



SOUTH WEST DEVELOPMENT COMMISSION  
**Annual Report 2007-08**





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#### Other formats

This annual report is available in alternative formats on request. The Commission encourages people to access this annual report online through the Commission's website and to use recycled paper if they print a copy. For the convenience of readers and to minimise download times and print-outs, the annual report has been presented in sections, as well as the entire document. The online annual report is presented in PDF format.

# Statement of Compliance

**The Hon. Brendon Grylls MLA**  
**Minister for Regional Development**

In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the South West Development Commission, for the financial year ended 30 June 2008.

The South West Development Commission was established under the *Regional Development Commissions Act 1993*.

In the performance of its functions, the South West Development Commission complies with all relevant written laws including but not limited to:

*Regional Development Commissions Act 1993;*  
*Financial Management Act 2006;*  
*Contaminated Sites Act 2003;*  
*Disability Services Act 1993;*  
*Equal Opportunity Act 1984;*  
*Freedom of Information Act 1992;*  
*Industrial Relations Act 1979;*  
*Minimum Conditions of Employment Act 1993;*  
*Occupational Safety and Health Act 1984;*  
*Public Sector Management Act 1994;*  
*Salaries and Allowances Act 1975;*  
*State Records Act 2000;*  
*State Supply Commission Act 1991;* and  
*Public Interest Disclosure Act 2003.*

In the financial administration of the South West Development Commission, we have complied with the requirements of the *Financial Management Act 2006* and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

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



**Mr Stan Liaros**  
Chairman of the Board  
22 September 2008



**Mr Don Punch**  
Chief Executive Officer  
22 September 2008

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## Chairman's Executive Summary



### The year in review

One of the most pleasant aspects of the role of the Chairman of the South West Development Commission is the opportunity to see the full scale of endeavour, imagination, innovation and excellence that characterise our region.

Evidence of innovation can be found everywhere. I was pleased to see the 2008 South West Small Business of the Year, TraxOn Industries, is a worldwide exporter of process control technology. The company, which had its beginnings in Yarloop but is now located in Bunbury, is the creator and producer of an oil management system used in the commercial refrigeration industry. It has every prospect of continuing to grow and place the South West on an international stage.

In the mining sector, innovation has driven world's best practice in rehabilitation and recycling assets into new uses for the community. The Commission has been pleased to work with Wesfarmers Premier Coal to finalise the Lake Kepwari project, a 103 hectare lake created from a mine void that is fit for a variety of water-based recreation activities.

These are just two examples in very different fields where innovation is taking our region forward.

The year in review has also seen progress on some exciting opportunities for the region. Planning for the redevelopment of Busselton's foreshore and jetty has largely been completed, leading to the State Government extending a partnership offer to the Shire of Busselton and the New Perth Bunbury Highway is showing visible signs of nearing completion with the potential to reduce travel times to Perth by 30 minutes.

The Government has also recognised the growth pressures in the region and has confirmed commitments to plan for the development of high speed rail links to Bunbury and has committed to a new direct port access route and Stage 1 of the development of the Bunbury Outer Ring Road.

This scale of development together with recent announcements by the mining sector for expansions suggests there will be more than \$5 billion in investment in the region over the next 10 years. That is a very substantial sum.

While all of this is good news, the real core of our region is people. Creating a vibrant sense of place where people can be involved in community life is a critical part of the Commission's work.

During 2007-08 the Commission has completed the development of the South West Academy of Sport, developed strategies for improving indigenous participation and is looking to engage both young people and our older population more effectively in planning for the future.

The Critical Horizons series has continued and the Southern Region Leadership Conference was held at Fairbridge in partnership with the Peel Development Commission.

These activities are central to informed community discussion and healthy debate as we take our region forward.

I would like to thank my fellow Board members for their commitment and energy throughout the year, Don Punch our Chief Executive Officer and the staff of the South West Development Commission who bring a great sense of pride and passion to their work.

I would particularly like to thank and acknowledge our previous Minister for the South West the Hon Mark McGowan.

I would also like to welcome the Hon Brendon Grylls as the new Minister for Regional Development.

Finally, I would like to extend my deep appreciation on behalf of the Board and to all those agencies, community organisations and individuals who have worked with and assisted the Commission.

A stylized handwritten signature in black ink, consisting of a large loop and a trailing flourish.

Mr Stan Liaros – Chairman

# Operational Structure

## Establishment

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

## Responsible Minister

The Hon. Brendon Grylls MLA  
Minister for Regional Development

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

*Accountable authority:*  
South West Development Commission

## Objects and powers

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

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

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

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

## South West Region of Western Australia



### Corporate objectives

#### Vision

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

#### Mission

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

#### Values

- Leadership – we will provide leadership to the region that is inspiring, motivating and relevant.
- Professional behaviour – we will act at all times with honesty, integrity and fairness, recognising the importance of being open and accountable for our actions.
- Sustainable practice – we will take a well-planned, considered approach to our projects to ensure that the qualities and opportunities of the region are enhanced for both present and future generations.
- Excellence of service – we aim to be global leaders in regional development, with valued and skilled personnel and a responsive attitude to people.



## Executive officers

as at 30 June 2008 (appointed under the *Public Service Management Act 1994*)



### **Don Punch – Chief Executive Officer**

MBA, Bachelor of Psychology and Bachelor of Social Work

Term of Appointment 1998-2012

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



### **Graeme Baesjou – Manager Regional Development**

Graduate Diploma in Management Studies

Diploma of Administration Studies

Graeme has more than 10 years experience in regional development.



### **Vanessa Lewis – Principal Policy Officer**

Bachelor of Economics

Vanessa has more than 30 years 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 more than 10 years and is currently responsible for the management of the Commission's finance, human resource, information technology and administration services.

## Structure

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

### Executive Services

Manages the overall operation of the Commission.

### 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.

### Policy and Research

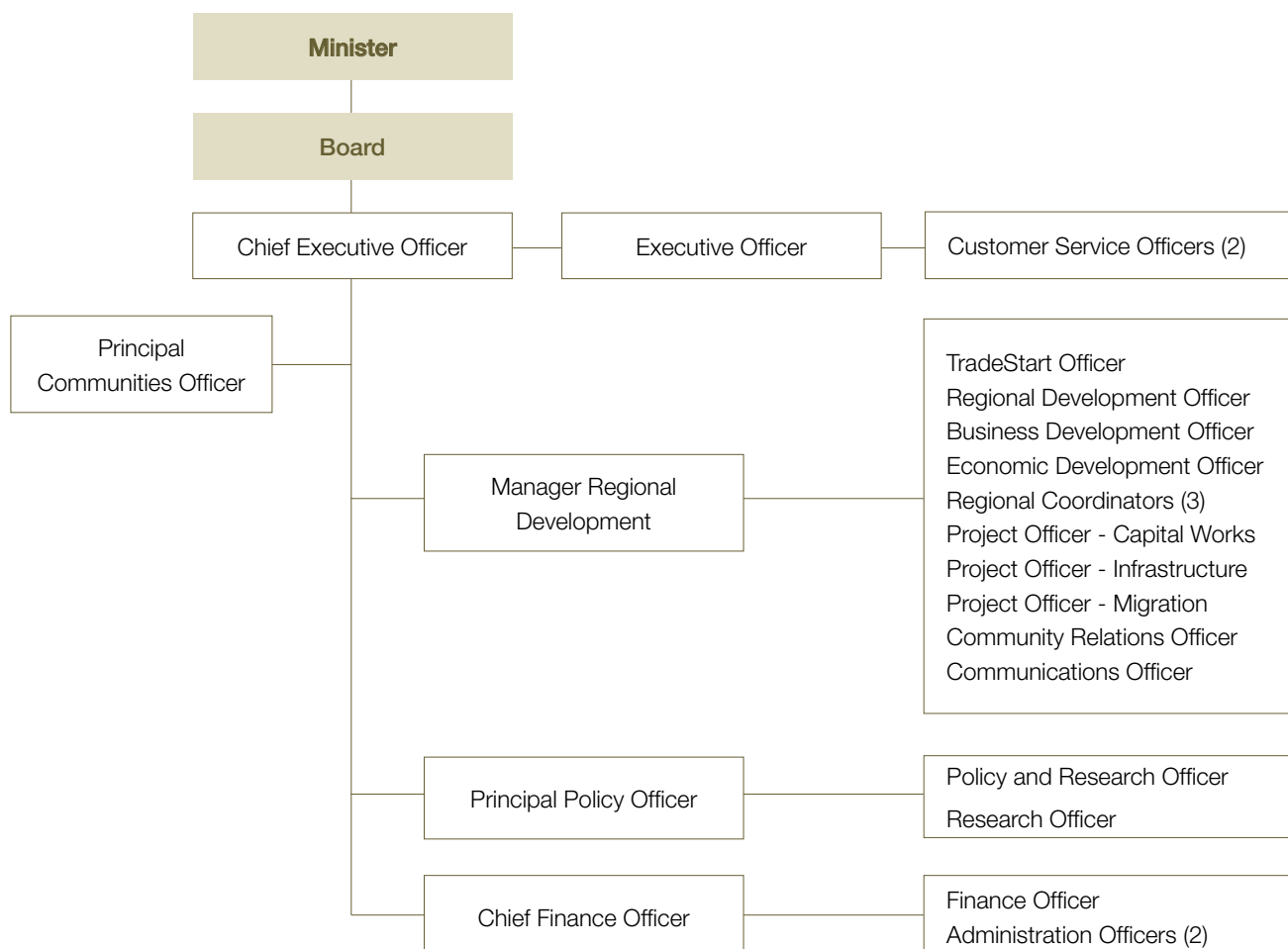
Provides policy and research services to assist in regional planning and decision-making.

