply.</p>	<p>Site to be fenced. Quotes to be sought for the total restoration of the kiosk, shower and toilet block site with completion due in 2006/07.</p>

Priority Outcomes for the South West	Achievements	Future Actions
<b>Yarloop Community Centre</b> Complete a funding agreement for the development of a community centre at Yarloop.	Completed preliminary planning and negotiations for the proposed Yarloop Community Centre.	Complete redevelopment of the Yarloop Community Centre.
<b>Turkey Point Development</b> Complete a funding agreement for public facilities at Turkey Point.	Finalised a grant agreement of \$70,000 with the City of Bunbury to construct toilet facilities and upgrade parking.	Complete development of toilet and parking facilities.
<b>Bunbury's Back Beach – Stage 2</b> Finalise funding for Bunbury's Back Beach.	Assisted the redevelopment of major components of Bunbury's Back Beach.	Complete final civil works for the Back Beach.
<b>Townscape Plans</b> Complete precinct planning in conjunction with local governments.	Assisted urban renewal programs for Walpole, Yarloop, Pemberton, Brunswick Junction, Boyup Brook, Margaret River and Bunbury.  <b>Highlights:</b> <ul style="list-style-type: none"> <li>Townscape planning for Walpole, Yarloop, Brunswick Junction and Boyup Brook was completed.</li> <li>Planning for the Pemberton main street was completed. The Shire secured \$600,000 towards implementation through the State's Regional Infrastructure Funding Program.</li> <li>SWDC provided funding for the development of a townscape strategy for Margaret River to capture the unique distinctiveness of Margaret River as a tourism icon.</li> <li>Commenced feasibility work to assess if land development in Busselton can fund the repair of the Busselton Jetty.</li> </ul> <b>Note:</b> On 12 May 2006 the State Government of Western Australia and the district of the Shire of Busselton entered into a Memorandum of Understanding (MOU) with the intent of working cooperatively to achieve the sustainable social, environmental and economic development of Busselton. SWDC facilitated the development of the MOU. The first project to be undertaken within its umbrella is the refurbishment of the Busselton Jetty.	Assist local governments in the implementation of their townscape plans.  Specifically: <ul style="list-style-type: none"> <li>Progress townscape development in Yarloop.</li> <li>Support the City of Bunbury to achieve the directions established through the City Vision process, including active promotion of Bunbury as an area for growth and development.</li> <li>Assist Boyup Brook to finalise main street improvements.</li> <li>Complete economic development planning for Augusta and Margaret River.</li> <li>Complete the initial feasibility of the Busselton Jetty refurbishment project, and fund the development of detailed concept plan, due diligence and public consultation.</li> </ul>

## Priority Outcomes for the South West

## Achievements

## Future Actions

### OUR NATURAL ENVIRONMENT

#### Leschenault Estuary

Finalise planning to address siltation and fish stocks at Leschenault Estuary.

Established a steering committee, developed a framework and sourced \$400,000 for the Leschenault Inlet siltation project.

Complete dredging works at the estuary.

Support a review of fish stocks and recreational fishing within the Leschenault Estuary.

#### Tuart Walk

Complete planning for the Tuart Walk and commission construction.

Constructed the Tuart Walk between Usher (in the City of Bunbury) and Dalyellup (in the Shire of Capel) in conjunction with the Bunbury Tuart Forest Walk Planning Group.

Install interpretive material and facilities for the Tuart Walk. Project will be completed in 2006/07.

#### Busselton Wetlands

Support the development of an eco-tourism/environment project at the Busselton wetlands.

Final report for the development of a Bird Observatory and Wetlands Experience has been completed. Stakeholder feedback has been positive. SWDC facilitated a 'where to from here' planning session in March 2006. Funding opportunities are being assessed.

Feasibility has been completed. Develop a finance strategy with the Shire of Busselton.

#### Waste Management

A coordinated approach to the development of waste management infrastructure.

Facilitated further development of the South West Local Government Waste Management Advisory Committee. An executive officer was provided until 26 February 2006.

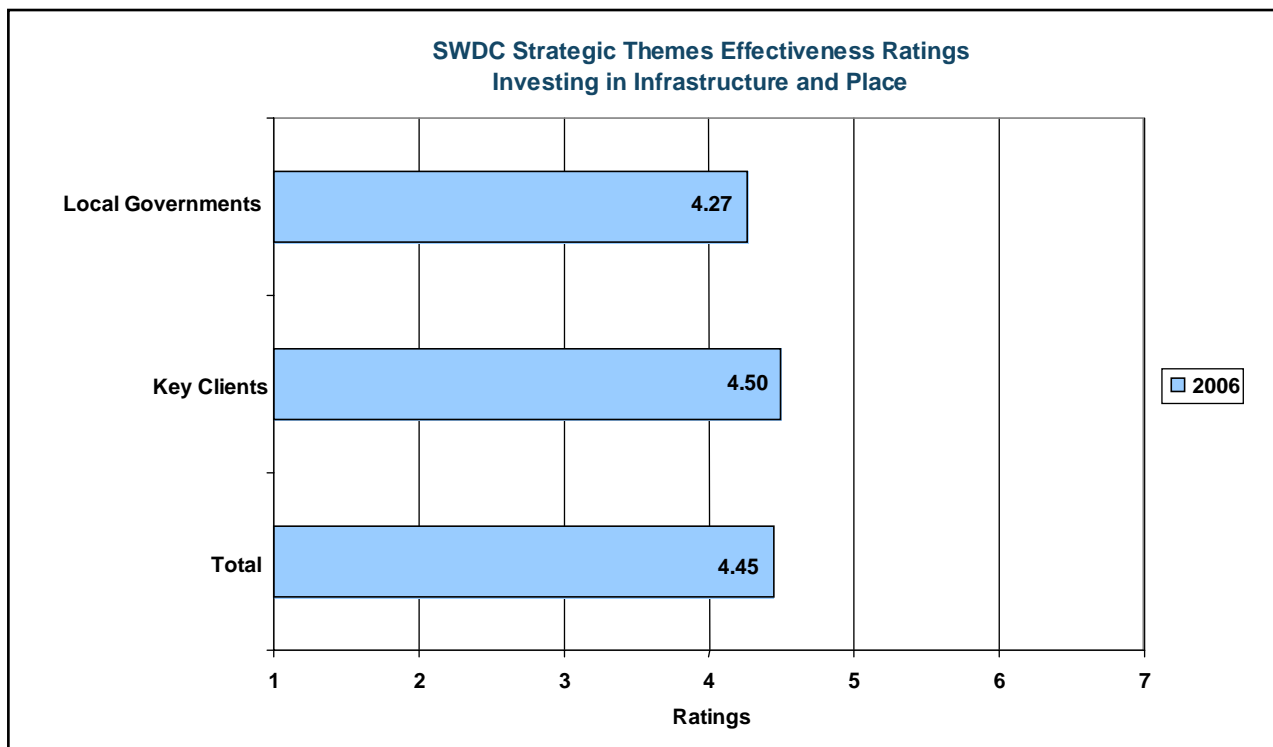
Project has been completed. Advisory committee is now self sufficient.

## HOW WE PERFORMED

SWDC's 2006 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in "Investing in Infrastructure and Place". The rating scale ranged from 1 – very ineffective to 7 – very effective.

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





(Due to the introduction of the new strategic plan and a change of rating scale, the results of only one client survey are available for this year's report. An accumulation of results will appear in future reports.)

## **SPECIAL REPORT: TOWNSHIP URBAN RENEWAL**

The South West Development Commission is working in partnership with the region's local governments to help revitalise some of the South West's regional centres.

This work is aimed at helping preserve the character and unique history of these towns and villages, and revamping them to improve the lifestyle for both residents and tourists alike.

The Commission recognises that many of the region's small town communities continue to face major challenges both socially and economically. Often these issues stem from the need to diversify their economy.

To help address these issues the Commission is providing financial and in-kind support through its urban renewal strategy.

The once-vibrant townships of Brunswick Junction and Yarloop, over time, have suffered declines due to the withdrawal of railway and other government services. Walpole and Pemberton in the Manjimup Shire face similar challenges with the restructure of the timber industry.

For all of these centres the tourist industry is seen as a potential life line.

Working with the relevant local governments, the Commission has assisted in the development of town centre master plans as a blueprint for future development.

This development work not only improves the amenity for local residents, but also inspires domestic and international tourists to visit and stay a little longer. An improved townscape helps boost business confidence that has a positive effective in terms of increased employment opportunities.

A big part of the urban renewal process is community consultation. This process is seen as an essential component so that the end result matches community expectations and requirements.

The Commission has allocated \$100,000 to Yarloop, \$31,500 to Brunswick, \$7,000 to Walpole and \$42,000 to Pemberton.

For Boyup Brook, \$15,000 was provided to improve the visual amenity of the main street by bundling power lines.

These contributions, while unlikely to be enough to finish a complete makeover at each town, provide the impetus for the community to secure finance from other sources.

In Margaret River, planning and community consultation is underway to look at solutions to the growing volume of traffic on the town's main street to help maintain the area's public amenity.

## **SPECIAL REPORT: PICKTON ENTERPRISE PARK – BUNBURY**

The South West Development Commission has been developing land at Picton, near Bunbury, to provide opportunities for industrial growth and expansion in the South West.

Over 300 hectares of land formerly used for rural purposes is being gradually rezoned and developed according to industry demand.

The Commission has purposely designed the development of the Picton Enterprise Park to complement the activities of other providers of industrial land such as local government and the private sector.

Lots at the Picton Enterprise Park are generally of a larger nature suiting those industries that rely on heavy transport for the delivery or pick up of goods and raw materials.

The park is perfectly situated for general industry having the South Western Highway and Perth-Bunbury Highway on the north and south boundaries and the Port Access Corridor on the western boundary. All major services are available.

Currently there are 16 industries operating in the park whose activities range from limestone products manufacturing, warehousing, earthmoving, recycling, distribution of oil products, manufacturing, and processing.

The attractiveness of the development is drawing the interest of higher-value industries seeking a site in a well-planned estate with good access to major services, transport linkages and the Bunbury Port.

The Commission recently developed and sold a property to a bio-fuel company which is in the final stages of commissioning a \$15 million processing plant.

Expressions of interest have been received from two new industries seeking to locate in the park – a bio-ethanol plant and a bio-technology project focusing on agricultural products.

These industries have the potential to create significant economic spin-offs for local businesses and to provide employment opportunities in the technology sector.

The Commission is now embarking on a joint venture proposal with LandCorp to take the Enterprise Park to the next level of industrial land development.

LandCorp's expertise in designing, developing and marketing premier industrial estates will boost the Commission's own land management arm.

Preliminary planning and feasibility work will focus on creating a strategically-located industry and business park that will deliver opportunities for the South West over the next 10 to 15 years.

## ***Investing in Knowledge, Enterprise and Innovation***

***Building relationships between knowledge, creativity and business as a basis for driving forward new investment.***

The Commission's priority outcomes for "Investing in Knowledge, Enterprise and Innovation" in the South West assist in achieving the State Government's Strategic Planning Framework and Regional Development Policy strategic outcomes:

- Planning in partnership for a sustainable future;
- Diversified regional economies;
- Skilled communities; and
- Enhanced regional investment.

<b>Priority Outcomes for the South West</b>	<b>Achievements</b>	<b>Future Actions</b>
<b><i>THE EDUCATION ECONOMY</i></b>		
<b>Regional Training Plan</b> Support the finalisation of the South West Regional Training Plan.	Supported the finalisation of the South West Regional Training Plan which was completed in November 2005 and accepted an offer from the Department of Education and Training for SWDC to provide advice on regional training priorities.	Develop a roundtable of training providers and industry representatives to improve coordination of labour market forecasts and training planning.
<b>Trade Skills Summit</b> Facilitate a summit for trade skills development with industry.	A trade skills summit was convened by the Department of Education and Training in 2006.	Develop a careers and apprenticeship showcase. Develop a web portal site showcasing careers and apprenticeships based on the My Town portal.
<b>Higher Degrees ECU (South West Campus)</b> Support the development of higher research degrees at ECU Bunbury.	ECU has increased its rate of higher research degrees in the region.	Project has been completed.
<b><i>THE KNOWLEDGE ECONOMY</i></b>		
<b>Kemerton Industrial Research Centre</b> Investigate the feasibility of the Kemerton Industrial Research Centre as a multi-purpose facility for the minerals sector.	Undertook preliminary market research on user interest for a South West industrial research facility and provided funding for the preparation of a business case for the proposal.	Project has been completed. Future action subject to commercial decision-making by anchor proponent.
<b>Innovation Council</b> Establish an innovation and research advisory council for the South West.	A futures conference has been developed for early 2007 as a precursor to development of an innovation council.	Convene the South West Futures Conference in February 2007. Establish an innovation council in March 2007. Establish an 'Innovation' breakfast forum to showcase local innovative industry.

Priority Outcomes for the South West	Achievements	Future Actions
<b>Dolphin Research Centre</b> Support the development of the Dolphin Discovery Centre as a marine research facility.	Developed a business case, formed partnerships, provided funding and secured sponsors to establish a five-year dolphin research program in Bunbury.	Assist with the implementation of the dolphin research program at the Dolphin Discovery Centre in Bunbury.
<b>Collie Aquaculture</b> Commence evaluation of large-scale aquaculture development at Collie.	Facilitated discussions between Curtin University, the Aquaculture Council of Western Australia, leading marron producers, Fisheries WA, Curtin University and Wesfarmers Premier Coal, to progress this project.	Develop an industry stakeholder group to further develop the commercial potential of the Collie aquaculture project.