### Corporate Services

Is the administrative arm of the Commission.

## Organisation chart

as at 30 June 2008



# Performance Management Framework

## Outcome based management framework

### SWDC service delivery

In accordance with the SWDC Strategic Plan 2005-2020, the Commission delivers its services through: Investing in People; Investing in Infrastructure and Place; and Investing in Knowledge, Enterprise and Innovation. The Commission aims to support the development of new industries, more diverse opportunities for people, and community and industry infrastructure, while advancing sustainable jobs growth. 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

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.

### Linkage with overall government goals

The Commission's three strategic themes incorporate the goals and outcomes of 'Better Planning: Better Futures', the State Government's strategic management framework. Goal 4 of the framework, Regional Development, is our main focus, and as a result, our diverse activities also contribute to the other goals of: Better Services, Jobs and Economic Development, Lifestyle and Environment, and Governance and Public Sector Improvement.

Similarly, the Commission's activities are aligned with the strategic outcomes of the State Government's regional development policy.

Within the high level government goal of "ensuring that regional Western Australia is strong and vibrant", the Commission's desired outcome is an environment which is conducive to the balanced economic development of the South West Region.



Bunbury Waterfront Development is a LandCorp project supported by key government agencies including the South West Development Commission.

## Changes to outcomes based management framework

There have been no changes to the outcome based management framework during 2007-08.

## Shared responsibilities with other agencies

The South West Development Commission has no shared responsibilities with other agencies but does work collaboratively with other agencies to achieve government desired outcomes in the South West Region.

## Resource Agreement

### Financial targets

	2007-08 <sup>(1)</sup> target	2007-08 actual	2007-08 <sup>(2)</sup> variation
Total cost of services (i.e. endorsed expense limit)	\$11,341	\$10,723	\$618
Net cost of services (details in the Income Statement)	\$9,617	\$10,292	\$675
Total equity (details in the Balance Sheet)	\$4,536	\$5,893	\$1,357
Net increase/decrease in cash held (details in the Cash Flow Statement)	(\$684)	\$117	\$801
Full-time equivalent (FTE) staff level	25	25	0

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

(2) Explanations are contained in Note 36 Explanatory Statement.

### Key performance indicators

	2007-08 <sup>(1)</sup> target	2007-08 actual	2007-08 <sup>(2)</sup> variation
Regional Development			
Key effectiveness indicator – customer satisfaction survey	76%	83%	7%
Key efficiency indicator – average cost per hour of service	\$160	\$180	\$20

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

(2) Explanations for the variations between target and actual results are presented in the Performance Indicators.

## Client Survey 2008

The South West Development Commission's 2008 client survey, undertaken by independent consultant Patterson Market Research, asked local government representatives and key clients to rate the Commission's role, activities and performance.

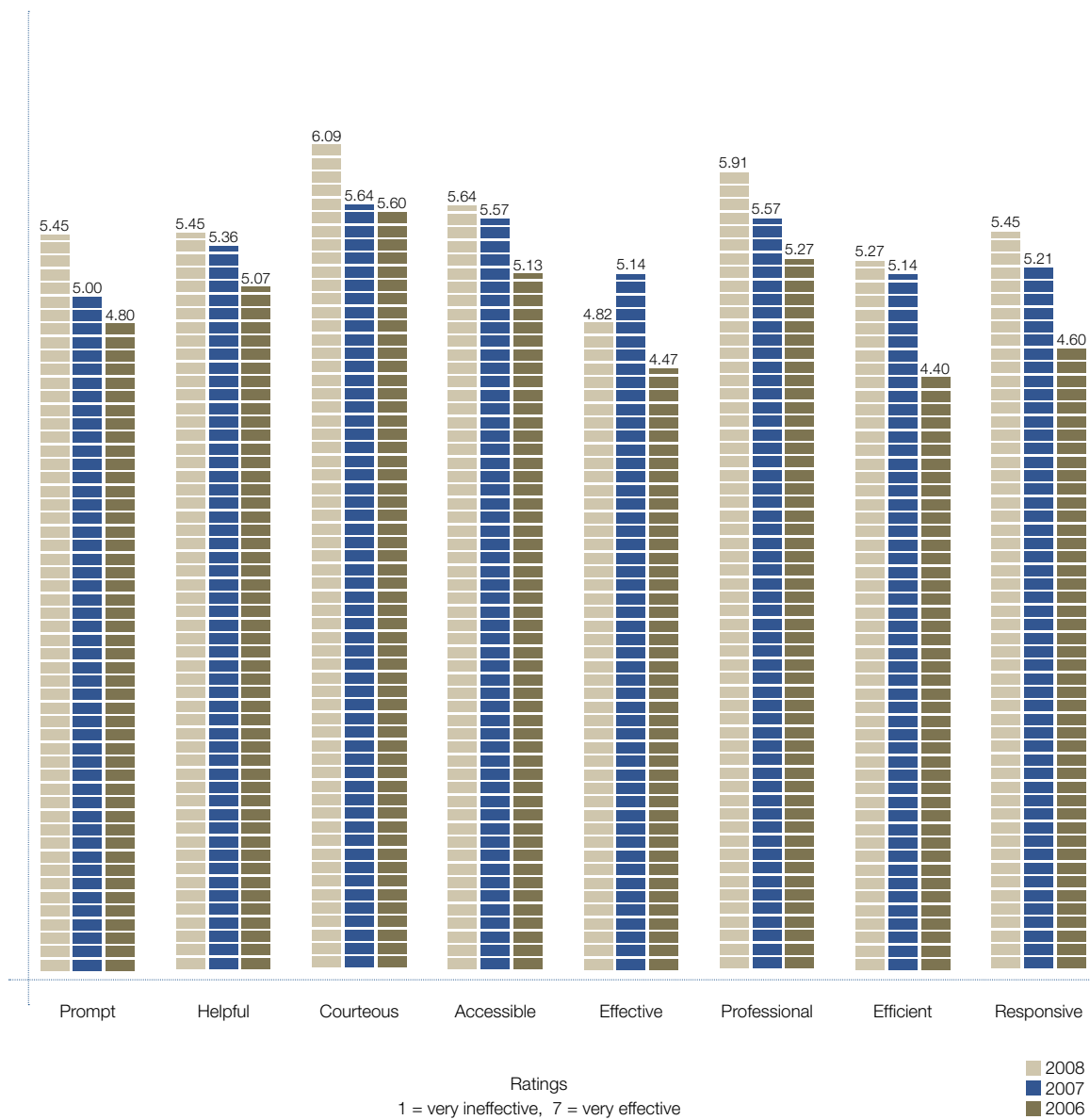
The Commission provided Patterson Market Research with a database comprising 253 key clients and 20 representatives from South West local governments. The key clients were made up of Commonwealth and State government agencies and private organisations having regular contact with the Commission over the past 12 months.

### SWDC effectiveness rating

Services	Local governments average 2008	Key clients average 2008	Local governments average 2007	Key clients average 2007	Local governments average 2006	Key clients average 2006
Planning assistance	5.00	5.42	4.75	5.52	3.78	5.16
Source of funds	5.50	5.87	5.07	5.79	4.8	5.17
Assistance in securing funds from other sources	5.50	5.34	4.58	5.39	5.62	4.98
Advocacy	5.40	5.32	4.33	5.67	4.12	4.94
Community consultation	6.00	5.56	5.00	5.78	5.37	5.05
Coordination between other organisations and groups	5.25	5.68	5.17	5.77	4.89	5.05
Problem solving	6.00	5.57	3.00	5.69	3.67	4.53
Assistance with industrial development	4.40	5.14	4.89	4.85	5.12	4.63
Identification of investment opportunities	5.50	5.94	4.00	4.94	4.57	4.36
Project development	4.75	5.70	5.20	5.70	5.09	4.59
Organisation support	4.50	5.33	5.00	6.14	4.00	4.64
Assistance with promotions	5.33	5.83	5.00	6.29	5.00	4.76
Provision of advice	5.33	5.85	5.20	5.92	5.62	5.17
Information about the region / Commission	5.25	5.80	5.89	6.11	5.45	5.04
Marketing advice / information	5.67	5.71	5.00	5.86	4.14	4.47