### ***BUILDING BUSINESS AND INDUSTRY***

<b>Invest South West</b> Refocus Invest South West as an industry attraction and expansion strategy with the following components: <ul style="list-style-type: none"> <li>❑ New Export Development Program (TradeStart)</li> <li>❑ Skilled and business migration</li> <li>❑ South West Business Relocation Strategy</li> <li>❑ Business Expo 2006</li> <li>❑ South West Focus 2006</li> </ul>	<p>Developed an action plan for Invest South West 2006.</p> <p>Delivered the New Export Development Program in partnership with Austrade. Achieved the target of 25 'New Export Clients' on the program, with an additional 12 clients above the target. Achieved 21 successful 'Economic Impacts' above the target of 16. Facilitated successful trade visits to Singapore and Thailand to coordinate greater wine, tourism and arts exposure internationally. SWDC TradeStart Officer has been assigned the role of coordinating the marketing platform for Western Australia titled 'Beyond the Backyard'.</p> <p>Skilled migration applications received and assessed during the year in review by visa type:</p> <ul style="list-style-type: none"> <li>• Employer Sponsored Temporary 457 – 61 (22 in 2004/05)</li> <li>• Regional Sponsored Migration Scheme – 60 (72 in 2004/05)</li> <li>• Trade Skills Training Visa – 1 (n/a in 2004/05)</li> <li>• State sponsored SIR approvals – 143 (1 in 2004/05)</li> <li>• Total Applications – 265 (95 in 2004/05)</li> </ul> <p>From 1 July 2005 to the end of the March quarter 2006, provided assistance to 208 businesses (for business migration, skilled migration, trade facilitation and relocation/expansion).</p>	<p>Continue to deliver the New Export Development Program in partnership with Austrade. Arts, wine, food and tourism will be a key focus for 2006/07. Other initiatives include:</p> <ul style="list-style-type: none"> <li>• 'Beyond the Backyard' as a region-wide radio trade slot based in the South West.</li> <li>• 'Beyond the Backyard.com' will be the state-based website for Austrade which will be coordinated by the SWDC TradeStart Officer.</li> <li>• MasterCard World Wine &amp; Travel Summit &amp; Exhibition will be staged in Margaret River in November 2006.</li> </ul> <p>Continue the role of regional certifying body for the attraction of suitably qualified skilled migrants to the South West.</p> <p>Finalise a business and industry relocation strategy for the South West, targeting metropolitan-based businesses and industries, and commence implementation.</p>
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Priority Outcomes for the South West	Achievements	Future Actions
<b>Invest South West</b> (Continued)	<p>Promoted the South West Region at the Business Opportunities Expo in Perth on 23-25 June 2006.</p> <p>Established a coordinating committee for the South West Focus conference in 2006/07.</p> <p>Developed a Kemerton Industrial Park website as part of the park's marketing strategy.</p>	<p>Convene the 2007 South West Focus conference.</p>
<b>Local Content Strategy</b> Local content strategy for major projects.	<p>Supported the establishment of the South West and Peel Fabricators' Cluster to assist participation of local business in major projects.</p>	<p>Continue to support the South West and Peel Fabricators' Cluster.</p>
<b>JLV Relocation</b> Complete financial agreement for the relocation of JLV.	<p>Signed the financial agreement with the Department of Industry and Resources. SWDC will contribute \$500,000 towards the relocation of JLV Industries from Perth to the South West on completion of agreed milestones.</p>	<p>Project has been completed.</p>
<b>Indigenous Employment Skills Audit</b> Undertake a skills audit for Indigenous employment in major projects.	<p>Signed a Memorandum of Understanding with Department of Industry and Resources.</p> <p>Champions have been nominated by the Noongar community to deliver education modules to Aboriginal people in Collie and Bunbury and to identify suitable candidates for employment and training.</p>	<p>Facilitate the advancement of the following joint priority projects:</p> <ul style="list-style-type: none"> <li>• Skills upgrade for local Aboriginal people to gain employment during the construction phase of the expansion of the Worsley Alumina Refinery.</li> <li>• Contribution towards the salary package of the Indigenous Arts Development Officer to expand and upgrade the production and marketing of Noongar art in the region.</li> <li>• The development of a concept for a sustainable Aboriginal activity as part of the tender documentation for phase one infrastructure works at the Lake Kerpwari aquatic playground near Collie.</li> </ul>
<b>Indigenous Arts Strategy</b> Continue the Indigenous Arts Strategy.	<p>Facilitated opportunities for South West Indigenous art at overseas and local exhibitions, including Manila, USA (Atlanta Décor Expo), the Philippines and Europe.</p>	<p>Complete planning for a permanent display/market outlet in Bunbury.</p>

Priority Outcomes for the South West	Achievements	Future Actions
<b>International Indigenous Arts Conference (IIAC)</b> Facilitate an international Indigenous arts conference.	Completed the conference terms of reference and selected a steering committee to identify the venue and develop the timeframe. Awaiting endorsement of the steering committee by the Commission of Elders.	Complete planning for the conference to be held in late 2007.
<b>MICE* Marketing SW</b> Support conventions marketing in the South West. (* Meetings Incentives Conferences and Exhibitions)	Provided funding for a consultant to promote the region's capacity to host conventions.	Project has been initiated. Complete evaluation in 2006/07.
<b>Events Co-ordinator Manjimup</b> Support funding of an events co-ordinator for Manjimup.	A co-ordinator has been operating since February 2005. The project has faced challenges due to the lack of all events being able to substantially contribute on a financial basis and the downgrading of the 15000 Motocross event. Efforts made to extend this position in partnership with neighbouring shires may not be successful, in which case the project will discontinue.	Project likely to be discontinued due to loss of major event program and consequent loss of revenue.
<b>Wine Trail Marketing</b> Facilitate wine trail marketing.	Initiated and provided funding for a themed wine tourism trail in partnership with Australia's South West and other stakeholders.	Project will be completed and include the infrastructure required for web-based wholesaler packaging of tourism product.
<b>Overseas Tourism Strategy</b> Facilitate an overseas tourism development strategy.	<p>Supported Australia's South West in developing structured wine tourism experiences for promotion in international markets.</p> <p>Conducted trade visits in Singapore for Food &amp; Hotel Asia, and in Thailand for the Pacific Asian Travel Association's annual conference.</p> <p>SWDC/Austrade was instrumental in securing MasterCard once again for regional promotions for the World Wine &amp; Travel Summit &amp; Exhibition to be staged in Margaret River in November 2006.</p>	<p>From its success in 2005, 'Indulgence' will be staged in Singapore again in 2007, with the 'Art of Good Living' as a by-line.</p> <p>A combined SWDC/Austrade mission to North America will occur for a strategic wine, food, arts and tourism push into North America and Canada.</p>
<b>New Futures</b> Support the New Futures Program.	<p>Continued to support New Opportunities of Australian Horticulture (NOAH) through involvement in the committee and linkages to funding opportunities.</p> <p>Undertook a review of the Scott River Plain Management Plan.</p>	Finalise a commercial evaluation of the green tea opportunities.

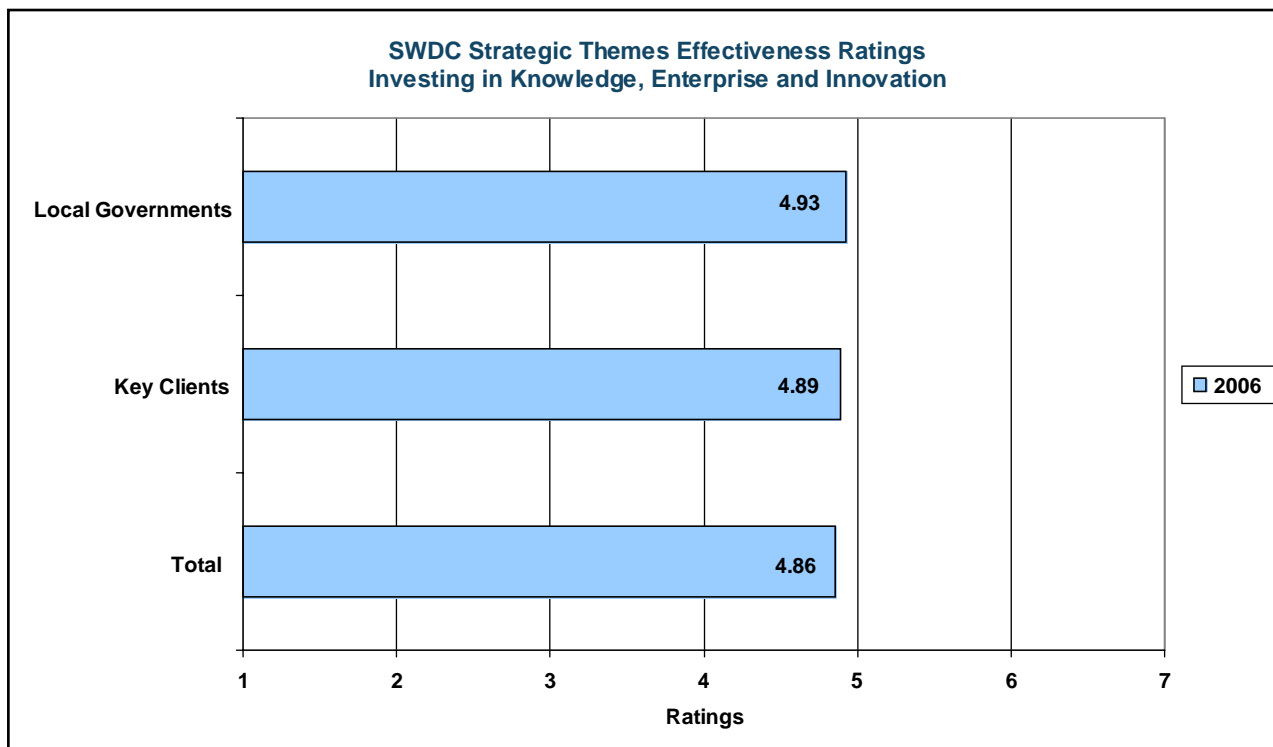
Priority Outcomes for the South West	Achievements	Future Actions
<b>Cruise Shipping – Bunbury</b> Facilitate expansion of cruise shipping into Bunbury.	Continued to participate as a member of the Bunbury Cruise Shipping Committee – welcoming the Pacific Princess in October 2005 and the Funchal in March 2006.  Provided input to the further development of a State cruise shipping strategy.  Attended a cruise shipping conference. A follow-on Bunbury workshop is scheduled for July 2006.	Target an additional three cruise ship visits for 2006/07.
<b>Forest Tourism Icon</b> Support the feasibility of the Warren Blackwood forest icon.	Final report on the viability of the Donnelly Valley icon was completed. Efforts continued to secure funding required.	Project to be presented to the South West Investment Tour.
<b>Working Life</b> Facilitate the further development of the Working Life Heritage Trail.	Undertook further development of the Working Life Heritage Trail and associated promotional material.  Progressing establishment of the Working Life hub in the Bunbury Visitor Information Centre in partnership with the City of Bunbury.	Assist in construction of a Working Life tourist information hub.
<b>South West Events Program 2006</b> Implement the 2006 Events Program.	Administered the 2006 South West Events Program.  An event evaluation program, part-sponsored and lead by the Commission, has reached a milestone with the completion of a report into the social and economic impact of events in the region.	Administer the 2007 South West Events Program.

## HOW WE PERFORMED

SWDC's 2006 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in "Investing in Knowledge, Enterprise and Innovation". The rating scale ranged from 1 – very ineffective to 7 – very effective.

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





(Due to the introduction of the new strategic plan and a change of rating scale, the results of only one client survey are available for this year's report. An accumulation of results will appear in future reports.)

## **SPECIAL REPORT: DOLPHIN DISCOVERY CENTRE RESEARCH PROGRAM**

In 1994 the South West Development Commission sponsored the construction of the Dolphin Discovery Centre and established the Bunbury Dolphin Trust, a not-for-profit community organisation to oversee the management of Bunbury's premium tourist icon.

During 2005/06, the Dolphin Discovery Centre attracted funding for an internationally-recognised dolphin research program – including \$25,000 from the South West Development Commission through the Regional Development Scheme grants program.

Building on its track record of environmentally sensitive dolphin-human interaction, the centre – in partnership with the South West Development Commission – has now established the South West Dolphin Research Project.

The partnership has attracted corporate and government support and the City of Bunbury has embraced it as a major project for the region.

By establishing a partnership with Murdoch University and other sponsors, during the financial year the Dolphin Discovery Centre has appointed internationally-renowned Professor Lars Bejdar as researcher-in-charge on the project.

The appointment of Professor Bejdar, who has worked with dolphins and whales in the U.S. and Japan, provides the opportunity to establish Bunbury as a centre of excellence in dolphin research.

The unique aspects of Koombana Bay and its dolphin population provide an excellent opportunity to combine research with tourism.

The research will be centred on the impact of human interaction with the dolphin population and will provide valuable information for use in the long-term management of dolphin interaction.

This unique approach to research is also likely to encourage researchers from around the world to utilise the facility.

It is hoped the research will in turn make tourists more environmentally aware of the effect they have on dolphins and their habitats.

The centre will provide a responsible approach to dolphin tourism which is recognised by travellers for its focus on the well-being of the dolphins.

As well as undertaking the research program, the Dolphin Discovery Centre continues to provide an interactive dolphin experience which is a highlight to both domestic and international tourists.

## **SPECIAL REPORT: INVEST SOUTH WEST**

‘Invest South West’ is a program managed by the South West Development Commission focused on boosting economic development in the South West of Western Australia.

The ‘Invest South West’ program comprises several initiatives intended to enhance conditions for existing businesses and to attract new operators from outside the region.

This is aimed at maximising local jobs and ensuring the South West economy continues to be diverse and resilient.

During the financial year the Commission continued to support the South West and Peel Fabricators’ Cluster. The group was set up in 2004 to enable local fabricators to work together to secure large major contracts resulting from the current resources boom.

The South West Development Commission contributed \$10,000 towards a facilitator to successfully establish and drive the cluster during the year in review. The cluster now has 20 financial members and has already helped in securing a number of contracts. A register of cluster members has also been developed and is available online at [www.swpfc.com.au](http://www.swpfc.com.au).

To help ease the current shortage of skilled labour the Commission has been working with education providers and government agencies, and continues to coordinate its Skilled Migration Program. The migration program enables South West businesses to employ skilled people from overseas through the Federal Government’s migration programs.

The South West Focus conference is again in developmental stages and is to be hosted jointly by the Commission and the South West Chambers of Commerce and Industry Inc. It is aimed at increasing awareness of the opportunities in this region to business investors Australia-wide.

The South West was also promoted to a broad Perth-based audience through the Business Opportunities Expo in Perth at the end of June 2006. This expo is an annual event attracting Perth-based people interested in setting up or buying a small business across a range of industries. In partnership with the Bunbury Wellington Economic Alliance, the Commission opens a booth to promote the South West as an attractive location.

During the latter half of the financial year the Commission began its ‘South West Business Relocation Strategy’ which targets Perth-based businesses constrained in their current location which may be looking at relocating elsewhere.

This has involved research to identify affected business and deciding on marketing strategies needed to attract them. Attracting new businesses to the region will help ensure a solid economic base to continue to support the prosperity of the South West.

## **SPECIAL REPORT: TRADESTART EXPORT INITIATIVES**

The South West Development Commission's TradeStart Officer has continued to exceed targets, signing up 37 new exporters to the 'New Export Development Program'.

The TradeStart Officer's position is a joint initiative between the Commission and the Australian Trade Commission (Austrade) and has been operating for almost three years.

The target set by Austrade for new clients to be signed up under the New Export Development Program in 2005/06 was 25.

With combined effort of former TradeStart Officer, Tristram Travers, and his replacement Mat Lewis, the Commission achieved 37 new sign-ups and is now regarded as one of the lead agencies on the national TradeStart Program.