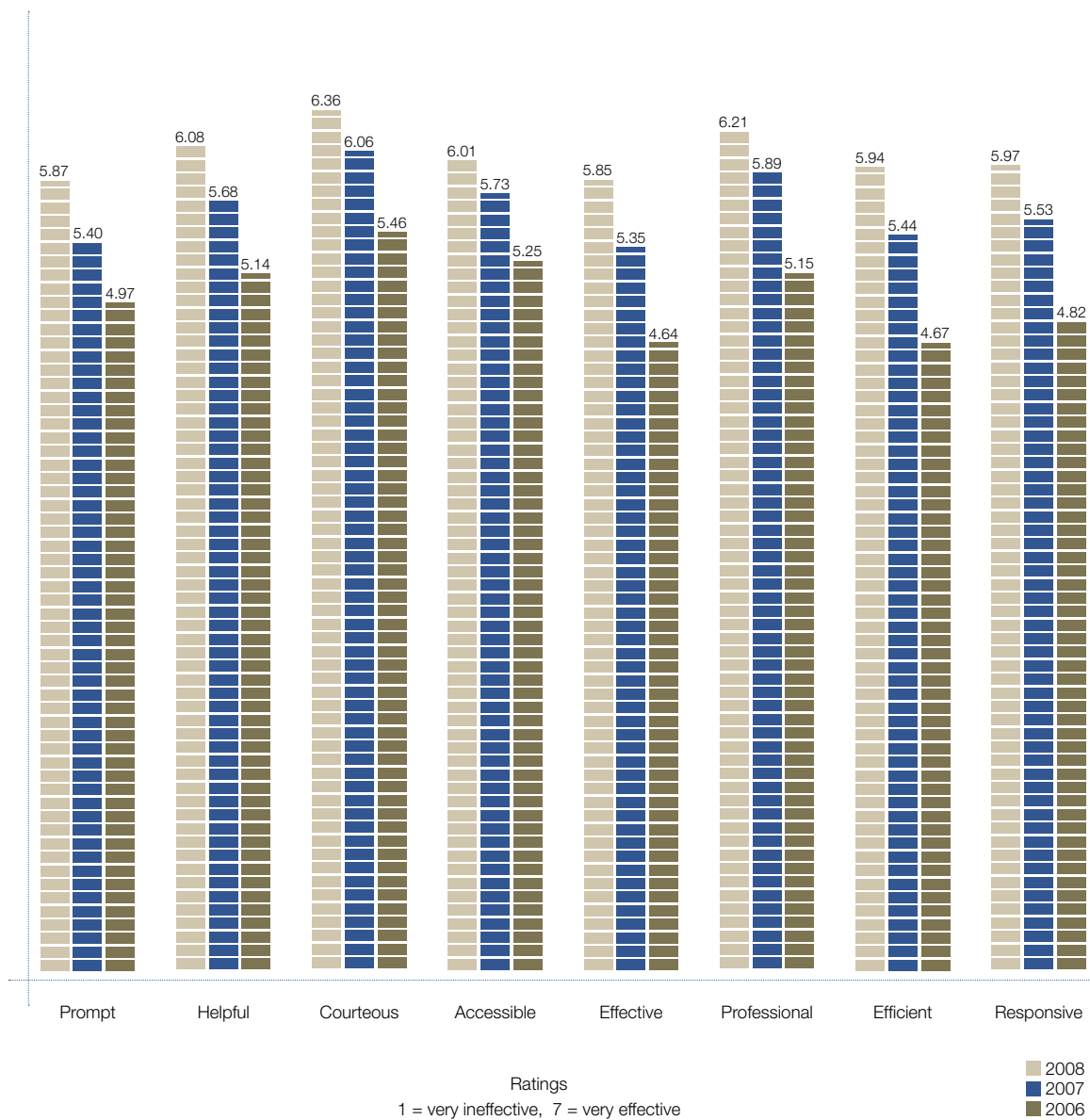
Ratings  
1 = very ineffective, 7 = very effective

Quality of experience in dealing with SWDC  
Local governments



## Quality of experience in dealing with SWDC

### Key clients



# Report on Operations

The South West will be recognised as a region of excellence...that's our vision for the future.

There is already considerable evidence of excellence. Many of our resource industries operate at world's best practice both in efficiency and environmental management terms.

The region also offers excellence in lifestyle opportunities, health and education and many of our small and medium enterprises are at the forefront of innovation and creativity.

To be competitive as a region the Commission believes we need to provide competitive economic and social infrastructure within a framework that recognises and values the region's environmental assets. We need to build and develop what we have within the region in a sustainable manner and to take what we have to offer out to the world.

That is what drives us as a team.

The South West Development Commission is guided by its strategic plan and the State Government's strategic management framework.

There are three strategic themes:

- Investing in People;
- Investing in Infrastructure and Place; and
- Investing in Knowledge, Enterprise and Innovation.

All of the Commission's activities are related to these themes and our achievements for 2007-08 are reflected in this annual report.



## Strategic highlights

### Investing in people

Bringing people together to participate in the economic and social life of the community is a key ingredient to being a region of excellence.

We aim to achieve this through building knowledge, strengthening local leadership and supporting community infrastructure.

The Commission recognises that by engaging with communities, lifelong learning and access to knowledge will prepare and empower residents of the South West to deal with challenges in the future and help communities become more self-reliant.

As well as empowering residents with knowledge, work must also be done to continue to develop the ability of the South West to retain its young people whilst catering for the growing over 55 population.

Developing community infrastructure, increasing learning opportunities for communities and planning for both youth and the over 55s were key aims of the Commission in 2007-08.



Brothers Leopoldo and Domenico Malavisi at the Busselton Community Garden. The garden received funding under the Regional Development Scheme.

### Community infrastructure

In order to improve community infrastructure, some of the Commission's major projects focused on the needs of youth, seniors and indigenous people.

The South West Academy of Sport was established to provide talent development pathways within the region as an alternative to young people having to travel to Perth. The recent announcement of the academy's partner sports and key sponsors marked a major milestone for the initiative.

The Commission supported the South West Indigenous Map and Gap Analysis and the South West Active Ageing Strategy, two projects designed to incorporate urban and regional planning into human service delivery in a more effective way.

The Regional Development Scheme provided \$500,000 in funding to 28 projects through the Regional Development Scheme. Funding is an important part of resourcing local communities and tapping into local energy and vision. Projects were merit-based and assessed according to criteria which included each initiative fitting with the Commission's strategic plan, level of community support and extent of partner in kind and cash funding.

The Commission continues to coordinate planning across the human service sector through the South West Human Services Planning Committee. The group consists of regional managers of public sector agencies and aims to exchange information on human services matters and coordinate responses to issues including housing, early childhood, and drugs and alcohol.

One recent project carried out was the South West Indigenous Map and Gap Analysis which aimed to identify gaps Aboriginal community members experience in human services. The results of the study will be used to make services work better for Aboriginal people in the South West.

Another way the Commission is investing in people through community infrastructure is by supporting an affordable housing program, which aims to provide a framework to reduce accommodation costs for people in the bottom 40 per cent of the income distribution.

### Learning communities

During the year in review the Commission finalised its lifelong learning pilot program with three telecentres and the Milligan Community Learning and Resource Centre and will now evaluate the outcomes. The program uses community centres as access points for non-vocational training, learning and educational opportunities available via the internet.

The Southern Regions Community Leadership Forum took place at Fairbridge and was attended by 160 people. The event included the announcement of the winners of the annual leadership awards, which reward outstanding examples of leadership by groups or individuals. The forums, held annually, aim to recognise and develop local leadership and participation in decision-making.

To help keep the region at the forefront of futures thinking a further two seminars in the Critical Horizons series were held. The seminars had renewable energy and the growth of China as themes. The series is designed to keep the region informed about global issues as a basis for assisting local planning and decision-making. Seminars on carbon futures and how health, education and housing underpin resilient

#### How we invest in people

##### Community infrastructure:

- Regional Development Scheme
- South West Indigenous Map and Gap Analysis
- Age friendly planning
- South West Academy of Sport
- Community leadership forums
- Affordable housing
- Pemberton Pool enhancements
- Old Bunbury Post Office and Court House

##### Learning communities:

- Critical Horizons futures seminars
- Lifelong learning programs

communities are planned.

## How we performed

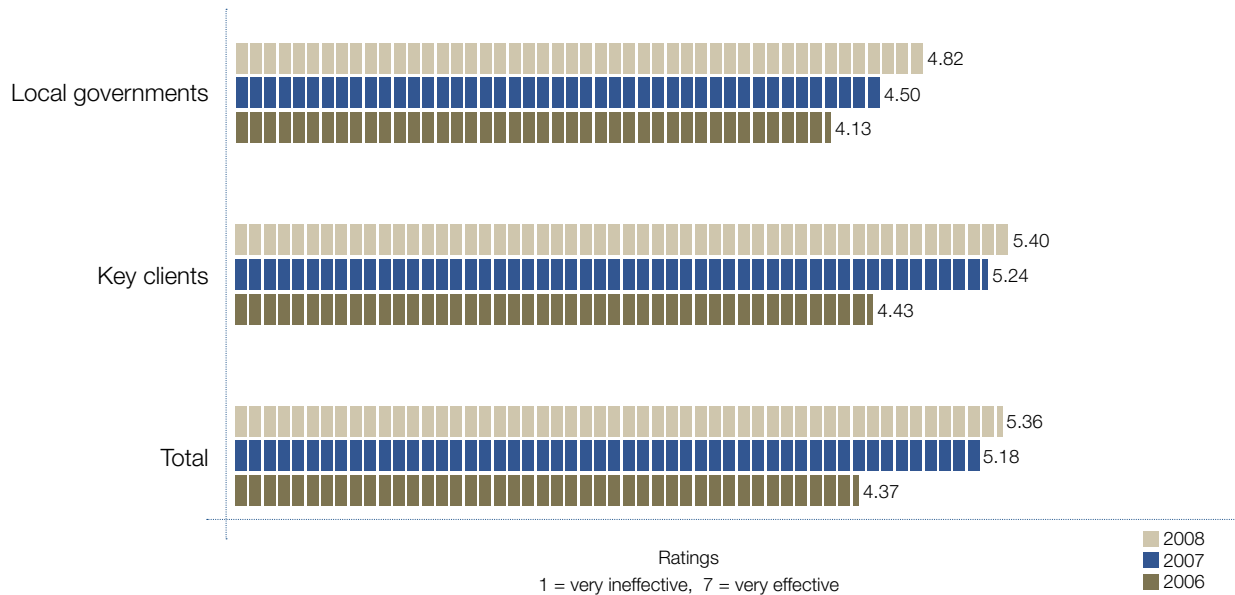
The Commission's 2008 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in Investing in People.

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.

### SWDC strategic themes effectiveness ratings

#### *Investing in people*



### South West Academy of Sport

The announcement of the South West Academy of Sport's partner sports and key sponsors in Bunbury in July 2008 marked a new era in sport for the region.

The event signalled the academy was close to becoming a reality after more than 12 months of planning.

The South West Development Commission was first approached about the project by the South West Chambers of Commerce and Industry, which engaged WA sporting identity Wally Foreman to develop a feasibility plan for the academy.

Once a plan to develop a successful regional sports academy was complete, the South West Development Commission led a community committee to turn the academy dream into reality.

A working group, drawing representation from relevant agencies, corporate and community groups across the South West was formed to develop the academy.

The body was formally incorporated and now operates as an independent board.

Funding has come from the State Government and South West Development Commission, which have so far committed \$250,000 to the project.

The South West Development Commission has also worked closely with the business community to secure sponsorship.

About a dozen companies and businesses have so far signed up as sponsors, including foundation partner The Griffin Group and associate sponsors Worsley Alumina and WIN Television.

The South West Development Commission has also successfully sought support from individuals.

It has secured Bunbury identity Ern Manea as patron of the academy and Olympian Mark Worthington as patron of the academy's basketball program.



It also engaged the aid of organisations such as the Department of Sport and Recreation and the Western Australian Institute of Sport.

In July 2008, the Commission organised an event to announce the academy's partner sports and major sponsors.

More recently it began a fit-out of the academy's administration office, which is located at Bunbury's South West Sports Centre.

It has also selected a chief executive officer.

The Commission is now working with partner sport authorities – Australian Rules Football, hockey, basketball and soccer – to develop programs for the academy.

It is also finalising its scholarship program.

Once complete, the academy will enable up-and-coming athletes to enter elite training, without having to travel to Perth.

This training will help participants reach the next level in their chosen sport.



### Regional Development Scheme

A range of community projects across the South West Region have received funding through the Regional Development Scheme this financial year.

The scheme provides up to \$500,000 worth of grants throughout the South West annually to support community projects and has contributed more than \$3 million to the region since its inception.

This financial year a total of 45 grant applications were received by a panel which selected projects in accordance with the Regional Development Scheme criteria.

A total of 28 applications were then passed on to the South West Development Commission's board for approval or recommendation to the Minister.

Some of the projects to receive funding were:

#### **Jewel Cave**

The State Government provided a grant of \$60,000 to help revitalise Augusta's Jewel Cave.

The cave was discovered more than 50 years ago and has been a popular destination for tourists and cave enthusiasts ever since.

However, one of the drawbacks of its popularity is the impact visitors and existing public infrastructure has had on the cave.

The site needs a major makeover to help restore it to a more natural and environmentally sound state.

The funding, which will be put towards the Jewel Cave Preservation and Redevelopment Project, will pay for boardwalks to be installed from the visitors' centre to the cave.

#### **Ferguson Valley Centre**

A Regional Development Scheme grant of \$58,000 was put towards transforming the historic Ferguson Valley Centre into a modern community centre.

The project will include the removal of asbestos, installation of air-conditioning and disabled facilities and internal resurfacing and painting.

The redevelopment will help ensure the Ferguson Valley has public facilities capable of meeting the demands of its growing population.

The centre will be used for a variety of purposes including market days, exercise classes, senior citizens and youth activities. It will also provide a base for the planned Festivals for the Ferguson Valley.

#### **Old Yarloop Doctor's House**

A grant through the Regional Development Scheme allowed restoration work to continue on the Old Yarloop Doctor's House.

The building, a residence for doctors for more than 60 years, has received a new veranda, flooring, railing and most recently a coat of paint.

The funding has helped volunteers turn an unused and dilapidated building into a proud part of the former timber milling town's historic precinct.

It is likely to be used as a community centre in the future.



Doctor's Residence Restoration Committee president Dom Anzellino and builder Keith Newby.

## Investing in infrastructure and place

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

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

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

The Lake Kepwari project at Collie, which involves transforming a former mine void into a recreational lake for both local and tourism use, is one example.

Projects such as this add to the vibrancy of the region and create a new sense of purpose for old assets.

Transport, urban renewal and broadband have been major areas of activity during 2007-08.

### Land for industry

The Commission and LandCorp have begun a study into the changing market for industrial land. The emphasis of the project is to identify demand, location and type of land in demand and the implications of changing industry footprints on land use planning.

An engineering and site analysis for the proposed Shotts industry park has commenced and Government approval obtained to complete business planning for the proposed park.

The Commission assisted the Kemerton Coordinating Group in the development of the draft strategy for Kemerton Industrial Park.

The Commission's land holdings at Picton have been subject to an opinion received from the Environmental Protection Authority which highlights a number of environmental outcomes to be met to allow development of the industrial park to proceed. Structure planning is continuing and it is expected that a final proposal will be completed in 2009.

### Modern competitive transport network

Construction of the New Perth Bunbury Highway is on track for its opening in December 2009. A highlight of the project during the 2007-08 financial year was the start of work on the biggest bridge to be built as part of the highway, which is the longest single road build project undertaken in Western Australia.

The Commission has assisted planning for the construction of the Bunbury Outer Ring Road and the Port Access Road which will aid in removing potential bottle necks at Bunbury. Construction of the Port Access Road is expected in 2009 and the first stage of the Bunbury Outer Ring Road in 2011.

To address internal public transport needs the Commission has partnered with the Public Transport Authority to commence a review of options to use local community buses to provide local transport solutions. The outcomes of this study will be known in 2009.

### Urban Renewal

Urban renewal aims to bring about an environment supportive of new investment in the region. Replacement of worn and under utilised public spaces with more vibrant space is a key outcome.

Projects are currently either planned or underway in Collie, Brunswick Junction, Harvey, Pemberton, Busselton and Margaret River.

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

The value of civil and capital works ranges from \$200,000 to \$95 million.



### Competitive utility / infrastructure provision

The Commission has assisted Western Power to develop load forecasts for the South West. These forecasts will be used by Western Power to plan infrastructure improvements and target growth areas. The Commission has agreed to reinstate the South West Infrastructure Coordinating Group as a vehicle to assist more effective power planning.

Broadband and IT development has been a continuing focus. The Commission completed planning for wireless hot spots in Busselton and Bunbury. The proposed free wireless network will deliver free internet access to visitors and tourists within a designated area in the central business districts of Bunbury and Busselton. The service will offer web and email access via wireless capable devices such as laptops and PDAs.

The Commission has also provided financial and technical assistance to the City of Bunbury to develop a multimedia development centre as part of the new city library building. The centre would allow Bunbury-based companies to produce digital effects for movies such as Harry Potter and Lord of the Rings.

Work has continued with possible providers of high capacity broadband optic fibre to the region based on the construction opportunities presented by the New Perth Bunbury Highway. This will be a continuing theme for 2009.

### Natural resource management

The Lake Kepwari project at Collie, which involves transforming a former mine void into a recreational lake for both local and tourism use, is one example of Commission-supported urban renewal linked to natural resource management. Construction will commence in November 2008 and the lake is expected to open to the public in summer 2009.

In the first quarter of 2009 the Commission will undertake an environmental review of the opportunity to re-divert the Collie River back through the lake formation as a long-term solution to the management of the river diversion.

Funding was also provided to assist planning and implementation of recommendations for the Collie River. A consultancy team from the University of Western Australia has completed a management and action plan, which will go out for public consultation.

Dredging of the Leschenault Estuary was completed and new channel markers placed. This provided greater public access to the waterway. The next stage of the Leschenault project is underway with a survey of fish stocks in the estuary.