The South West Development Commission in conjunction with Austrade and Tourism Australia took part in the 'Art of Good Living' expo in Manila in the Philippines in January 2006.

The event was held at the Ayala Museum and showcased 25 West Australian artists, eight of whom were from the South West.

The event was undertaken with assistance from the Commission's Aboriginal Economic Development Officer, Flyn Narkle, and Bunbury Regional Art Galleries Indigenous Arts Officer, Troy Bennell.

This was the first time an event of this kind was held in South East Asia focusing on art, and it will be revisited in 2007 when an 'Indulgence' exhibition is held in Singapore.

Mat Lewis also attended the Pacific Asian Travel Association's annual conference in Pattaya Thailand which was attended by over 1,000 delegates.

It gave him the opportunity to network with leaders of the tourism, hotel and airline industries and provided a direct link with MasterCard which has confirmed its sponsorship for the MasterCard World Wine & Travel Summit & Exhibition in Margaret River in November 2006.

## **COMMUNICATIONS AND MARKETING**

The South West Development Commission actively promotes the South West Region, both within Australia and overseas. Our clients enjoy accurate and timely information about economic, social, environmental and cultural activities in the region.

### **Kemerton Industrial Park Marketing**

The Commission has continued to promote the Kemerton Industrial Park, located 17 kilometres from Bunbury, as a preferred location for major industry.

Funded by the SWDC, LandCorp and the Department of Industry and Resources, the Commission launched a new website for the park, [www.kemerton.com.au](http://www.kemerton.com.au), and completed a brochure suite suitable for providing information to potential clients.

In addition, the Commission had signage installed at the western entrance to the park to create an entry statement into the facility.

### **External Communications**

The Commission keeps all stakeholders well-briefed about its activities and major projects through the media.

Stakeholders are also kept informed through direct mail, the Commission's online electronic newsletter, and the quarterly publication 'Regionwide'.

To be added to our mailing lists for either 'Regionwide' or the e-newsletter, please go to our website and register your details at [www.swdc.wa.gov.au](http://www.swdc.wa.gov.au) or provide your details to us by telephoning 9792 2000.

### **SWDC Website**

The Commission finalised a major upgrade of its existing website, [www.swdc.wa.gov.au](http://www.swdc.wa.gov.au), and launched the new-look site in July 2005.

The upgrade includes a fresh look, improved navigation and functionality. To complement the new site the Commission's communications team implemented a successful e-marketing strategy to attract more visitors to the site and promote the website as a reliable source of current information.

### **Regionwide Newsletter**

The Commission has transferred publication of its eight-page quarterly newsletter, 'Regionwide', from a printed document to a newspaper insert in the region's major local newspapers.

It has been reduced from eight pages to a four page liftout in the following newspapers: Bunbury Mail, Donnybrook Bridgetown Mail, Harvey Mail, Busselton Dunsborough Mail, Augusta-Margaret River Mail, Collie Mail and the Manjimup Bridgetown Times.

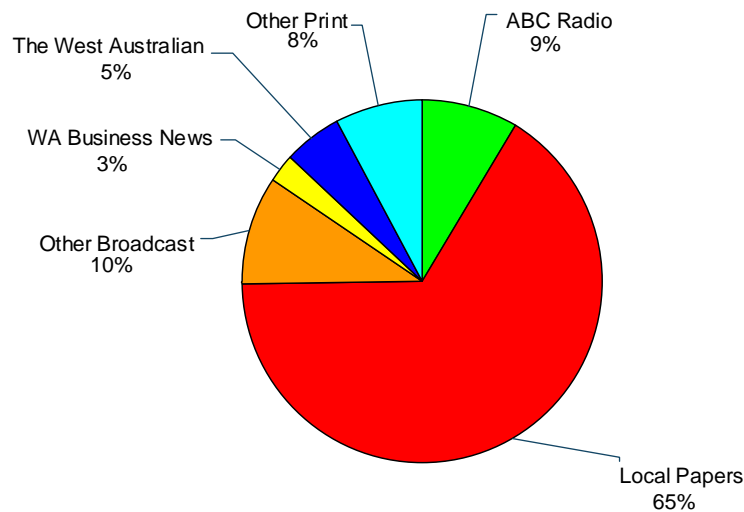
'Regionwide' is seen by the Commission as an important tool in keeping our stakeholders informed.

The publication is well regarded by South West readers as an informative update on the Commission's activities.

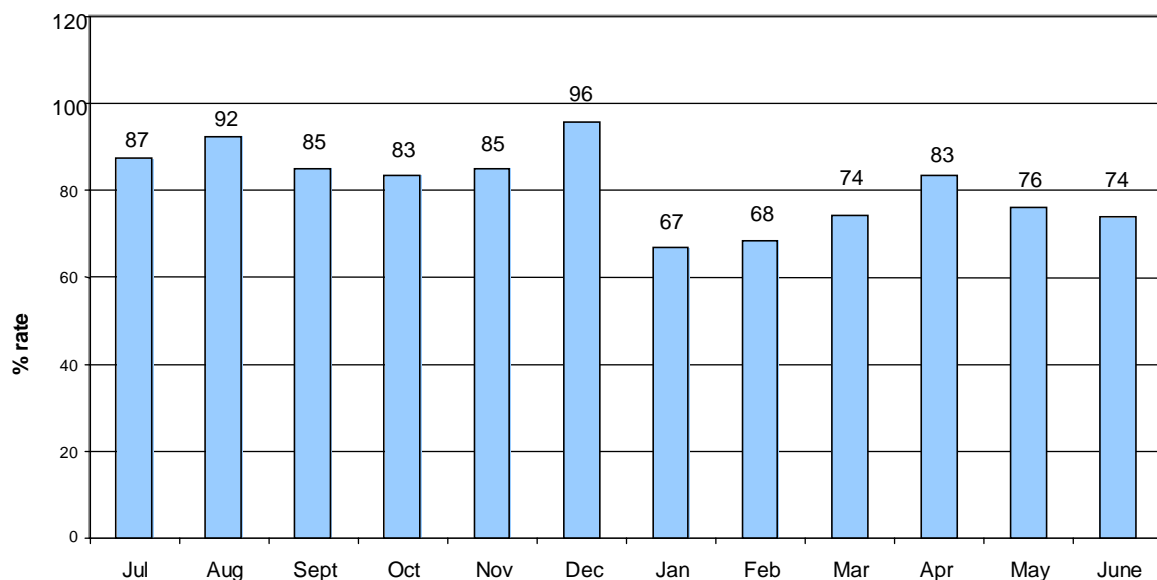
## Small Business Expo

The Commission created a display to promote opportunities and lifestyles available in the South West at the Small Business Expo at the Burswood Convention Centre on 23-25 June 2006. The event was opened by the Minister Norm Marlborough MLA, and more than 4,000 people attended. The Commission's stand generated considerable interest in the region and the opportunities in the South West for prospective investors and business owners.

**Breakdown of incoming media enquiries  
2005/06**



**Rate of positive media exposure  
2005/06**



## AGENCY PUBLICATIONS AVAILABLE TO THE PUBLIC

Title	Date
South West Projects Update (quarterly)	2006
Regionwide	Various
SWDC Strategic Vision 2005-2020	2005
Working Life (reprint)	2005 (March)
Our Role in the Region	2005 (March)
Australia's South West – Better than a Holiday, Lifestyle and Business Guide	2005 (February)
Kemerton Industrial Park – Doing Business in the Kemerton Industrial Park (flyer)	2006 (June)
Kemerton Industrial Park – Tenants in the Kemerton Industrial Park (flyer)	2005 (April)
Kemerton Industrial Park – Bunbury Port servicing Kemerton Industrial Park (flyer)	2005 (January)
Kemerton Industrial Park – General information brochure	2004 (November)
Flavours of the South West	2004 (August)
South West Directions – an action plan for a sustainable future	2004 (July)
South West Profile	2004 (June)
South West Economic Perspective	2003 (May)
South West Telecommunications Infrastructure and Opportunities Study	2003
Noongar Country Aboriginal Art Catalogue	2003
Living Windows into the South West	2002
SWDC Strategic Plan 2000-2005	2000
SWDC New Service Delivery Structure	2000

### CDRom

The South West of Western Australia – “a perfect choice” – “where vision becomes reality”	2003
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### Publications available on SWDC website ([www.swdc.wa.gov.au](http://www.swdc.wa.gov.au))

South West Capability Register	2006
Annual Report 2004-2005	2005
Annual Report 2003-2004	2004
Annual Report 2002-2003	2003
Annual Report 2001-2002	2002

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

Websites where the Commission publishes information:-

[www.swdc.wa.gov.au](http://www.swdc.wa.gov.au)  
[www.kemerton.com.au](http://www.kemerton.com.au)  
[www.noongarart.com.au](http://www.noongarart.com.au)

## 6.2 REPORT ON ACCESS, EQUITY AND CUSTOMER FOCUS

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This section, which includes a number of the Commission's obligatory reporting requirements, is presented according to the goal areas of the State Government's Strategic Planning Framework – People and Communities, The Economy, The Environment, The Regions and Governance.

### *GOAL 1: People and Communities*

#### **DISABILITIES SERVICES PLAN**

The Commission monitors and reviews the SWDC Disability Service Plan on a regular basis to ensure that communication between service providers and people with disabilities is considered during all of the Commission's activities. Currently a new Disability Access and Inclusion Plan is being developed and will be placed on the Commission's website for public comment during 2006/07.

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 9<sup>th</sup> floor that includes lift consoles with floor level numbers in Braille, audible floor indication and situated for convenient wheelchair access.

The Commission is committed to providing information to people with disabilities in appropriate formats on request; and has a register of services available in the region that can provide formats such as Braille as required.

#### **CULTURAL DIVERSITY AND LANGUAGE SERVICES OUTCOMES**

The Commission's operations have reflected the State's Charter of Multiculturalism and Language Services Policy whenever relevant during this reporting period.

#### **YOUTH OUTCOMES**

To fulfil its commitment to the region's youth, the South West Development Commission continues to work with the South West Youth Coordination Network. The group meets regularly and provides a link between youth-related programs region-wide. It provides a forum for youth workers and young people to network and progress specific projects.

The Commission is also working in partnership with the Office for Children and Youth and has located in the Commission's office, a senior development officer to facilitate the development of a framework for supporting youth access to training and jobs within the region, including careers and apprentice showcase models.

#### **CUSTOMER FOCUS OUTCOMES**

The Commission has continued its commitment to quality customer service by focusing on how we deliver the services we provide.



Strategies are in place to ensure a high level of customer commitment and this is reflected in the results of the client survey which is the Commission's main mechanism for obtaining customer feedback.

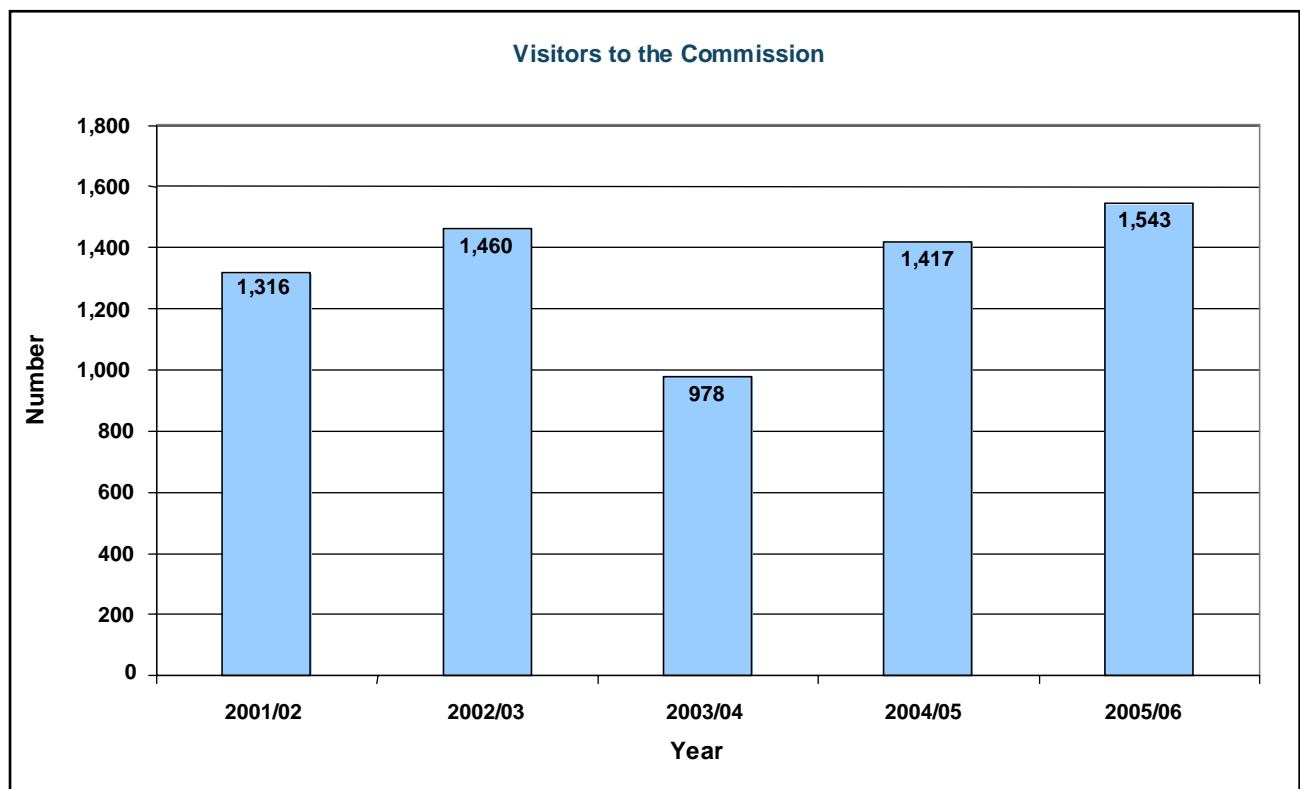
Additional to the annual client survey, the Commission has introduced a customer feedback system to report and act upon all comments and complaints, and a register of complaints and compliments is maintained.