#### How we invest in infrastructure and place

##### Land for industry:

- Bunbury Wellington industrial land development
- Raw Materials Study

##### Natural resource management:

- Dredging of the Collie River mouth channel
- Busselton wetlands
- Review of fish stocks in the Leschenault Estuary
- Lake Kepwari

##### Competitive utility / infrastructure:

- Serious broadband

##### Urban renewal:

- Augusta Margaret River Townsite Strategy
- Collie River restoration
- Building a Better Harvey
- Bunbury Coastal Enhancement Project
- Busselton Jetty refurbishment and foreshore revitalisation

## How we performed

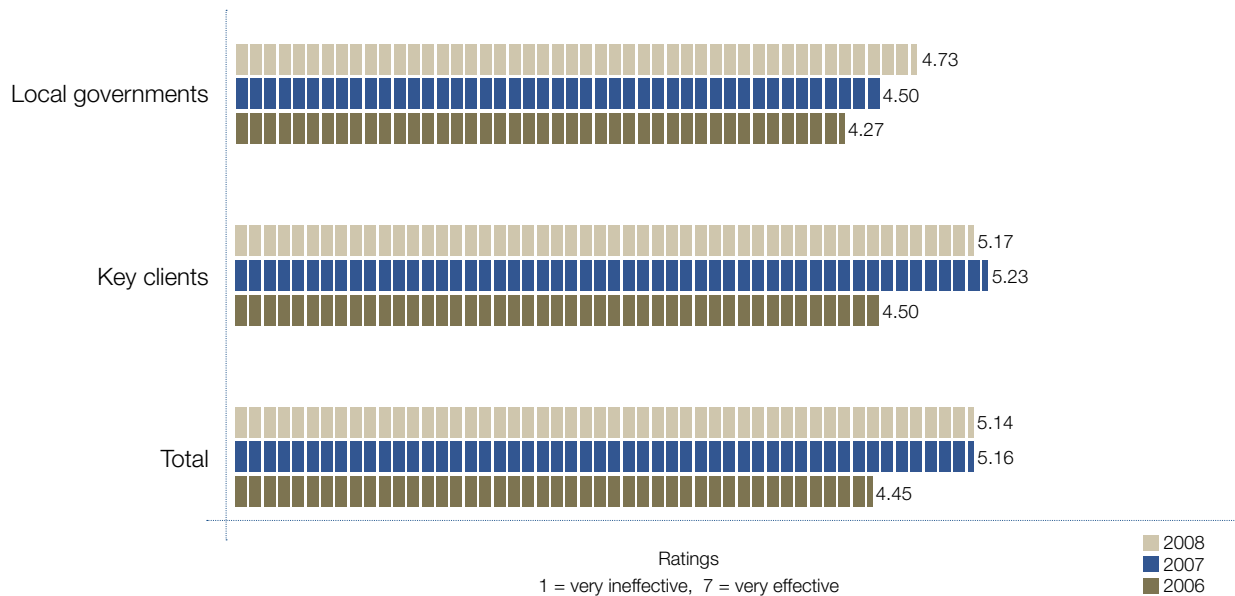
The Commission's 2008 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in Investing in Infrastructure and Place.

The rating scale ranged from 1 – very ineffective to 7 – very effective.

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

### SWDC strategic themes effectiveness ratings

#### *Investing in infrastructure and place*





### Bunbury Outer Ring Road

A stakeholders' group set up by the South West Development Commission to ensure the proposed Bunbury Outer Ring Road becomes a reality has made substantial progress since it was established about 18 months ago.

The role of the group, comprising representatives from local government and regional stakeholders, has been to help develop the business case for the project with the Commonwealth Government.

In August members of the group formed a delegation and met with politicians in Canberra to discuss the crucial infrastructure project.

In October the Commonwealth Government pledged \$136 million towards the Bunbury Port Access Road and Outer Ring Road Stage 1.

This was one of the most significant milestones in the 25 year push for the construction of the Outer Ring Road.

The case for funding was particularly evidenced by the daily average of 35,000 vehicles passing through the Eelup Roundabout, which is identified as having the most number of traffic incidents of any intersection in Western Australia.

The Bunbury Outer Ring Road will play a major role in avoiding further traffic conflict and ensuring growing freight movement is effectively managed ahead of major industry expansions and further population growth.

The dual carriageway will deliver a free flowing route for regional traffic by removing about a third of traffic volume from existing roads.



The New Perth Bunbury Highway is one way the State Government is improving travel routes.

Its importance will only escalate once the New Perth Bunbury Highway is completed in 2009 and the bottleneck drivers currently experience in Mandurah is transferred to Bunbury.

It will also become important if Estuary Drive closes due to expansions at the Bunbury Port.

The inclusion of the Bunbury Outer Ring Road in the AusLink 2 funding program is an important component in securing the safe future economic and social growth of the South West.

Steering groups are formed for projects like this to build consensus among stakeholders as to what is required and inform people about progress. They are a valuable facilitation tool and illustrate one of the key methods the Commission uses.

### Augusta, Margaret River and Harvey urban renewal

Many main streets and town centres have been revitalised through urban renewal, a process which breathes new life into areas, making them more attractive to residents, businesses and investors.

The South West Development Commission has recently been involved in two urban renewal projects in the region.

#### Augusta and Margaret River

The Shire of Augusta-Margaret River has worked with stakeholders including the South West Development Commission to develop a vision for its urban centres.

The Commission provided part-funding for the shire to commission long-term strategic land use plans for the towns of Margaret River and Augusta.

The plans propose how the townsites might grow in a well planned, coherent way that maintains the unique features of both towns.

They were adopted as strategic reference documents by council over July and August 2008, after a public consultation period in which more than 200 submissions were received and valuable local knowledge was brought to the process.

The townsite strategies provide a framework for the sustainable and ordered consolidation and expansion of the towns of Augusta and Margaret River until 2026.

They will help to promote economic activity, embrace environmental sustainability and improve quality of life.

#### Harvey

A plan to convert the old diversion drain that greets people at the entrance to Harvey into a May Gibbs-inspired entry statement has been developed.

The Building a Better Harvey concept plan aims to enhance the appearance of the area surrounding the 1950s-built main diversion drain.

The project will involve modifying the banks into a more natural-looking watercourse, building pedestrian bridges, looped walk trails, historical interpretation, seating, shelters, barbecues and playground equipment.

Large sculptures of characters from books by May Gibbs, who lived nearby when she wrote Snugglypot and Cuddlepup and Gum-Nut Babies, will play a major role in making the area more attractive.

Concept drawings have been released for public comment and feedback has been positive.

The project has been driven by the Harvey Mainstreet Group and supported by the South West Development Commission.

The State Government provided \$200,000 towards the project as part of the \$2.6 million Pinjarra Brunswick Sustainability Strategy (PBSS).



Concept drawings for a May Gibbs themed redevelopment of the Harvey diversion drain and surrounding area were applauded by the local community.

## Investing in knowledge, enterprise and innovation

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

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

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

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

### Trade

The Commission has continued to focus on building trade relationships as a means of expanding and developing new markets for South West products. For example, trade exhibitions were held in the US and India and delegations, including a group of wine buyers from Taiwan, were received from overseas.

The trade relationship between Bunbury and its sister city Jiaxing continued, with the Commission hosting several delegations from Jiaxing that showed interest in inward investment in property and exports in coal, lanolin and education.

### Tourism

The Escape for a While campaign is working to stimulate tourism in the Harvey region. A Western Australian television campaign, magazine insert in the Mandurah Coastal Times, statewide distribution of brochures and increased participation in Australia's South West initiatives have all worked to promote the Harvey-Brunswick area as a desirable destination for tourists.

The South West Events Program provides groups with funding support to promote and coordinate events such as festivals and markets. A total of \$69,500 was provided towards 28 music, food and wine, youth, sporting and arts events including the Harvey Harvest Festival, Bunbury Carnival Concert and Multicultural Night Under the Stars.

New food and wine trails were also developed with Australia's South West as a basis to stimulate visitation from overseas. The trails are holiday packages based around the South West's fine food and wine.



Harvey Visitor Centre manager Anne-Marie Gardiner.

## Industry

The Commission has coordinated a number of industry enquiries regarding the Kemerton Industrial Park and the proposed industry park at Shotts, near Collie. Access to industrial land remains a key requirement to support investment growth and the Commission will continue to support this through 2008-09.

## Labour

The skills shortage has been addressed with a focus on training through the South West Youth Labour Market Study which aims to better align training opportunities with industry needs. The Commission has continued to facilitate skilled migration by providing information and certification services.

## Agriculture

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

## Education

The Commission has supported the South West Youth Labour Market Study which will include the development of an action plan to better match youth training services to industry needs.

A strategy for the Pemberton Hydro Educational Program has been completed. A full copy of the final curriculum materials has been received. Plans are underway to discuss opportunities with the Department of Education.

## Business

Business networking is a key strategy for business development. The Commission has commenced planning with the South West Chambers of Commerce and Industry and regional stakeholders to support the 2008-09 South West Focus Conference as a major investment platform for the region.

Connect South West, a not-for-profit, community portal, has continued to provide businesses and community groups in the region with a web presence. It has provided websites for 407 businesses and community groups. An additional 11,361 businesses or groups are customers of Connect South West or included in the portal's guide.