## COMMISSION CONTACT

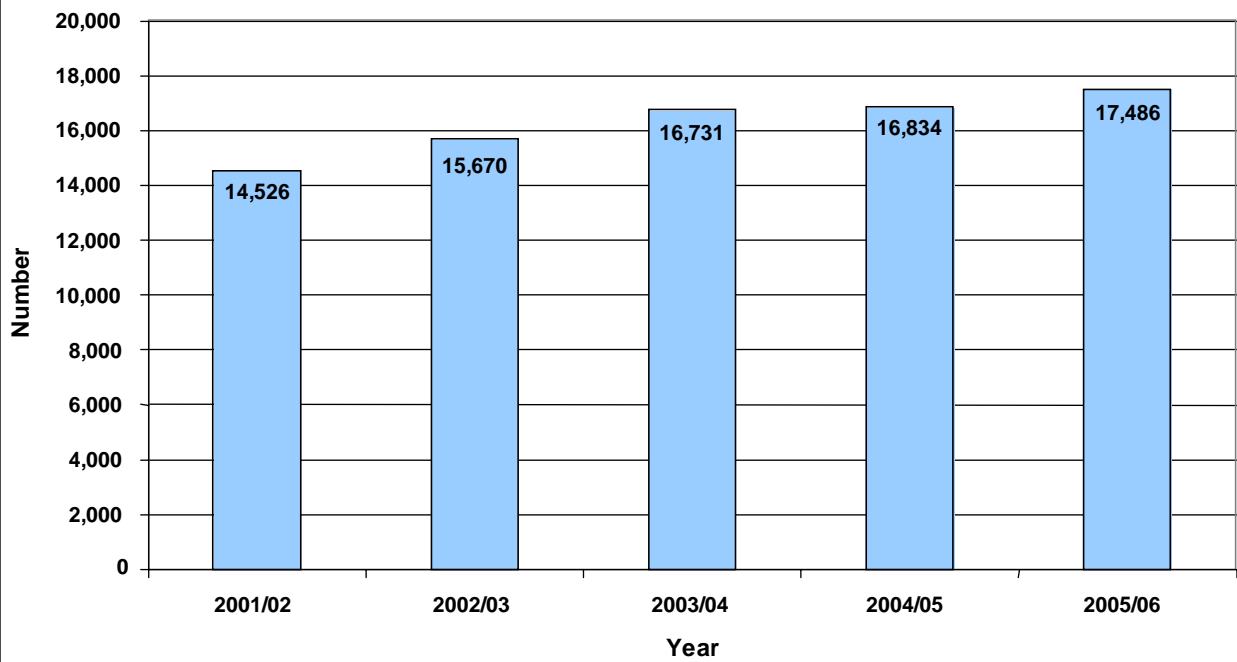
During the year in review, the number of visitors to the Commission rose by nine per cent, while the number of telephone calls to the Commission increased by four per cent.

The rise in the number of visitors reflects increased interest in the Commission's migration services and regular meetings with industry groups.

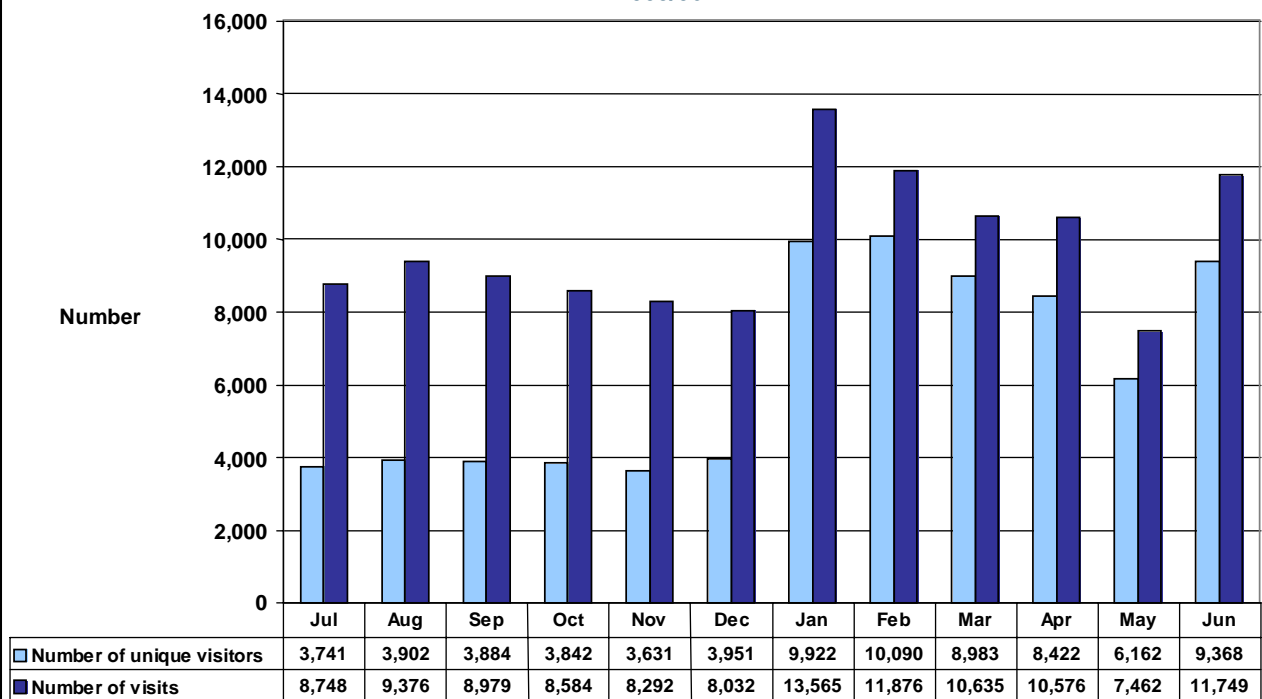
Telephone activity remained relatively steady, with the Commission taking an extra 652 calls than in the previous financial year.



Telephone calls to the Commission



SWDC website visitors  
2005/06



## CLIENT SURVEY

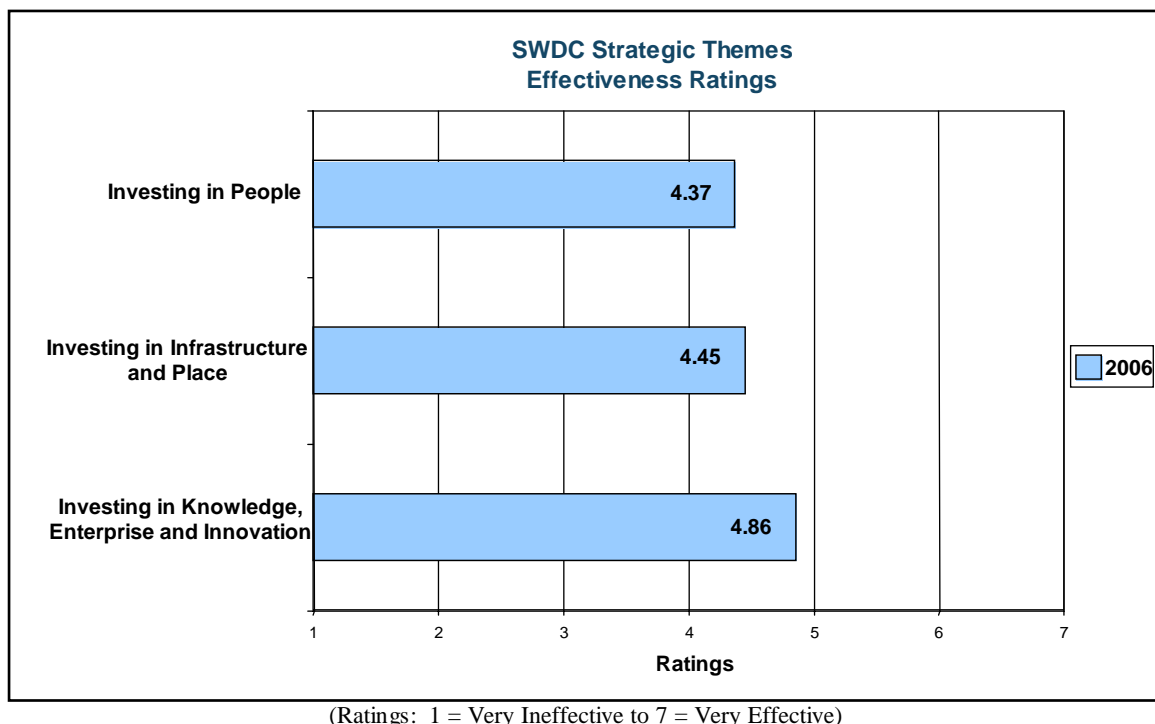
The Commission measures its performance through an annual client survey. Key customer groups of the Commission are State and Commonwealth government agencies, the region's local governments, the business and industry sector and local community organisations.

Independent consultancy firm, Asset Research was employed to undertake the 2006 SWDC Client Survey. Clients were surveyed to determine their views and understanding of the Commission's role, activities and performance.

The survey questionnaire was distributed to 200 randomly selected key clients and 22 local government representatives. Altogether 153 completed surveys were received. A key client response rate of 69.0 per cent and a 68.2 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 68.9 per cent.

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

The Commission's three strategic themes, that is, Investing in People, Investing in Infrastructure and Place, and Investing in Knowledge, Enterprise and Innovation were evaluated in this survey period. All total average results were above the mid-range of the rating scale indicating an overall belief that the strategic themes are effective.



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

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

Ratings of the Commission's performance in relation to the effectiveness of the services delivered (e.g. information about the region/Commission, provision of advice, advocacy, coordination between other organisations and groups) showed very positive results and indicated a positive reflection of the effectiveness of the Commission's services.

The Commission performed well in relation to all aspects of organisational performance (i.e. courteous, professional, accessible etc), with most scores in relation to organisational performance higher for key clients than for local government responses in dealing with the Commission on an organisational level. All scores were well above the mid-range of the rating scale and reflected positively on clients' experiences in dealing with the Commission.



Overall, the Commission has again received pleasing results in its annual client survey.

## **GOAL 2: The Economy**

The South West Development Commission complies with the prescribed accounting and reporting requirements for government agencies. The Commission's performance indicators for the year ended 30 June 2006 are provided in Section 7 and its financial statements for the period, prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985*, in Section 8.

## **GOAL 3: The Environment**

### **CLEANER PRODUCTION**

The Commission is a signatory to the 'Western Australian Cleaner Production Statement', an initiative of the Western Australian Sustainable Industry Group. As a signatory, the Commission continues to implement its action plan that has as its objective to be "eco-efficient".

The Commission has progressively improved the fuel efficiency of its vehicle fleet as a means of reducing emissions. All six-cylinder vehicles have been replaced with four-cylinder models.

## **GOAL 4: The Regions**

### **REGIONAL DEVELOPMENT POLICY**

The State Government released 'Regional Western Australia – A Better Place to Live, Regional Development Policy', in November 2003. The policy provides a framework for Government to support sustainable regional development in the State. It contains four goal areas: Government, Economic, Social and Environment. Each goal area comprises a series of outcomes (16 in total) with associated strategies.

The South West Development Commission reported to the Department of Local Government and Regional Development on 26 specific and 14 whole-of-government strategies in August 2004, and on the outcomes for 2004/05 and 2005/06 in July 2006.

For the year in review, the strategic highlights of the Commission's projects and activities are aligned with the Regional Development Policy in the section, "Our Performance".

### **COMMISSION GRANTS**

The South West Development Commission administered two contestable grant programs during 2005/06: 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. As previously agreed through Government, an additional \$100,000 was also allocated through the Scheme for the South West Community Foundation.

The following 18 successful grant applications were approved in 2005/06:

Recipient	Project Name	Grant
Dolphin Discovery Centre	Dolphin Research and Tourism Facilities	\$25,000
Shire of Capel	Capel Hall Redevelopment	\$40,000
Shire of Nannup	Community Building Collocation Project	\$35,000
Shire of Bridgetown-Greenbushes	Shared Environmental Officer – Warren Blackwood Region	\$65,000
Bunbury Flying School	South West Interactive Aircraft Maintenance and Flight Training Centre	\$21,000
Collie Mining Heritage Group Inc	Dragline Relocation and Restoration Project	\$30,000
Manjimup Speedway Club Inc	Manjimup Speedway Facility Upgrade	\$22,000
Shire of Bridgetown-Greenbushes	Blackwood River Footbridge	\$64,000
Bunbury Regional Entertainment Centre	Feasibility Study – New Small Theatre	\$5,000
Shire of Dardanup	Defining Eaton	\$15,000
Geographe Vignerons Association Inc	Geographe Wine Region Official Map	\$5,000
Shire of Boyup Brook	Industrial Land Development	\$15,000
Shire of Harvey	“The Junction” in Brunswick Junction	\$15,000
Bridgetown Terminus Community Centre Inc	Building and Grounds Upgrade – Stage One	\$8,000
South West Regional College of TAFE	A Centre of Specialisation in Applied Sustainability (CSAS) at South West Regional College of TAFE	\$10,000
Margaret River Senior High School	Leeuwin Concert for Schools	\$10,000
Warren Equestrian Centre Inc	Warren Equestrian Centre Development	\$15,000
Yarloop Workshops Inc	Yarloop Workshops Implementation Project	\$16,000

## South West Events Program

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

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

The following 27 successful grant applications were approved under this program in 2005/06:

Recipient	Project Name	Grant
Yarloop Progress Group Inc	Aussie Cars in the Loop III	\$2,300
Collie Agricultural Society Inc	Premier Food & Wine Festival	\$1,700
Harvey Main Street Inc	Harvey Harvest Festival	\$1,500
Busselton Football Club Inc	Leisure & Lifestyle Expo Busselton 2006	\$1,700
Quinninup Community Association	Quinninup Market Day & Wine Tasting	\$400
Lions Club of Australind	Australind Lions Autumn Carnival	\$1,500
Noggerup Hall Association Inc	Noggerup 50 <sup>th</sup> Birthday Reunion	\$1,000
Nannup Tourist Association	Nannup Rose Festival 2006	\$2,400
South West Women's Health & Information Centre	Wild Woman Weekend	\$1,000
Augusta River Festival Inc	Augusta River Festival	\$2,500
Heritage Roses in Australia Inc	Smell the Roses, Taste the Wine	\$3,300
Collie River Valley Busy Fingers Arts and Crafts Inc	Busy Fingers Arts and Crafts	\$1,500
Collie Racing Drivers Association Inc	WA Sedan Car Federation Modified Production Sedan State Championship	\$1,000
Harvey Visitor Centre	H20 Harvey Outdoors	\$2,500
Southern Capes Motorcycle Club Inc	Southern Capes Motorcross Challenge	\$1,700
Manjimup Chamber of Commerce & Industry	Southern Forest Welcome Project Bike Ride	\$2,500
Collie River Valley Marketing Inc	Collie Rock n Coal Music Festival	\$2,000
Boyup Brook Tourism Association Inc	Boyup Brook Book Bonanza	\$2,500
City of Bunbury	Shorelines The City of Bunbury Writing for Performance Festival	\$2,500
Harvey Telecentre Inc	Cinema Under the Stars	\$1,800
Dolphin Discovery Centre	Band on the Bay	\$1,200
Golden West Dolphin Swimming Club	Country Pennants	\$2,500

Recipient	Project Name	Grant
South West Senior Expo Inc	South West Senior Expo 2006	\$2,000
Bunbury Regional Art Gallery	South West Times Survey 2006	\$2,000
Pemberton Community Telecentre Inc	Be Active Cycle Instead Pemberton Classic	\$2,000
Busselton Population Medical Research Foundation	Bush Poets & Yarn Spinners Bash	\$1,000
Pemberton Community Telecentre Inc	Pemberton Outdoor Cinema	\$1,500

## **GOAL 5: Governance**

### **EQUAL EMPLOYMENT OPPORTUNITY**

The SWDC Equal Opportunity and Grievance Procedure Policy was reviewed in 2003/04. The policy recognises and supports equal opportunity and diversity in achieving the Commission's objectives and is monitored through the Executive, incorporated as a responsibility of managers and is a key consideration in recruitment, appointment and management of employees. Employee surveys are undertaken to ensure that any special needs are met.

### **FREEDOM OF INFORMATION**

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

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

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

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

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

The Commission received no Freedom of Information requests during the year.



## **REPORTING ON RECORD KEEPING PLANS**

The South West Development Commission's Record Keeping Plan was approved for a period of five years by the State Records Commission on 12 May 2005. Employee induction in record keeping, ongoing training and annual reviews of the efficiency and effectiveness of the plan are maintained. Training has been provided to key employees and an evaluation was undertaken in March 2006. The survey results indicated that staff members are generally satisfied with Records Management, particularly the short timeframe in accessing records.

## **CORRUPTION PREVENTION**

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

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

## **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 SWDC Code of Conduct, developed from the Public Sector's Code of Ethics, is 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.

During 2005/06, there were no breaches of discipline under the *Public Sector Management Act 1994*.

## **PUBLIC INTEREST DISCLOSURES**

The South West Development Commission does not tolerate corrupt or other improper conduct, including mismanagement of public resources, in the exercise of the public functions of the South West Development Commission and its officers, employees and contractors.

The Commission is committed to the aims and objectives of the *Public Interest Disclosure Act 2003*. It recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made by staff as to corrupt or other improper conduct.

A 'Public Interest Disclosure Act 2003' policy and internal procedures have been developed to meet the Commission's obligations under the Act.

The Commission will take all reasonable steps to provide protection to staff that make such disclosures from any detrimental action in reprisal for the making of a public interest disclosure.

The Commission does not accept any of its officers, employees or contractors engaging in acts of victimisation or reprisal against those who make public interest disclosures.

The Public Interest Disclosure Officer is responsible for receiving disclosures of public interest information relating to matters falling within the sphere of responsibility of the Commission.

The contact details of the Public Interest Disclosure Officer are as follows:

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

## ELECTORAL ACT COMPLIANCE

The Commission is required to comply with section 175ZE of the *Electoral Act 1907*.

To meet these requirements, the Commission has listed the amounts spent on the following classes of expenditure in 2005/06.

(a)	Advertising Agencies	\$ 0
(b)	Market Research Organisations	
	Asset Research	\$ 4,455
(c)	Polling Organisations	\$ 0
(d)	Direct Mail	\$ 0
(e)	Media Advertising Organisations	
	Marketforce Productions	\$ 7,957
	SW Printing & Publishing Co. Ltd	\$ 2,173
	Rural Press Reg. Media (WA) Pty Ltd	\$ 1,845
(f)	Other Advertising	
	Bunbury Key Management	\$ 1,945
	GEO Media	\$ 1,840
<hr/> Total		\$ 20,215

## SPONSORSHIP

Brunswick Community Resource Centre – Writing Workshop	\$ 200
Bunbury Chamber of Commerce and Industries Inc – South West Young Achievers	\$ 1,000
Bunbury City Council – Tornado Photo Competition	\$ 227
Leschenault Business Enterprise Centre – Risk Management Seminar	\$ 365
GP Down South – Community Mentor	\$ 500
WA Farmers – Rural Business Moving Forward Forum	\$ 300
Promaco Conventions – Conference: Bunbury Cathedral Grammar School	\$ 2,000
Second Step (Inc) – Therapy Equipment – Autism	\$ 500

## **COMPLIANCE WITH STATE SUPPLY POLICY**

The Commission has met the State Government requirements associated with purchasing goods and services. Purchases exceeding \$20,000 (the Commission's partial exemption level) were assisted through the South West Regional Buying Centre (Department of Treasury and Finance).

During the year, the Commission directed 87 per cent of discretionary expenditure towards the local economy.

## **COMPLAINTS MANAGEMENT SYSTEM**

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

As such, the Commission has developed a Complaints Management Policy and procedures. A Customer Feedback Service has been established to ensure that customer complaints are heard and dealt with fairly and quickly without prejudice or bias.

The Commission's Executive Officer has been appointed the Complaints Officer.

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

There were no complaints received during the reporting period.

## **STATE SUSTAINABILITY STRATEGY**

The South West Development Commission has a mandate to coordinate and promote the economic development of the South West Region. In fulfilling this commitment the Commission recognises that development needs to be sustainable and has included a core strategy for sustainability in its strategic plan.

The Commission's 'South West Directions – an action plan for a sustainable future' (July 2004) is a triple bottom line action plan which aims to guide the State Government's support of sustainable growth for the South West Region. Based on the State's Regional Development Policy, it takes into account governance, economic, social and environmental issues, and provides a framework for State government agencies in the delivery of their services in the region.

The SWDC Sustainability Action Plan 2005-2007 was reviewed in May 2006 and all actions were found to be on track. Achievements for 2005/06 include:

- Commenced implementation of the SWDC Strategic Plan 2005-2020;
- Influenced the Bunbury Outer Harbour project to ensure consultation processes increase citizen participation and ownership;
- Progressed the Government's South West Online policy commitment, as a means of improving access to Government services to Perth metropolitan standards, through the completion of the electronic library;
- Supported the South West Local Government Waste Management Advisory Committee and the South West Human Services Planning Committee through the provision of Executive Officers;

- Partnered with the Office for Children and Youth in the appointment of a senior development officer who will provide a linkage with the youth networks in the region; and
- Progressively changed from six-cylinder to four-cylinder vehicles as appropriate.

# Section 7.

## Performance Indicators



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**SOUTH WEST DEVELOPMENT COMMISSION  
FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS  
FOR THE YEAR ENDED 30 JUNE 2006**

#### **Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the South West Development Commission at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the 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
- (iii) the key effectiveness and efficiency performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2006.

#### **Scope**

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

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Statement by Cash Flows and the Notes to the Financial Statements.

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

#### **Summary of my Role**

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

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

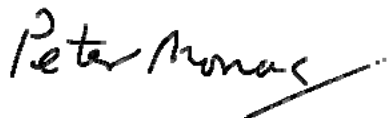
D D R PEARSON  
AUDITOR GENERAL  
25 September 2006

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

## **CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2006**

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We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the South West Development Commission's performance, and fairly represent the performance of the South West Development Commission for the financial year ended 30 June 2006.



**PETER MONAGLE**  
**ACTING CHAIRMAN OF ACCOUNTABLE AUTHORITY**  
*19 September 2006*



**DON PUNCH**  
**MEMBER OF ACCOUNTABLE AUTHORITY**  
*19 September 2006*

# PERFORMANCE INDICATORS

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## 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 RELATIONSHIP WITH GOVERNMENT POLICY

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

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

In turn, the Strategic Planning Framework Goal 4 is synonymous with the outcomes of the State Government's Regional Development Policy.

## 2.0 EFFECTIVENESS INDICATORS

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

### 2.1 SOUTH WEST DEVELOPMENT COMMISSION CLIENT SURVEY 2006

As a requirement of its strategic plan, the Commission undertook an evaluation of its operations in May 2006. Clients were surveyed to determine their views and understanding of the Commission's role, activities and performance. Similar surveys have been undertaken on an annual basis over the past six years.

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

An independent consultant, Asset Research, undertook the survey. The Commission provided Asset Research with a database comprising 223 key clients and 22 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 200 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 153 completed surveys were received by Asset Research, comprising 15 completed surveys from local government representatives (with responses received from all South West local governments) and 138 from key client agencies and private organisations. This represents a key client response rate of 69.0 per cent and a 68.2 per cent response rate from the local governments. The overall survey response rate was 68.9 per cent.

The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of clients (i.e. local government representatives and key clients) within a possible sampling error of +/- 5 per cent. The sampling error range for this survey period is +/- 4.95 per cent.

## 2.1.1 Effectiveness of the South West Development Commission

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

(1 = very ineffective to 7 = very effective)

Key Output	2005/06 Total Output Target	Total Average	Local Governments Average	Key Clients Average
		2006	2006	2006
Regional Development	5.25	4.47	4.40	4.54
	75%	64%		

(1 = very ineffective to 5 = very effective)

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

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

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

(1 = very ineffective to 7 = very effective)

Services	Local Governments Average 2006	Key Clients Average 2006
Planning assistance	3.78	5.16
Source of funds	4.80	5.17
Assistance in securing funds from other sources	5.62	4.98
Advocacy	4.12	4.94
Community consultation	5.37	5.05
Co-ordination between other organisations and groups	4.89	5.05
Problem solving	3.67	4.53
Assistance with industrial development	5.12	4.63
Identification of investment opportunities	4.57	4.36

<b>Services</b>	<b>Local Governments Average 2006</b>	<b>Key Clients Average 2006</b>
Project development	5.09	4.59
Organisation support	4.00	4.64
Assistance with promotions	5.00	4.76
Provision of advice	5.62	5.17
Information about the region / Commission	5.45	5.04
Marketing advice / information	4.14	4.47

(1 = very ineffective to 5 = very effective)

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

### 3.0 EFFICIENCY INDICATORS

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

	Note	2005/06	2004/05	2003/04	2002/03	2001/02
<b>Regional Development</b>						
Operating Cost	1	\$4,317,996	\$ 3,830,124	\$ 3,466,982	\$ 3,904,291	\$ 6,584,906
Project / Service Hours	2	27,856	25,827	26,255	50,546	49,383
Cost Per Hour	3	\$ 155	\$ 148	\$ 132	\$ 77	\$ 133
Target	4	\$ 142	\$ 241			

#### Notes on Variance between Reporting Period

Note 1: Operating cost information is sourced from the Income Statement. A net movement of \$487,872 is shown. The major cause of variation is due to the inclusion of a revaluation decrement and loss on disposal of non-current assets included in the operating costs.

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

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

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

# Section 8.

## Financial Statements



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**SOUTH WEST DEVELOPMENT COMMISSION  
FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS  
FOR THE YEAR ENDED 30 JUNE 2006**

#### **Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the South West Development Commission at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the 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
- (iii) the key effectiveness and efficiency performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2006.

#### **Scope**

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

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Statement by Cash Flows and the Notes to the Financial Statements.

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

#### **Summary of my Role**

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

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

D D R PEARSON  
AUDITOR GENERAL  
25 September 2006

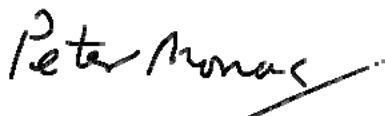
4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

# **CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

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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 2006 and the financial position as at 30 June 2006.

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.



**PETER MONAGLE**  
**ACTING CHAIRMAN OF ACCOUNTABLE AUTHORITY**  
*19 September 2006*



**DON PUNCH**  
**MEMBER OF ACCOUNTABLE AUTHORITY**  
*19 September 2006*



**VAL CARTWRIGHT**  
**CHIEF FINANCE OFFICER**  
*19 September 2006*

**SOUTH WEST DEVELOPMENT COMMISSION INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	4	1,539,622	1,688,760
Supplies and services	5	941,593	768,356
Depreciation and amortisation expense	6	136,397	102,694
Finance costs	7	451,293	581,401
Accommodation expenses	8	277,755	263,170
Grants and subsidies	9	1,101,714	1,785,432
Cost of sales	11	403,393	175,707
Loss on disposal of non current assets	14	129,622	68,802
Other expenses	10	438,322	136,746
<b>Total cost of services</b>		<b>5,419,711</b>	<b>5,571,068</b>
<b>Income</b>			
<i>Revenue</i>			
Sales	11	1,609,091	681,818
Commonwealth grants and contributions	12	168,604	145,750
Interest revenue		-	5,901
Other revenue	13	66,386	119,409
<b>Total revenue</b>		<b>1,844,081</b>	<b>952,878</b>
<b>Total income other than income from State Government</b>		<b>1,844,081</b>	<b>952,878</b>
<b>NET COST OF SERVICES</b>	30	<b>3,575,630</b>	<b>4,618,190</b>
<b>INCOME FROM STATE GOVERNMENT</b>	15		
Service appropriation		4,226,000	7,166,000
Liabilities assumed by the Treasurer		737	53,509
Resources received free of charge		559	917
Grants from Government agencies		780,750	593,636
<b>Total income from State Government</b>		<b>5,008,046</b>	<b>7,814,062</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>1,432,416</b>	<b>3,195,871</b>

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



# **SOUTH WEST DEVELOPMENT COMMISSION STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>Balance of equity at start of period</b>		2,580,764	(1,716,607)
<b>CONTRIBUTED EQUITY</b>	28		
Balance at start of period		3,757,177	2,939,177
Capital contribution		850,000	818,000
<b>Balance at end of period</b>		4,607,177	3,757,177
<b>RESERVES</b>	28		
Asset Revaluation Reserve			
Balance at start of period		3,268,962	2,985,463
Gain from asset revaluation		1,019,357	283,499
Transfer to accumulated deficiency <sup>(a)</sup>		(776,233)	-
<b>Balance at end of period</b>		3,512,086	3,268,962
<b>ACCUMULATED DEFICIENCY</b>	28		
Balance at start of period		(4,445,375)	(7,641,246)
Transfer from asset revaluation reserve <sup>(a)</sup>		776,233	-
Surplus for the period		1,432,416	3,195,871
<b>Balance at end of period</b>		(2,236,726)	(4,445,375)
<b>Balance of equity at end of period</b>		5,882,537	2,580,764
Total income and expense for the period		1,432,416	

a) Amounts associated with revaluations on Land and Buildings sold during the current and prior year have been transferred from Asset Revaluation Reserve to Accumulated Deficiency.