### How we invest in knowledge, enterprise and innovation

#### The education economy:

- Dolphin Discovery Centre – PhD program
- South West Labour Market Study
- Regional Workforce Development Strategy
- Pemberton Hydro Educational Program

#### Building business and investment:

- South West Events Program
- South West Focus Conference
- Indigenous governance
- Invest South West
- Local Jobs for Local People (PBSS)
- Aboriginal Economic Development Projects
- Business Grow
- Intensive Agriculture Futures (PBSS)
- Connect South West Sustainability Program
- Escape for a While (PBSS)
- TradeStart
- Kemerton marketing signage
- Wine tourism marketing

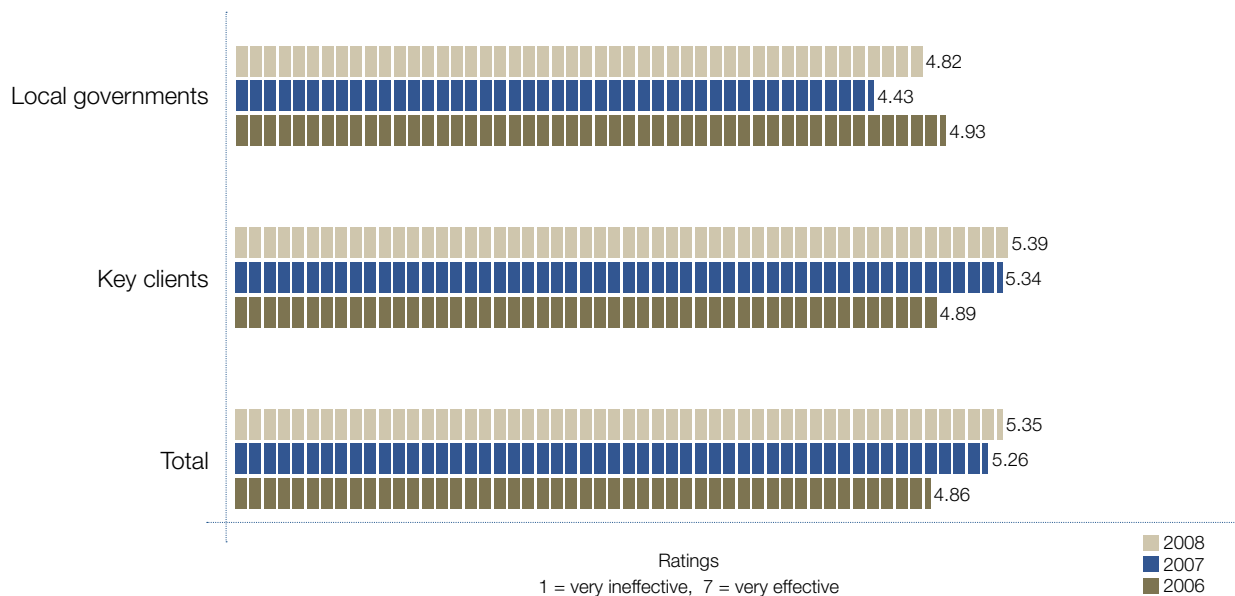
## How we performed

The Commission's 2008 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in Investing in Knowledge, Enterprise and Innovation.

The rating scale ranged from 1 – very ineffective to 7 – very effective.

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

SWDC strategic themes effectiveness ratings  
*Investing in knowledge, enterprise and innovation*





### TradeStart and China

The South West is gaining increasing international attention for its ability to produce a wide range of premium products.

#### TradeStart

An Austrade TradeStart officer works with the South West Development Commission to help regional businesses expand into export markets.

The Commission and Austrade work in partnership to deliver positive investment outcomes for the South West, including the identification of new opportunities for export of regional product.

The TradeStart officer organises and attends a range of international events designed to showcase South West product and initiate new investment in the region.

Recent events have included a sell-out wine dinner in Philadelphia, indigenous art promotions in New York, developing a joint venture wine brand for Dennis Lillee specifically for the Indian Wine Market and hosting trade delegations through the region.

The partnership between the Commission and Austrade is an example of how the Commission works in partnership with government, industry and the community to promote the South West as an international region of excellence.

#### China

The South West Development Commission has been encouraging economic growth between Australia's South West and China.

In addition to working with the TradeStart officer to promote the South West as an international region of excellence, the South West Development Commission has also been working to develop export opportunities specifically in China.



Bunbury artist Troy Bennell has been promoting Noongar art and culture across the globe.

It has hosted a seminar called The Breath of the Dragon in Bunbury. The event was designed to help regional and business leaders capitalise on China's growing impact in the South West.

As well as hosting a seminar to look at the growing impact of China in the South West, a representative from the Commission was part of a business delegation that visited China during the 2007-08 financial year.

The purpose of the visit was to promote the South West and its many attractions, as well as business and investment opportunities.

The Commission is also involved in establishing a Bunbury-Jiaxing Business Development Centre to foster business opportunities between the two parts of the world.

### Intensive agriculture futures

The South West agricultural development officer has been working closely with various groups to establish an irrigation trial and farmers' market.

#### Irrigation trial

Farmers in the Harvey area have traditionally used a flood technique to irrigate crops.

But the recent changeover from a channel to pipe water distribution system has provided farmers with an opportunity to adopt more productive and water efficient irrigation systems.

To help irrigators assess and make choices about new irrigation techniques, demonstrations have been set up at the WA College of Agriculture Harvey in preparation for an irrigation trial which is expected to begin later this year.

During the three year investigation, pasture production measurements will be taken from five sites, including sub-surface irrigation and fixed overhead lateral sprinklers.

The data will then be compared to current surface flood irrigation techniques.

Based on similar work carried out in the South West, the three systems being trialled have the potential to deliver 25 to 30 per cent more water efficiency and productivity increases of 60 per cent.

The project is linked with the State Government's Pinjarra Brunswick Sustainability Strategy and the result of efforts by the WA College of Agriculture Harvey, Harvey Water, Department of Agriculture and Food, South West Development Commission and private irrigation product suppliers Netafim and Waterman.

Funding has also been provided through the Federal Government's National Water Commission – Community Water Grants Program.



Trial irrigation systems being installed at the Wokalup farmsite at the WA College of Agriculture - Harvey.

The South West agricultural development officer is helping to coordinate the water efficiency trial, including the display and field days.

#### Farmers' market

Farmers in the Peel and South West regions will be able to sell produce directly to customers when a farmers' market trades in the Peel area for the first time in December.

The South West agricultural development officer is helping to coordinate the farmers' market, including establishing support among producers.

So far a steering committee has been set up and an incorporated body formed to establish the market, which is expected to benefit both producers and customers.

A manager will be employed on a part-time basis to ensure the market runs efficiently.

The project will link producers into a wider range of new markets.

## Commission grants

The South West Development Commission administered two contestable grant programs during 2007-08: 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 \$500,000 during the reporting period for the South West Development Commission to administer grants for regional development projects in the South West Region.

The following 28 successful grant applications were approved in 2007-08:

Recipient	Project name	Grant
Bunbury Sea Rescue Inc	Bunbury Sea Rescue Boatshed & Storage	\$8,500
Yarloop Workshops Inc	Yarloop Doctors Residence Restoration – Stage 2	\$22,725
Returned & Services League Nannup Sub Branch	Extension & Renovation RSL Hall Kitchen	\$13,573
Greenbushes Aged Community Committee Inc	Stinton Gardens Function Centre	\$18,631
Shire of Donnybrook-Balingup	Gnangangarich Waugal Sculpture Park	\$22,841
Amaroo Primary School	Amaroo Football Academy	\$5,000
Blackwood Basin Group (Inc)	2008 WA Natural Resource Management Conference	\$19,500
Naturaliste Volunteer Sea Rescue Group Inc	Dedicated Sea Rescue Vessel Replacement	\$30,000
Dunsborough Yallingup Chamber of Commerce & Industry Inc	Dunsborough Foreshore Tourism Development Community Consultation Project	\$10,000
Pemberton Visitor Centre Inc	Pemberton Pool Restoration Project – Stage 2	\$20,000
South West Phoenix Football Club Inc	South West Regional Development Team	\$5,000
Eaton Primary School P&C Association Inc	Restoration of Amphitheatre	\$6,793
Bunbury Meals on Wheels and Regional Senior Citizens' Association Inc	Bunbury Senior Citizens Centre Enhancement Project	\$20,000
Shire of Manjimup	Shire of Manjimup Heritage Trail	\$19,300
Collie Racing Drivers Association Inc	Youth Training Centre/Clubroom	\$10,364
Pemberton Visitor Centre Inc	Pemberton Mountain Bike Tracks and Trails	\$10,000
Southern Forest Arts Inc	Marketing the Southern Forest Sculpture Walk	\$15,000
Shire of Dardanup	Ferguson Valley Centre	\$15,000
Shire of Augusta-Margaret River	Augusta Foreshore Dual Use Path	\$59,696
Boyanup Foundation Inc	Stage 1 – Redevelopment of the Boyanup Museum	\$24,300
St Mary's Community Care (Busselton)	Feel Safe Feel Right Program	\$5,000
Bunbury Regional Arts Management Board Inc	South West Visual Arts Portal	\$17,000
Shire of Busselton	Feasibility study for a performing arts and creative industries centre in the Shire	\$11,500
Margaret River Coastal Residents Association	Gnarabup Dune Rehabilitation Project	\$6,000
Augusta Margaret River Tourism Association Inc	Jewel Cave Preservation and Redevelopment	\$60,000
Collie Community Broadcasting Association Inc	Collie Community Radio Station	\$19,732
Margaret River Climate Action Group Inc	Growing The Future	\$10,000
Bridgetown Historical Society Inc	Bridgetown Heritage Cultural Centre	\$20,000



### 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 28 successful grant applications were approved under this program in 2007-08:

Recipient	Project name	Grant
Harvey Main Street Inc	Harvey Harvest Festival	\$6,000
South West Business Association Inc	Bunbury Carnival Concert	\$3,800
Oxygen Youth Inc	Elevator '08	\$2,000
Bunbury Floral Art Society	South West Floral Art 20th Anniversary Exhibition & Championships	\$1,500
Jobs South West Inc	Get Up Stand Up 2008	\$3,000
Bunbury Carnival Association	Bunbury Carnival	\$2,000
South West Opera Co Inc	Touring Performances of "La Traviata"	\$2,000
Boyanup and Districts Farmers Market Inc	The Locavore Promotion	\$1,000
Lions Club of Harvey	Lions Spring Fair	\$2,000
Donnybrook Wineries & Producers Inc	Gourmet Wine & Food Fest 2008	\$2,000
City of Bunbury	Bunbury International Jazz Festival 2008	\$2,000
Edith Cowan University	Noongar Cultural Celebration Event	\$1,500
City of Bunbury	MAX (Music, Arts & Xtreme Sports) Youth Festival	\$4,000
Bunbury Agricultural Society Inc	Bunbury Splash Festival	\$2,000
Bunbury Regional Arts Management Board Inc	Surveys Past	\$2,000
Bunbury Multicultural Group Inc	Multicultural Night Under the Stars – Art event	\$3,000
Stirling Street Arts Centre Inc	Waterways of the South West	\$2,500
Bunbury Regional Arts Management Board	Festival of Contemporary Art	\$4,000
Yarloop Workshops Inc	Yarloop Steam Season Launch 2008	\$1,300
Margaret River Senior High School	Leeuwin School's Spectacular	\$5,000
Busselton Allsports Inc	Iluka Busselton Jetty Swim 2008	\$1,000
Augusta River Festival Inc	2008 Augusta River Festival	\$2,000
Quinninup Community Association	Quinninup Market Day & Wine Tasting	\$900
Manjimup Chamber of Commerce and Industry Inc	Youth Concert	\$2,000
Pemberton Community Telecentre Inc	Be Active Cycle Instead "Pemberton Classic"	\$2,000
Shire of Manjimup	Shire of Manjimup Centenary Celebration Art Exhibition	\$2,000
Nannup Telecentre Inc	Nannup Strategic Event Project Officer	\$5,000
Pemberton Events Association Inc	Pemberton Autumn Festival	\$2,000

# SIGNIFICANT ISSUES AND TRENDS

## Regional context

- The region faces the Indian and Southern Oceans in the South West corner of Western Australia and covers an area of 23,998 square kilometres.
- Incorporates 12 local government areas: The City of Bunbury and the shires of Harvey, Dardanup, Capel, Busselton, Augusta-Margaret River, Nannup, Donnybrook-Balingup, Collie, Bridgetown-Greenbushes, Boyup Brook and Manjimup.
- Has one of the fastest growing regional populations of Western Australia. The greatest growth is taking place in the Greater Bunbury area and the shires of Augusta-Margaret River and Busselton.
- An estimated 145,000 people live in the South West Region.
- Has the most diversified economy of all the State's nine regions. Activities include agriculture and horticulture; timber and forest products; mineral extraction, processing and manufacturing; retailing; tourism; construction; other manufacturing; service industries; fishing and aquaculture.
- The South West's gross regional product grew to an estimated \$9 billion for 2006-07.
- 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. 13.7 million tonnes of trade passed through the port in 2007-08.

## Issues and trends

- The South West now has a gross regional product estimated at \$9 billion.
- New industry enquiries have significantly increased focus on Picton, Kemerton and the proposed industrial park at Shotts (Collie).
- The South West continues to be Western Australia's major growth region.
- The region's population is now estimated to be 145,000 with growth as high as 5.9 per cent per annum in some local government areas.
- Infrastructure provision and biodiversity issues continue to be major themes.
- Bunbury is undergoing a new wave of investment in multi-storey buildings that will transform the city's skyline.
- Career diversity remains a key theme and is linked to job and educational opportunities in the region.
- Affordable housing strategies will be a key objective for social planning.
- The number of people in the region aged 55 years and above is expected to grow from 24 per cent in 2006 to 35 per cent in 2031.
- Active ageing programs will aim to reduce reliance on specialised aged care accommodation and improve quality of life.
- Marketing of the mineral sector's achievements in mine site rehabilitation will be critical to future public acceptance of the industry.
- Some sectors of the regional economy continue to experience skills shortages.

## DISCLOSURES AND LEGAL REQUIREMENTS

Financial and other statements



## Auditor General

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

#### **SOUTH WEST DEVELOPMENT COMMISSION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008**

I have audited the accounts, financial statements, controls and key performance indicators of the South West Development Commission.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

#### **Board's Responsibility for the Financial Statements and Key Performance Indicators**

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

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

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<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 key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

**South West Development Commission**  
**Financial Statements and Key Performance Indicators for the year ended 30 June 2008**

**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 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2008.



COLIN MURPHY  
AUDITOR GENERAL  
29 August 2008

## Certification of Financial Statements

for the year ended 30 June 2008

The accompanying financial statements of the South West Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2008 and the financial position as at 30 June 2008.

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



Mr Stan Liaros

Chairman of Accountable Authority  
6 August 2008



Mr Don Punch

Member of Accountable Authority  
6 August 2008



Ms Val Cartwright

Chief Finance Officer  
6 August 2008

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Income Statement

for the year ended 30 June 2008

	Note	\$ 2008	\$ 2007
<b>COST OF SERVICES</b>			
<i>Expenses</i>			
Employee benefits expense	<u>6</u>	1,881,433	1,996,747
Supplies and services	<u>7</u>	1,396,638	3,076,303
Depreciation and amortisation expense	<u>8</u>	108,725	120,449
Finance costs	<u>9</u>	337,108	380,544
Accommodation expenses	<u>10</u>	315,188	280,880
Grants and subsidies	<u>11</u>	6,477,248	6,193,443
Loss on disposal of non-current assets	<u>15</u>	12,883	524,000
Other expenses	<u>12</u>	194,290	255,678
<b>Total cost of services</b>		<b>10,723,513</b>	<b>12,828,044</b>
<i>Income</i>			
<b>Revenue</b>			
Commonwealth grants and contributions	<u>13</u>	73,167	191,259
Other revenue	<u>14</u>	358,177	228,266
<b>Total revenue</b>		<b>431,344</b>	<b>419,525</b>
<b>Total income other than income from State Government</b>		<b>431,344</b>	<b>419,525</b>
<b>NET COST OF SERVICES</b>	<u>31</u>	<b>10,292,169</b>	<b>12,408,519</b>
<b>INCOME FROM STATE GOVERNMENT</b>	<u>16</u>		
Service appropriation		8,975,000	8,677,000
Liabilities assumed by the Treasurer		-	4,051
Resources received free of charge		1,258	4,054
Grants from government agencies		1,581,662	698,700
<b>Total income from State Government</b>		<b>10,557,920</b>	<b>9,383,805</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>		<b>265,751</b>	<b>(3,024,714)</b>

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

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Balance Sheet

as at 30 June 2008

	Note	\$ 2008	\$ 2007
<b>ASSETS</b>			
<b><i>Current assets</i></b>			
Cash and cash equivalents	<u>30</u>	2,343,643	2,347,626
Restricted cash and cash equivalents	<u>17</u>	1,164,794	1,049,440
Receivables	<u>19</u>	75,494	399,624
Amounts receivable for services	<u>20</u>	30,000	30,000
<b>Total current assets</b>		<b>3,613,931</b>	<b>3,826,690</b>
<b><i>Non-current assets</i></b>			
Restricted cash and cash equivalents	<u>17</u>	18,785	13,383
Inventories	<u>18</u>	1,209,152	1,209,152
Amounts receivable for services	<u>20</u>	689,000	512,000
Property, plant and equipment	<u>21</u>	5,213,093	4,849,220
Infrastructure	<u>22</u>	941,379	977,586
Intangible assets	<u>23</u>	7,872	6,320
<b>Total non-current assets</b>		<b>8,079,281</b>	<b>7,567,661</b>
<b>TOTAL ASSETS</b>		<b>11,693,212</b>	<b>11,394,351</b>
<b>LIABILITIES</b>			
<b><i>Current liabilities</i></b>			
Payables	<u>25</u>	71,681	488,473
Borrowings	<u>26</u>	935,168	904,423
Provisions	<u>27</u>	483,766	443,859
Other liabilities	<u>28</u>	93,099	100,666
<b>Total current liabilities</b>		<b>1,583,714</b>	<b>1,937,421</b>
<b><i>Non-current liabilities</i></b>			
Borrowings	<u>26</u>	4,066,282	5,001,449
Provisions	<u>27</u>	149,627	130,004
<b>Total non-current liabilities</b>		<b>4,215,909</b>	<b>5,131,453</b>
<b>TOTAL LIABILITIES</b>		<b>5,799,623</b>	<b>7,068,874</b>
<b>NET ASSETS</b>		<b>5,893,589</b>	<b>4,325,477</b>
<b>EQUITY</b>	<u>29</u>		
Contributed equity		6,388,177	5,483,177
Reserves		3,786,864	3,389,503
Accumulated deficiency		(4,281,452)	(4,547,203)
<b>TOTAL EQUITY</b>		<b>5,893,589</b>	<b>4,325,477</b>

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



## Statement of Changes in Equity

for the year ended 30 June 2008

	Note	\$ 2008	\$ 2007
<b>Balance of equity at start of period</b>		<b>4,325,477</b>	<b>5,882,537</b>
<b>CONTRIBUTED EQUITY</b>	<u>29</u>		
Balance at start of period		5,483,177	4,607,177
Capital contribution		905,000	876,000
<b>Balance at end of period</b>		<b>6,388,177</b>	<b>5,483,177</b>
<b>RESERVES</b>	<u>29</u>		
Asset revaluation reserve			
Balance at start of period		3,389,503	3,512,086
Gain from asset revaluation		397,361	591,654
Transfer to accumulated deficiency [a]		-	(714,237)
<b>Balance at end of period</b>		<b>3,786,864</b>	<b>3,389,503</b>
<b>ACCUMULATED DEFICIENCY</b>	<u>29</u>		
Balance at start of period		(4,547,203)	(2,236,726)
Transfer from asset revaluation reserve [a]		-	714,237
<b>Result for the period</b>		<b>265,751</b>	<b>(3,024,714)</b>
<b>Balance at end of period</b>		<b>(4,281,452)</b>	<b>(4,547,203)</b>
<b>Balance of equity at end of period</b>		<b>5,893,589</b>	<b>4,325,477</b>
<b>Total income and expense for the period [b]</b>		<b>663,112</b>	<b>(2,433,060)</b>

[a] Amounts associated with revaluations on land and buildings sold have been transferred from asset revaluation reserve to accumulated deficiency.