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

**SOUTH WEST DEVELOPMENT COMMISSION BALANCE SHEET  
AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	29	1,022,281	1,283,572
Restricted cash and cash equivalents	16	4,467,228	2,754,442
Inventories	17	319,488	355,674
Receivables <sup>(a)</sup>	18	73,073	22,178
Amounts receivable for services <sup>(a)</sup>	19	30,000	30,000
<b>Total Current Assets</b>		<b>5,912,070</b>	<b>4,445,866</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	16	8,738	4,153
Inventories	17	889,664	1,256,871
Amounts receivable for services <sup>(a)</sup>	19	397,000	314,000
Property, plant and equipment	20	5,316,233	5,073,642
Infrastructure	21	1,013,793	1,335,297
Intangible assets	22	10,174	35,808
<b>Total Non-Current Assets</b>		<b>7,635,602</b>	<b>8,019,770</b>
<b>TOTAL ASSETS</b>		<b>13,547,672</b>	<b>12,465,636</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables <sup>(a)</sup>	24	310,510	1,643,438
Borrowings <sup>(a)</sup>	25	874,746	846,109
Provisions	26	340,508	317,240
Other current liabilities	27	149,476	157,885
<b>Total Current Liabilities</b>		<b>1,675,240</b>	<b>2,964,672</b>
<b>Non-Current Liabilities</b>			
Borrowings <sup>(a)</sup>	25	5,905,872	6,780,618
Provisions	26	84,023	139,582
<b>Total Non-Current Liabilities</b>		<b>5,989,895</b>	<b>6,920,200</b>
<b>TOTAL LIABILITIES</b>		<b>7,665,135</b>	<b>9,884,872</b>
<b>NET ASSETS</b>		<b>5,882,537</b>	<b>2,580,764</b>
<b>Equity</b>			
Contributed equity	28	4,607,177	3,757,177
Reserves		3,512,086	3,268,962
Accumulated deficiency		(2,236,726)	(4,445,375)
<b>TOTAL EQUITY</b>		<b>5,882,537</b>	<b>2,580,764</b>

- (a) In accordance with AASB 1.36A and Treasurer's Instruction 1101 the recognition, measurement and disclosure of line items accounted for under AASB139 will remain on the existing AGAAP basis as at the date of transition on 1 July 2004 and for the comparative period ending 30 June 2005. The date of transition for these items will be 1 July 2005.

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

# **SOUTH WEST DEVELOPMENT COMMISSION STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		4,113,000	7,053,000
Capital contributions		850,000	818,000
Holding account drawdowns		30,000	30,000
Grants from State government agencies		759,386	613,040
<b>Net cash provided by State Government</b>		<b>5,752,386</b>	<b>8,514,040</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments			
Employee benefits		(1,479,469)	(1,453,083)
Supplies and services		(664,360)	(662,876)
Finance costs		(478,462)	(620,610)
Accommodation		(297,275)	(263,655)
Grants and subsidies		(2,591,333)	(5,396,858)
GST payments on purchases		(361,239)	(651,997)
Other payments		(354,455)	(354,412)
Receipts			
Sale of Goods and Services		1,609,091	681,818
User charges and fees		-	-
Commonwealth grants and contributions		168,604	145,204
Interest received		-	5,901
GST receipts on sales		320,492	209,998
GST receipts from taxation authority		39,241	477,731
Other receipts		66,381	163,339
<b>Net cash used in operating activities</b>	<b>30</b>	<b>(4,022,784)</b>	<b>(7,719,498)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		595,000	596,819
Purchase of non-current physical assets		(22,413)	(186,075)
<b>Net cash provided by investing activities</b>		<b>572,587</b>	<b>410,744</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(846,109)	(818,442)
<b>Net cash used in financing activities</b>		<b>(846,109)</b>	<b>(818,442)</b>
Net increase in cash and cash equivalents held		1,456,080	386,844
Cash assets at the beginning of the financial year		4,042,166	3,655,322
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>29</b>	<b>5,498,247</b>	<b>4,042,166</b>

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 2006**

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## **1 First time adoption of Australian equivalents to International Financial Reporting Standards**

This is the Commission's first published financial statements prepared under Australian equivalents to International Financial Reporting Standards (AIFRS). Accounting Standard AASB1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements. Until 30 June 2005, the financial statements of the Commission had been prepared under the previous Australian Generally Accepted Accounting Principles (AGAAP).

The Australian Accounting Standards Board (AASB) adopted the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005 by using AIFRS which comprise a Framework for the Preparation and Presentation of Financial Statements, Accounting Standards and Urgent Issue Group (UIG) Interpretations.

In accordance with the option provided by AASB1 paragraph 36A and exercised by Treasurer's Instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements', financial instrument information prepared under AASB 132 and AASB 139 will apply from 1 July 2005 and consequently comparative information for financial instruments is presented on the previous AGAAP basis. All other comparative information is prepared under the AIFRS basis.

Early adoption of standards:

The Commission cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. This TI requires the early adoption of revised AASB 119 'Employee Benefits' as issued in December 2004, AASB 2004-3 'Amendments to Australian Accounting Standards'; AASB 2005-3 'Amendments to Australian Accounting Standards [AASB 119]', AASB 2005-4 'Amendments to Australian Accounting Standard [AASB 139, AASB 132, AASB 1, AASB 1023 & AASB 1038]' and AASB 2005-6 'Amendments to Australian Accounting Standards [AASB 3]' to the annual reporting period beginning 1 July 2005. AASB 2005-4 amends AASB 139 'Financial Instruments: Recognition and Measurement' so that the ability to designate financial assets and financial liabilities at fair value is restricted. AASB 2005-6 excludes business combinations involving common control from the scope of AASB 3 'Business Combinations'.

Reconciliations explaining the transition to AIFRS as at 1 July 2004 and 30 June 2005 are provided at note 39 'Reconciliations explaining the transition to AIFRS'.

## **2 Significant Accounting Policies**

### **a) General Statement**

The financial statements constitute a general-purpose financial report, which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

## **SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

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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, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

### **b) Basis of Preparation**

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

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

Any judgements that have been made in the process of applying the Commission's accounting policies that have a significant effect on the amounts recognised in the financial statements are disclosed. There were no significant judgements.

Any key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed. The only significant assumption is at Note 2(g).

### **c) Reporting Entity**

The reporting entity is the South West Development Commission.

### **d) Contributed Equity**

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

### **e) Income**

#### *Revenue*

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

#### *Service Appropriations*

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

*Sale of goods*

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

*Rendering of services*

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

*Interest*

Revenue is recognised as the interest accrues.

*Grants, donations, gifts and other non-reciprocal contributions*

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

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

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

*Gains*

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

**f) Borrowing Costs**

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

**g) Property, Plant and Equipment and Infrastructure**

*Capitalisation/Expensing of assets*

Items of property, plant and equipment and infrastructure costing over \$5,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total). Note: Prior year capitalisation threshold was \$1,000 and has been increased to \$5,000 as per Treasurer's Instruction 410. There will be no material impact upon the Commission from this change.

*Initial recognition and measurement*

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

*Subsequent measurement*

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

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

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

The revaluation of land and buildings is provided independently on an annual basis by the Department of Land Information (Valuation Services).

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market evidence of value is available. Independent valuations are obtained every three years.

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

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

Refer to Note 20 'Property, plant and equipment' and Note 21 'Infrastructure' for further information on revaluations.

*Depreciation*

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. Land is not depreciated. Depreciation on other assets is calculated on the straight line methods, using rates which are reviewed annually.



## SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

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Expected useful lives for each class of depreciable asset are:

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amount included in the revaluation reserve relating to that asset are transferred to retained earnings.

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.

### h) **Intangible Assets**

#### *Capitalisation/Expensing of assets*

Acquisitions of intangible assets costing over \$5,000 and internally generated intangible assets costing over \$50,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement. Note: Prior year capitalisation threshold was \$1,000 and has been increased to \$5,000 as per Treasurer's Instruction 410. There will be no material impact upon the Commission from this change.

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

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

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

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

Software	2 years
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#### Computer Software:

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



**Website costs:**

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

**i) Impairment of Assets**

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

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

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

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

**j) Non-current Assets Classified as Held for Sale**

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

**k) Inventories**

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

**l) Leases**

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

**m) Financial Instruments**

The Commission has two categories of financial instrument:

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

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

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

**n) Cash and Cash Equivalents**

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

**o) Accrued Salaries**

The accrued salaries expense account (see Note 16 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pays occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (see Note 27 'Other liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its net fair value.

**p) Amounts Receivable for Services (Holding Account)**

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

See also note 15 'Income from State Government' and Note 19 'Amounts receivable for services'.

**q) Receivables**

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

**r) Payables**

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

**s) Borrowings**

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

**t) Provisions**

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

**i) Provisions – Employee Benefits**

*Annual Leave and Long Service Leave*

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

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

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

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

*Superannuation*

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

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

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

contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees who are not members of either the Pension or the GSS Schemes become non-contributory members of the West State Superannuation (WSS) Scheme, an accumulation scheme. The Commission makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. The WSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the WSS Scheme.

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

ii) Provisions – Other

*Employment On-Costs*

Employment on-costs, including worker's compensation insurance, are not employee benefits and are recognised as separate liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in Employment on-costs provision. (See note 10 'Other expenses' and note 26 'Provisions'.)

u) **Superannuation Expense**

The following elements are included in calculating a superannuation expense.

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

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

Defined benefit plans – in order to reflect the true cost of services, the movements (i.e. current service cost, and actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS transfer benefits are recognised as expenses. As these liabilities are assumed by the Treasurer (a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement (see note 15 'Income from State Government').

v) **Resources Received Free of Charge or for Nominal Consideration**

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

w) **Comparative Figures**

Comparative figures have been restated on the AIFRS basis except for financial instruments which have been prepared under the previous AGAAP Australian Accounting Standards AAS 33 'Presentation and Disclosure of Financial Instruments'. The transition date to AIFRS for financial instruments will be 1 July 2005 in accordance with AASB 1 paragraph 36A and Treasurer's Instruction 1101.

### **3 Disclosure of Changes in Accounting Policy and Estimates**

The Commission cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. As referred to in Note 1, TI 1101 has only mandated the early adoption of revised AASB 119, AASB 2004-3, AASB 2005-3, AASB 2005-4 and AASB 2005-6. Consequently, the Commission has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The Standard is considered to result in increased disclosures of an entity's risks, enhanced disclosure about components of a financial position and performance, and changes to the way of presenting financial statements, but otherwise there is no financial impact.

2. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an 'insurance contract' under AASB 4 'Insurance Contracts' or as a 'financial guarantee contract' under AASB 139 'Financial Instruments: Recognition and Measurement'. The Commission does not undertake these types of transactions resulting in no financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2006.

3. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease'. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At reporting date, the Commission has not entered into any arrangements as specified in the Interpretation resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.

The following amendments are not applicable to the Commission as they will have no impact:

<i>AASB Amendment</i>	<i>Affected Standards</i>
2005-1	AASB 139 (Cash flow hedge accounting of forecast intragroup transactions).
2005-5	'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'.
2006-1	AASB 121 (Net investment in foreign operations).
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'.
UIG 6	'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'.
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'.

**SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<b>4 Employee benefits expense</b>		
Wages and salaries	1,363,858	1,344,244
Superannuation - defined contribution plans <sup>(a)</sup>	128,912	131,119
Superannuation - defined benefit plans (Gold State) <sup>(b)(c)</sup>	737	53,509
Long service leave <sup>(d)</sup>	(23,197)	42,453
Annual leave <sup>(d)</sup>	69,312	117,435
	1,539,622	1,688,760
<p>(a) Defined contribution plans include West State and Gold State (contributions paid).</p> <p>(b) Defined benefit plans include Gold State (pre-transfer benefit).</p> <p>(c) An equivalent notional income is also recognised (see note 15 'Income from State Government')</p> <p>(d) Includes a superannuation contribution component.</p> <p>Employment on-costs such as workers' compensation insurance are included at note 10 'Other expenses'. The employment on-costs liability is included at note 26 'Provisions'</p>		
<b>5 Supplies and services</b>		
Communication	42,700	56,806
Consultants and contractors	557,282	325,520
Consumables	121,618	89,856
Travel	2,103	2,834
Other	217,890	293,340
	941,593	768,356
<b>6 Depreciation and amortisation expense</b>		
Depreciation		
Office equipment	40,258	41,387
Buildings	34,298	35,194
Infrastructure	36,207	278
Total depreciation	110,763	76,859
Amortisation		
Intangible assets	25,634	25,835
Total amortisation	25,634	25,835
Total depreciation and amortisation	136,397	102,694
<b>7 Finance costs</b>		
Interest paid	451,293	581,401
	451,293	581,401
<b>8 Accommodation expenses</b>		
Lease rentals	243,580	233,885
Repairs and maintenance	27,303	23,429
Cleaning	6,872	5,856
	277,755	263,170
<b>9 Grants and subsidies</b>		
Non public organisations	468,899	477,209
Public organisations	632,815	1,308,223
	1,101,714	1,785,432



**SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<b>10 Other expenses</b>		
Guarantee fee for loan	14,763	16,417
Doubtful debts expense	-	(3,176)
Repairs and maintenance	32,226	39,490
Bad debt written off	541	-
Revaluation decrement	285,297	-
Employment on-costs <sup>(a)</sup>	12,832	17,373
Other employment costs	70,781	46,608
Audit costs <sup>(b)</sup>	21,882	20,034
	<b>438,322</b>	<b>136,746</b>
 (a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 26 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
(b) Audit fees, see note 32 'Remuneration of auditor'.		
<b>11 Trading profit</b>		
Sales	1,609,091	681,818
Cost of sales:		
Opening inventory	1,612,545	1,788,252
Land development	-	-
	<b>1,612,545</b>	<b>1,788,252</b>
Closing inventory	1,209,152	1,612,545
Cost of goods sold	403,393	175,707
Trading profit	<b>1,205,698</b>	<b>506,111</b>
<b>12 Commonwealth grants and contributions</b>		
Recurrent	168,604	145,750
	<b>168,604</b>	<b>145,750</b>
<b>13 Other revenue</b>		
Sundry income	34,222	65,245
Grants public organisations	-	5,000
Rental from property	31,827	47,039
Government vehicle scheme	337	2,125
	<b>66,386</b>	<b>119,409</b>
<b>14 Net Gain/(loss) on disposal of non-current assets</b>		
Costs of disposal of non-current assets		
Office equipment	-	(10,126)
Land	(612,000)	(562,100)
Buildings	(112,622)	(93,488)
Proceeds from disposal of non-current assets		
Office equipment	-	1,912
Land	487,210	507,280
Buildings	107,790	87,720
	<b>(129,622)</b>	<b>(68,802)</b>

# **SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>15 Income from State Government</b>		
Appropriation revenue received during the year:		
Service appropriation <sup>(a)</sup>	4,226,000	7,166,000
	4,226,000	7,166,000
The following liabilities have been assumed by the Treasurer during the financial year:		
Superannuation <sup>(b)</sup>	737	53,509
Total liabilities assumed by the Treasurer	737	53,509
Resources received free of charge <sup>(c)</sup>		
Determined on the basis of the following estimates provided by agencies:		
Crown Solicitor's Office	559	917
	559	917
Grants received from Government agencies	780,750	593,636
	780,750	593,636
Total Revenue from State Government	5,008,046	7,814,062

- (a) Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (b) The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who have a transfer benefit entitlement under the Gold State Superannuation scheme. (The notional superannuation expense is disclosed at note 4 'Employee Benefits Expense').
- (c) Where assets or services have been received free of charge or for nominal cost, the Commission recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners, in which case the Commission shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

## **16 Restricted cash and cash equivalents**

### **Current**

#### **Restricted Projects**

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

Kemerton-Bunbury Transport Corridor	-	17,340
Aboriginal Economic Development Officer	70,047	56,964
JLV Relocation Assistance	-	500,000
Bunbury Coastal Enhancement Project	93,637	1,195,644
Koombana Groyne	50,000	50,000
Pioneer Park Cemetery Memorial	100,000	100,000
Turkey Point Infrastructure	-	70,000
E-Commerce Phd	24,000	24,000
Regional Initiatives Fund	-	29,986
TradeStart	-	39,438



**SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
International Tourism	-	68,000
Kemerton Signage	48,346	28,388
Restore Collie River Boardwalk	197,182	202,182
'New Futures' in Agriculture	30,000	30,000
Yarloop Enhancement	70,000	70,000
Repairs Bunbury Court House	50,000	50,000
Margaret River Townscape	-	20,000
Wine Tourism Trail	20,000	20,000
Life Long Learning	30,885	60,000
Yarloop Community House	60,000	60,000
Working Life Hub	48,927	50,000
Convention Coordinator - Australia's South West	-	12,500
Lake Kepwari	435,364	-
Business Grow	45,000	-
Invest South West	63,860	-
Pemberton Tourism Precinct	54,400	-
Indigenous Arts	25,000	-
Collie Industrial Park	53,325	-
Community Foundation	100,000	-
Busselton Jetty	500,000	-
Preston Sewerage	2,000,000	-
Aquaculture Research	45,000	-
Overseas Tourism Strategy	40,000	-
ECU Outreach Program	18,077	-
Futures Program	24,178	-
AED Priority Projects	95,000	-
Margaret River/Augusta Development Strategy	75,000	-
<b>Total current restricted cash</b>	<b>4,467,228</b>	<b>2,754,442</b>
<b>Non-Current</b>		
Accrued salaries suspense <sup>(a)</sup>	8,738	4,153
	<b>8,738</b>	<b>4,153</b>

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

## **17 Inventories**

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

- Current at cost	319,488	355,674
- Non-current at cost	889,664	1,256,871
	<b>1,209,152</b>	<b>1,612,545</b>

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

**SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<b>18 Receivables</b>		
Current		
Government agencies	27,689	6,135
External	39,270	6,388
Provision for doubtful debts	-	(459)
GST receivable	4,585	-
Prepayments	1,529	10,114
	73,073	22,178
<b>19 Amounts receivable for services</b>		
Current	30,000	30,000
Non-current	397,000	314,000
	427,000	344,000
This asset represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.		
<b>20 Property, plant and equipment</b>		
Office equipment		
At cost	284,377	349,446
Accumulated depreciation	(125,714)	(172,938)
	158,663	176,508
Buildings		
At fair value	802,500	862,500
Accumulated depreciation	(34,450)	(313,186)
	768,050	549,314
Land		
At fair value	4,376,300	4,334,600
	4,376,300	4,334,600
Works of art		
At valuation	12,000	12,000
At cost	1,220	1,220
	13,220	13,220
Total property, plant and equipment	5,316,233	5,073,642

The revaluation of land and buildings is in accordance with information received from the Department of Land Information (Valuation Services) for 2005 by kerbside valuation. Land fair value has been determined on the basis of current market buying values and fair value (depreciated replacement value) of buildings has been determined by existing use. Regular three yearly kerbside revaluations are undertaken with another revaluation due in 2008/09.

# **SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

## **Reconciliations**

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

	Land	Buildings	Office Equipment, Works of Art	Total
Carrying amount at start of year	4,334,600	549,314	189,728	5,073,642
Additions	-	-	22,413	22,413
Revaluation	653,700	365,657	-	1,019,357
Disposals	(612,000)	(150,000)	(87,482)	(849,482)
Depreciation written back	-	37,378	87,482	124,860
Depreciation	-	(34,299)	(40,258)	(74,557)
Carrying amount at end of year	4,376,300	768,050	171,883	5,316,233

## **21 Infrastructure**

At fair value	1,050,278	1,335,575
Accumulated depreciation	(36,485)	(278)
	1,013,793	1,335,297

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

	2006 \$	2005 \$
<b>Reconciliations</b>		
Carrying amount at start of year	1,335,297	1,335,575
Revaluation decrement	(285,297)	-
Depreciation	(36,207)	(278)
Carrying amount at end of year	1,013,793	1,335,297

## **22 Intangible assets**

Computer software		
At cost	39,124	69,985
Accumulated depreciation	(28,950)	(34,177)
	10,174	35,808

## **Reconciliations**

Carrying amount at start of year	35,808	45,279
Additions	-	16,364
Revaluation	-	-
Disposals	(30,861)	(40,562)
Depreciation written back	30,861	40,562
Depreciation	(25,634)	(25,835)
Carrying amount at end of year	10,174	35,808

# **SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<b>23 Impairment of assets</b>		
There were no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2006.		
The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.		
All surplus assets at 30 June 2006 have been classified as assets held for sale or written off.		
<b>24 Payables</b>		
Current		
Other creditors	78,002	15,173
GST payable	-	9,646
Contractual	232,508	1,618,619
	310,510	1,643,438
<b>25 Borrowings</b>		
Current		
Amount due to the WATC	874,746	846,109
	874,746	846,109
Non-current		
Amount due to the WATC	5,905,872	6,780,618
	5,905,872	6,780,618
Total borrowings	6,780,618	7,626,727
<b>26 Provisions</b>		
Current		
Employee benefits provision		
Annual leave <sup>(a)</sup>	185,915	187,041
Long service leave <sup>(b)</sup>	151,558	128,529
	337,473	315,570
Other provisions		
Employment on-costs <sup>(c)</sup>	3,035	1,670
	3,035	1,670
Total current provisions	340,508	317,240
Non-current		
Long service leave <sup>(b)</sup>	83,259	139,582
	83,259	139,582
Other provisions		
Employment on-costs <sup>(c)</sup>	764	-
	764	-
Total non current provisions	84,023	139,582
Total Provisions	424,531	456,822

## SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

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

Within 12 months of reporting date	162,142
More than 12 months after reporting date	23,773
	185,915

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

Within 12 months of reporting date	48,424
More than 12 months after reporting date	167,004
	215,428

- (c) The settlement of annual and long service leave liabilities give rise to the payment of employment on-costs including workers compensation insurance. The provision is the present value of expected future payments. The associated expense is included at note 10 'Other expenses'.

### Movements in Provisions

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

	2006 \$	2005 \$
Employment on-cost provision		
Carrying amount at start of year	1,670	1,412
Additional provisions recognised	2,154	258
Payments/other sacrifices of economic benefits	(25)	-
Carrying amount at end of year	3,799	1,670

### 27 Other liabilities

Current		
Accrued salaries	34,855	18,357
Accrued superannuation	3,744	1,482
Accrued interest	110,877	138,046
	149,476	157,885

### 28 Equity

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

Contributed equity		
Balance at start of year	3,757,177	2,939,177
Contributions by owners		
Capital contribution	850,000	818,000
Balance at end of year	4,607,177	3,757,177

**SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
Reserves		
Asset revaluation reserve		
Balance at start of year	3,268,962	2,985,463
Net revaluation increments:		
Land	653,700	188,499
Buildings	365,657	95,000
Transfer of asset revaluation after sale to accumulated deficiency:		
Land	(724,603)	-
Buildings	(51,630)	-
Balance at end of year	3,512,086	3,268,962
Accumulated deficiency		
Balance at start of year	(4,445,375)	(7,641,246)
Transfer from asset revaluation after sale	776,233	-
Result for the period	1,432,416	3,195,871
Balance at end of year	(2,236,726)	(4,445,375)

**Notes to the Cash Flow Statement**

**29 Reconciliation of Cash**

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

Cash and cash equivalent	1,022,281	1,283,572
Restricted cash and cash equivalent (refer to note 16)	4,475,966	2,758,595
	5,498,247	4,042,167

**SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>30 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</b>		
Net cost of services	(3,575,630)	(4,618,190)
Non-cash items:		
Depreciation expense	136,397	102,694
Bad debt written off	(541)	(3,176)
Resources received free of charge	559	54,426
Cost of goods sold	403,393	175,707
Revaluation decrement	285,297	
Net(gain)/loss on sale of non-current assets	129,622	68,800
Adjustment for other non-cash items	77	(12,130)
Increase/(decrease) in assets:		
Current receivables	24,297	(1,284)
Other current assets	-	52,643
(Increase)/decrease in liabilities:		
Current accounts payable	(1,323,282)	(3,672,334)
Current provisions	(23,268)	123,394
Other current liabilities	(8,409)	(6,281)
Non-current provisions	(55,559)	(58,302)
Net GST receipts/(payments)	(1,506)	35,730
Change in GST in receivables/payables	(14,231)	38,806
<b>Net cash provided by/(used in) operating activities</b>	<b>(4,022,784)</b>	<b>(7,719,497)</b>

**31 Remuneration of members of the accountable authority and senior officers**

**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	9	9
\$10,001 - \$20,000	2	1

The total remuneration of the members of the accountable authority is:	58,044	45,287
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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 2006**

	2006	2005
	\$	\$

## **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:

\$80,001 - \$90,000	-	-
\$90,001 - \$100,000	2	3
\$100,001 - \$110,000	1	-
\$130,001 - \$140,000	1	1
\$150,001 - \$ 160,000	-	-

The total remuneration of senior officers is:	617,961	417,722
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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 Remuneration of auditor**

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

Auditing the accounts, financial statements and performance indicators	16,600	15,500
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Payment for auditing services is paid in the following year. Audit fee for 2005/06 will be paid in 2006/07.

## **33 Lease commitments**

Non cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Motor vehicle - not later than one year	46,124
Motor vehicle - later than one year, not later than five years	10,835
Office rentals - not later than one year	271,314
Office rentals - later than one year, not later than five years	1,227,868

## **34 Contingent liabilities**

There are no contingent liabilities that the Commission is aware of as at 30 June 2006.



## **SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

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### **35 Explanatory statement**

Significant variations between estimates and actual results for income and expenses are shown below. Significant variations are considered to be those greater than 10% or \$30,000.

#### **Significant variances between estimated and actual results for 2006**

	<b>Actual 2006 \$</b>	<b>Estimates 2006 \$</b>	<b>Variance \$</b>
Employee benefits expense	1,539,622	1,660,000	(120,378)
Supplies and services	941,593	1,679,000	(737,407)
Depreciation and amortisation expense	136,397	100,000	36,397
Finance costs	451,293	778,000	(326,707)
Accommodation expenses	277,755	372,000	(94,245)
Grants and subsidies	1,101,714	2,310,000	(1,208,286)
Cost of sales	403,393	-	403,393
Loss on disposal of non current assets	129,622	-	129,622
Other expenses	438,322	265,000	173,322
Sales	1,609,091	-	1,609,091
Gain on disposal of non current assets	-	246,000	(246,000)
Grants and subsidies	949,354	750,000	199,354

#### **Employee benefits expense**

The variance is due to vacant positions during the year and a reduction in leave liability.

#### **Supplies and services**

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

#### **Depreciation and amortisation expense**

The variance is due to increased depreciation cost associated with the Infrastructure.

#### **Finance costs**

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

#### **Accommodation expenses**

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

#### **Grants and subsidies**

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

#### **Cost of sales**

The cost of sales for inventories was not included in the estimates as there was no certainty in any sales occurring in 2005/06.

#### **Loss on disposal of non current assets**

Sale of non current assets produced a loss and not a gain as per budget estimates.

#### **Other expenses**

The variance is due to the inclusion of a revaluation decrement associated with infrastructure that was unknown at the time of budget estimation.

## **SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

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### **Sales**

The revenue from sale of inventories was not included in the estimates as there was no certainty in any sales occurring in 2005/06.

### **Gain on disposal of non current assets**

Sale of non current assets produced a loss and not a gain as per budget estimates.

### **Grants and subsidies**

Grants from government agencies is dependant upon successfully obtaining grants for projects under schemes such as the Regional Infrastructure Funding Program through DLGRD.

### **Significant variances between actual results for 2005 and 2006**

	<b>2006</b>	<b>2005</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Expenses			
Supplies and services	941,593	768,356	173,237
Depreciation and amortisation expense	136,397	102,694	33,703
Finance costs	451,293	581,401	(130,108)
Grants and subsidies	1,101,714	1,785,432	(683,718)
Cost of sales	403,393	175,707	227,686
Loss on disposal of non current assets	129,622	68,802	60,820
Other expenses	438,322	136,746	301,576
Income			
Sales	1,609,091	681,818	927,273
Other revenue	66,386	119,409	(53,023)
Service appropriation	4,226,000	7,166,000	(2,940,000)
Liabilities assumed by the Treasurer	737	53,509	(52,772)
Grants from Government agencies	780,750	593,636	187,114

### **Supplies and services**

In 2005/06 there is increased payments associated with projects (Tuart Walk, Futures Conference, and Southern Region Community Leadership) and commission related to the sale of land.

### **Depreciation and amortisation expense**

The depreciation associated with infrastructure has increased the amount of depreciation in 2005/06.

### **Finance costs**

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

### **Grants and subsidies**

The amount paid for grants and subsidies vary each year in accordance with the amount of grants approved for payment. 2005/06 includes payments for the Regional Development Scheme and South West Events Program.

### **Cost of sales**

In 2005/06 the Commission sold three Picton lots from land inventory held.

### **Loss on disposal of non current assets**

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

## **SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

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### **Other expenses**

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

### **Sales**

The increase is due to the sale of Picton land.

### **Other revenue**

The variance is due to the decrease of rental collection on the sale of land and buildings to the Bunbury Port Authority and a decrease in the reimbursement of TradeStart costs.

### **Service appropriation**

Appropriations in 2004/05 included a capital works component of \$2,000,000 for the Bunbury Coastal Enhancement Project.

### **Liabilities assumed by the Treasurer**

The amount of superannuation expense assumed by the Treasurer is determined by the Government Employee Superannuation Board and reflects movement in eligible Gold State members.

### **Grants from Government agencies**

Grants from government agencies are dependant upon successfully obtaining grants for projects under schemes such as the Regional Infrastructure Funding Program through DLGRD.

## **36 Land development**

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

## **37 Output: Regional Development**

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

## **38 Financial instruments**

### **(a) Financial Risk Management Objectives and Policies**

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

#### *Liquidity risk*

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

#### *Cash flow interest rate risk*

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

# SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

## (b) Financial Instrument Disclosures

Financial instrument information for the year ended 2005 has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. Financial instrument information from 1 July 2005 has been prepared under AASB 132 'Financial Instruments: Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement'. See also note 2(w) 'Comparative figures'.

### *Interest risk exposure*

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

	Weighted average interest rate	Fixed Interest Rate Maturities			Non interest Bearing	Total
		Within 1 year	1 to 5 yrs	Over 5 yrs		
2006	%	\$	\$	\$	\$	\$
Financial Assets						
Cash and cash equivalent		-	-	-	1,022,281	1,022,281
Restricted cash and cash equivalent		-	-	-	4,467,228	4,467,228
Receivables		-	-	-	73,073	73,073
Amounts receivable for services		-	-	-	427,000	427,000
		-	-	-	5,989,582	5,989,582
Financial Liabilities						
Payable		-	-	-	(310,510)	(310,510)
Other Liabilities		-	-	-	(149,476)	(149,476)
Borrowings from WATC	6.09%	(874,746)	(3,738,635)	(2,167,237)	-	(6,780,618)
		(874,746)	(3,738,635)	(2,167,237)	(459,986)	(7,240,604)

	Weighted average interest rate	Fixed Interest Rate Maturities			Non interest Bearing	Total
		Within 1 year	1 to 5 yrs	Over 5 yrs		
2005	%	\$	\$	\$	\$	\$
Financial Assets						
Cash and cash equivalent		-	-	-	1,283,572	1,283,572
Restricted cash and cash equivalent		-	-	-	2,754,442	2,754,442
Receivables		-	-	-	22,178	22,178
Amounts receivable for services		-	-	-	344,000	344,000
		-	-	-	4,404,192	4,404,192
Financial Liabilities						
Payable		-	-	-	(1,643,438)	(1,643,438)
Other Liabilities		-	-	-	(157,885)	(157,885)
Borrowings from WATC	6.83%	(846,109)	(3,681,357)	(3,099,261)	-	(7,626,727)
		(846,109)	(3,681,357)	(3,099,261)	(1,801,323)	(9,428,050)

### *Fair Values*

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

**SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

**39 Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)**

**Reconciliation of Equity at the Date of Transition to AIFRS: 1 July 2004 (AASB 1.39(a)(i))**

	<b>Previous GAAP 1 July 2004</b>	<b>AASB138 39.1a</b>	<b>AASB119 39.2a</b>	<b>AIFRS 1 July 2004</b>
<b>Current Assets</b>				
Cash and cash equivalents	3,265,545			3,265,545
Restricted cash assets	389,777			389,777
Inventories	531,381			531,381
Trade and other receivables	99,668			99,668
Amounts receivable for outputs	30,000			30,000
Other assets	10,471			10,471
<b>Total Current Assets</b>	<b>4,326,842</b>			<b>4,326,842</b>
<b>Non-Current Assets</b>				
Amounts receivable for outputs	231,000			231,000
Inventories	1,256,871			1,256,871
Property, plant and equipment	5,482,362	(45,279)		5,437,083
Intangibles		45,279		45,279
Infrastructure	1,306,935			1,306,935
Works of art	13,220			13,220
<b>Total Non-Current Assets</b>	<b>8,290,388</b>			<b>8,290,388</b>
<b>Total Assets</b>	<b>12,617,230</b>			<b>12,617,230</b>
<b>Current Liabilities</b>				
Trade and other payables	66,580			66,580
Contractual liabilities	5,239,545			5,239,545
Interest bearing liabilities	818,442			818,442
Employee benefit obligations	217,047		89,561	306,608
Provision for other liabilities	190,813			190,813
<b>Total Current Liabilities</b>	<b>6,532,427</b>			<b>6,621,988</b>
<b>Non-Current Liabilities</b>				
Interest bearing liabilities	7,626,727			7,626,727
Employee benefit obligations	174,683		(89,561)	85,122
<b>Total Non-Current Liabilities</b>	<b>7,801,410</b>			<b>7,711,849</b>
<b>Total Liabilities</b>	<b>14,333,837</b>			<b>14,333,837</b>
<b>NET ASSETS</b>	<b>(1,716,607)</b>			<b>(1,716,607)</b>

**SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

Cont.	Previous GAAP 1 July 2004	AASB138 39.1a	AASB119 39.2a	AIFRS 1 July 2004
<b>Contributed equity</b>				
Opening balance	1,613,000			1,613,000
Capital contributions	921,000			921,000
Superannuation liabilities assumed by Treasury	405,177			405,177
<b>Closing balance</b>	<b>2,939,177</b>			<b>2,939,177</b>
<b>Reserves</b>				
Asset revaluation reserve				
Opening balance	3,211,663			3,211,663
Net revaluation increments:				
Land	(324,200)			(324,200)
Buildings	98,000			98,000
<b>Closing balance</b>	<b>2,985,463</b>			<b>2,985,463</b>
Accumulated deficiency				
Opening balance	(2,675,190)			(2,675,190)
Change in net assets	(4,966,057)			(4,966,057)
<b>Closing balance</b>	<b>(7,641,247)</b>			<b>(7,641,247)</b>
<b>TOTAL EQUITY</b>	<b>(1,716,607)</b>			<b>(1,716,607)</b>

**Reconciliation of Equity at the end of the last reporting period under previous AGAAP: 30 June 2005(AASB 1.39(a)(ii))**

	Previous GAAP 30 June 2005	Adjustment AASB138 39.1b	AASB119 39.2b	AIFRS 30 June 2005
<b>Current Assets</b>				
Cash assets	1,283,572			1,283,572
Restricted cash assets	2,754,442			2,754,442
Inventories	355,674			355,674
Receivables	12,064			12,064
Amounts receivable for services	30,000			30,000
Other assets	10,114			10,114
<b>Total Current Assets</b>	<b>4,445,866</b>			<b>4,445,866</b>
<b>Non-Current Assets</b>				
Restricted cash assets	4,153			4,153
Amounts receivable for services	314,000			314,000
Inventories	1,256,871			1,256,871
Property, plant and equipment	5,109,450	(35,808)		5,073,642
Intangibles		35,808		35,808
Infrastructure	1,335,296			1,335,296
<b>Total Non-Current Assets</b>	<b>8,019,770</b>			<b>8,019,770</b>
<b>Total Assets</b>	<b>12,465,636</b>			<b>12,465,636</b>

**SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

Cont.	Previous GAAP 30 June 2005	Adjustment AASB138 39.1b	AIFRS AASB119 39.2b	Previous GAAP 30 June 2005
<b>Current Liabilities</b>				
Payables	24,819			24,819
Contractual liabilities	1,618,619			1,618,619
Interest-bearing liabilities	846,109			846,109
Provisions	340,441		(23,201)	317,240
Other liabilities	157,885			157,885
<b>Total Current Liabilities</b>	<b>2,987,873</b>		<b>(23,201)</b>	<b>2,964,672</b>
<b>Non-Current Liabilities</b>				
Interest bearing-liabilities	6,780,618			6,780,618
Provisions	116,381		23,201	139,582
<b>Total Non-Current Liabilities</b>	<b>6,896,999</b>		<b>23,201</b>	<b>6,920,200</b>
<b>Total Liabilities</b>	<b>9,884,872</b>			<b>9,884,872</b>
<b>NET ASSETS</b>	<b>2,580,764</b>			<b>2,580,764</b>
<b>Equity</b>				
Contributed equity	3,757,177			3,757,177
Reserves	3,268,962			3,268,962
Accumulated deficiency	(4,445,375)			(4,445,375)
<b>TOTAL EQUITY</b>	<b>2,580,764</b>			<b>2,580,764</b>

**Reconciliation of Income Statement for the year ended 30 June 2005 (AASB 1.39(b))**

	2005 \$ GAAP	AASB119 39.2c	Adjustments AASB118 39.3a	AASB116 39.4a	Total	2005 \$ AIFRS
<b>COST OF SERVICES</b>						
Expenses from ordinary activities						
Employee benefits expense	1,752,743	(1,670)			(1,670)	1,751,073
Supplies and services	827,880					827,880
Depreciation and amortisation expense	102,694					102,694
Finance cost	581,401					581,401
Accommodation expenses	263,170					263,170
Grants and subsidies	1,785,432					1,785,432
Cost of sales			175,707		175,707	175,707
Carrying amount of non-current assets disposed of	665,619			(665,619)	(665,619)	
Loss on disposal of non-current assets				68,800	68,800	68,800
Other expenses	13,241	1,670			1,670	14,911
<b>Total cost of services</b>	<b>5,992,180</b>			<b>(596,819)</b>	<b>(421,112)</b>	<b>5,571,068</b>
<b>Income</b>						
<b>Revenue</b>						
Trading profit	506,111		(506,111)		(506,111)	
Sales			681,818		681,818	681,818
Commonwealth grants and contributions	145,750					145,750
Other revenues from ordinary activities	119,409					119,409

# SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

Cont.	2005 \$ GAAP	Adjustments AASB119 39.2c	AASB118 39.3a	\$ AASB116 39.4a	Total	2005 AIFRS
<b>Gains</b>						
Interest revenue	5,901					5,901
Proceeds from disposal of non-current assets	596,819			(596,819)	(596,819)	
<b>Total revenues from ordinary activities</b>	1,373,990			(596,819)	(421,112)	952,878
<b>NET COST OF SERVICES</b>	4,618,190					4,618,190
<b>REVENUES FROM STATE GOVERNMENT</b>						
Service appropriation	7,166,000					7,166,000
Liabilities assumed by the Treasurer	53,509					53,509
Resources received free of charge	917					917
Grants from government agencies	593,636					593,636
<b>Total revenues from State Government</b>	7,814,062					7,814,062
<b>SURPLUS FOR THE PERIOD</b>	3,195,871					3,195,871

## Reconciliation of Cash Flow Statement for the year ended 30 June 2005 (AASB 1.40)

	GAAP 30/06/2005	Adjustments AASB119 39.2d	TOTAL	AIFRS 30/06/2005
<b>CASH FLOWS FROM STATE GOVERNMENT</b>				
Service appropriations	7,053,000			7,053,000
Capital contributions	818,000			818,000
Holding account drawdowns	30,000			30,000
Grants from State government agencies	613,040			613,040
<b>Net cash provided by State Government</b>	8,514,040			8,514,040

Utilised as follows:

## CASH FLOWS FROM OPERATING ACTIVITIES

### Payments

Employee benefits	(1,453,083)	15,702	15,702	(1,437,381)
Supplies and services	(662,876)			(662,876)
Finance costs	(620,610)			(620,610)
Accommodation	(263,655)			(263,655)
Grants and subsidies	(5,396,858)			(5,396,858)
GST payments on purchases	(651,997)			(651,997)
Other payments	(354,412)	(15,702)	(15,702)	(370,114)

### Receipts

Sale of Goods and Services	681,818			681,818
User charges and fees	0			0
Commonwealth grants and contributions	145,204			145,204
Interest received	5,901			5,901
GST receipts on sales	209,998			209,998
GST receipts from taxation authority	477,731			477,731
Other receipts	163,339			163,339

<b>Net cash used in operating activities</b>	(7,719,498)			(7,719,498)
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# **SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

Cont.	GAAP 30/06/2005	Adjustments AASB119 39.2d	TOTAL	AIFRS 30/06/2005
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of non-current physical assets	596,819			596,819
Purchase of non-current physical assets	(186,075)			(186,075)
<b>Net cash used in investing activities</b>	<b>410,744</b>			<b>410,744</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	(818,442)			(818,442)
<b>Net cash used in financing activities</b>	<b>(818,442)</b>			<b>(818,442)</b>
<b>Net (decrease) in cash and cash equivalents held</b>	<b>386,844</b>			<b>386,844</b>
Cash assets at the beginning of the financial year	3,655,322			3,655,322
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>4,042,166</b>			<b>4,042,166</b>

## **Notes to the reconciliation**

### **Note 39.1 Intangible assets (AASB 138)**

AASB 138 requires that software not integral to the operation of a computer must be disclosed as intangible assets. Intangible assets must be disclosed on the face of the balance sheet. All software has previously been classified as property, plant and equipment (office equipment).

#### **39.1a Adjustments to opening Balance Sheet (1 July 2004)**

The Commission has transferred \$45,279 in software from property, plant and equipment to intangible assets.

#### **39.1b Adjustments to Balance Sheet 30 June 2005**

The Commission has transferred \$35,808 in software from property, plant and equipment to intangible assets.

### **Note 39.2 Employee benefits (AASB119 and AASB 101)**

AASB101 requires that a liability must be classified as current where the entity does not have an unconditional right to defer settlement of the liability for at least twelve months beyond the reporting date. Consequently, all annual leave and long service leave entitlements (unconditional long service leave) must now be classified as current.

Employment on-costs are not included in employee benefits under AGAAP or AIFRS. However, under AGAAP employee benefits and on-costs are disclosed together on the face of the Income Statement as employee costs. Under AIFRS employee benefits is the equivalent item disclosed on the face. On-costs have been transferred to other expenses.

#### **39.2a Adjustments to the opening Balance Sheet (1 July 2004)**

All unconditional long service leave previously reported as non-current liability has been reclassified to current liability (\$89,561).

## **SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

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### **39.2b Adjustments to Balance Sheet 30 June 2005**

All unconditional long service leave previously reported as non-current liability has been reclassified to current liability (\$23,201).

### **39.2c Adjustments to the Income Statement for the period ended 30 June 2005.**

Employment on-costs expense has been reclassified from employee benefits expense to other expense (\$1,670).

### **39.2d Adjustments to the Cash Flow Statement for the period ended 30 June 2005**

Employment on-costs payments have been reclassified from employee benefits payments to other payments (\$15,702).

### **Note 39.3 Revenue (AASB118)**

Under AGAAP the trading profit from the sale of inventories was required to be disclosed on a net basis. Under AASB 118 it is a requirement to disclose the revenue and expense on a gross basis.

### **39.3a Adjustment to Income Statement for the period ended 30 June 2005.**

The recognition of a trading profit (\$506,111) and recognition of an expense, cost of sales (\$175,707), and recognition of a revenue, sales (\$681,818), have been included on the face of the statement.

### **Note 39.4 Net gains on disposal of non-current assets (AASB116)**

Under AGAAP the disposal of non-current assets is disclosed on the gross basis. That is, the proceeds of disposal are revenue and the carrying amounts of assets disposed of are expense. The disposal of non-current assets is disclosed on the net basis (gains or losses) under the AIFRS.

### **39.4a Adjustment to Income Statement for the period ended 30 June 2005.**

The carrying amount of assets disposed of was previously recognised as expense. This has been derecognised (\$665,619).

The proceeds of disposal of non-current assets was previously recognised as income. This has been derecognised (\$596,819).

A loss on the disposal of non-current assets of \$68,800 has been recognised as an expense.

### **Note 39.5**

No asset was held for sale therefore AASB 5 did not apply.  
There was no impact on the surplus for the period.

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