[b] The aggregate net amount attributable to each category of equity is: surplus \$265,751 plus gains from asset revaluation \$397,361 (2007: deficient \$3,024,714 plus gains from asset revaluation of \$591,654).

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

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Cash Flow Statement

for the year ended 30 June 2008

	Note	\$ 2008	\$ 2007
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		8,768,000	8,532,000
Capital contributions		905,000	876,000
Holding account drawdowns		30,000	30,000
Grants from State Government agencies		1,575,175	713,700
<b>Net cash provided by State Government</b>		<b>11,278,175</b>	<b>10,151,700</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(1,807,888)	(1,867,356)
Supplies and services		(1,379,631)	(3,065,543)
Finance costs		(345,294)	(391,278)
Accommodation		(315,188)	(280,880)
Grants and subsidies		(6,928,067)	(6,019,983)
GST payments on purchases		(821,896)	(1,027,833)
Other payments		(194,290)	(266,435)
<b>Receipts</b>			
User charges and fees		-	97,206
Commonwealth grants and contributions		174,032	81,377
GST receipts on sales		201,394	151,719
GST receipts from taxation authority		867,998	610,018
Other receipts		345,315	159,957
<b>Net cash used in operating activities</b>	<u>31</u>	<b>(10,203,515)</b>	<b>(11,819,031)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		90	501,000
Purchase of non-current physical assets		(53,554)	(46,721)
<b>Net cash provided by investing activities</b>		<b>(53,464)</b>	<b>454,279</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(904,423)	(874,746)
<b>Net cash used in financing activities</b>		<b>(904,423)</b>	<b>(874,746)</b>
Net increase / (decrease) in cash and cash equivalents held		116,773	(2,087,798)
Cash assets at the beginning of the financial year		3,410,449	5,498,247
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<u>30</u>	<b>3,527,222</b>	<b>3,410,449</b>

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

### Notes to the Financial Statements

for the year ended 30 June 2008

#### 1. Australian equivalents to International Financial Reporting Standards

##### [a] General

The Commission's financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Commission has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

##### [b] Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard or Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Commission for the annual reporting period ended 30 June 2008.

#### 2. Summary of significant accounting policies

##### [a] General statement

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

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

##### [b] Basis of preparation

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

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

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

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 4 'Key sources of estimation uncertainty'.

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Notes to the Financial Statements

for the year ended 30 June 2008

**[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 Treasurer's Instruction (TI) 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

**[e] Income**

**Revenue recognition**

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

**Service appropriations**

Service appropriations are recognised as revenues at nominal value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at Treasury.

**Sale of goods**

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

**Rendering of services**

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

**Interest**

Revenue is recognised as the interest accrues.

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

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

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

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 and some revaluations of non-current assets.

## Notes to the Financial Statements

for the year ended 30 June 2008

**[f] Borrowing costs**

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

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Commission's outstanding borrowings during the year, in this case 6.55% (2007: 6.14%).

**[g] Property, plant and equipment, and infrastructure**

**Capitalisation / expensing of assets**

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

**Initial recognition and measurement**

All items of property, plant and equipment and infrastructure are initially recognised at cost.

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

**Subsequent measurement**

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

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

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

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available.

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

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Notes to the Financial Statements

for the year ended 30 June 2008

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

#### **Derecognition**

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

#### **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. Estimated useful lives for each class of depreciable asset are:

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

Works of art controlled by the Commission are classified as property, plant and equipment, which are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

#### **[h] Intangible assets**

##### **Capitalisation / expensing of assets**

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing over \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

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

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

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

- Software                      2 years

##### **Computer software**

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

##### **Website costs**

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

## Notes to the Financial Statements

for the year ended 30 June 2008

**[i] Impairment of assets**

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

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

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

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

**[j] Non-current assets classified as held for sale**

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

**[k] Inventories**

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

**[l] Leases**

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

### Notes to the Financial Statements

for the year ended 30 June 2008

#### [m] Financial instruments

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

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

These have been disaggregated into the following classes:

#### Financial assets

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

#### Financial liabilities

- Payables
- WATC borrowings

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

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

#### [n] Cash and cash equivalents

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

#### [o] Accrued salaries

The accrued salaries expense account (see note 17 '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 25 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its net fair value.

#### [p] Amounts receivable for services (holding account)

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



## Notes to the Financial Statements

for the year ended 30 June 2008

**[q] Receivables**

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

**[r] Payables**

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

**[s] Borrowings**

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

**[t] Provisions**

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

***Provisions – employee benefits:***

**Annual leave and long service leave**

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

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

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

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

**Purchased leave**

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

### Notes to the Financial Statements

for the year ended 30 June 2008

#### **Superannuation**

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

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

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

Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS schemes become non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Commission makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS schemes.

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

#### **Provisions – other:**

#### **Employment on-costs**

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

#### **[u] Superannuation expense**

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

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

Defined benefit plans – 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.

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

## Notes to the Financial Statements

for the year ended 30 June 2008

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

**[v] Resources received free of charge or for nominal consideration**

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

**[w] Comparative figures**

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

**3. Judgements made by management in applying accounting policies**

The judgement that has been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

**Operating lease commitment**

The Commission has entered into a commercial lease and has determined that the lessor retains all the significant risks and rewards of the ownership of the property. Accordingly, the lease has been classified as an operating lease.

**4. Key sources of estimation uncertainty**

The key estimates and assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

**Employee benefits provision**

A discount rate of 7.02% per annum applied to long service leave provisions. The discount rate is based upon the Commonwealth 7 year Treasury Bond rates published by the Reserve Bank of Australia.

**5. Disclosure of changes in accounting policy and estimates**

**Initial application of an Australian Accounting Standard**

The Commission has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Commission:

- AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 1010, 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 and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Commission's exposure to risks, including enhanced disclosure regarding components of the Commission's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Notes to the Financial Statements

for the year ended 30 June 2008

#### Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Commission has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 1010 'Presentation of Financial Statements' (September 2007). This standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Commission does not expect any financial impact when the Standard is first applied.
2. Review of AAS 27 'Financial Reporting by Local Governments', 29 'Financial Reporting by Government Departments' and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short-term review of AAS 27, AAS 29 and AAS 31:
  - AASB 1004 'Contributions' (December 2007)
  - AASB 1050 'Administered Items' (December 2007)
  - AASB 1051 'Land Under Roads' (December 2007)
  - AASB 1052 'Disaggregated Disclosures' (December 2007)
  - AASB 2007-9 amendments to Australian Accounting Standards arising from the review of AAS's 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 and AASB 137] (December 2007)
  - Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' (revised) (December 2007)

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 only apply to government departments. The other Standards and Interpretations make some modifications to disclosures and provide additional guidance; otherwise there will be no financial impact.

#### 6. Employee benefits expense

	\$ 2008	\$ 2007
Wages and salaries	1,537,204	1,555,618
Superannuation - defined contribution plans [a]	158,133	148,748
Superannuation - defined benefit plans (Gold State) [b] [c]	-	4,051
Long service leave [d]	67,436	130,746
Annual leave [d]	118,660	157,584
	<b>1,881,433</b>	<b>1,996,747</b>

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

[b] Defined benefit plans include Gold State (pre-transfer benefit).

[c] An equivalent notional income is also recognised (see note 16 'Income from State Government').

[d] Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at note 12 'Other expenses'. The employment on-costs liability is included at note 27 'Provisions'.

## Notes to the Financial Statements

for the year ended 30 June 2008

	\$ 2008	\$ 2007
<b>7. Supplies and services</b>		
Communication	43,193	49,849
Consultants and contractors	953,456	591,477
Consumables	124,393	153,013
Travel	2,414	1,914
Other	273,182	2,280,050
	<b>1,396,638</b>	<b>3,076,303</b>
<b>8. Depreciation and amortisation expense</b>		
<b>Depreciation</b>		
Office equipment	33,575	39,259
Buildings	33,745	33,745
Infrastructure	36,207	36,207
<b>Total depreciation</b>	<b>103,527</b>	<b>109,211</b>
<b>Amortisation</b>		
Intangible assets	5,198	11,238
<b>Total amortisation</b>	<b>5,198</b>	<b>11,238</b>
<b>Total depreciation and amortisation</b>	<b>108,725</b>	<b>120,449</b>
<b>9. Finance costs</b>		
Interest paid	337,108	380,544
	<b>337,108</b>	<b>380,544</b>
<b>10. Accommodation expenses</b>		
Lease rentals	288,950	243,572
Repairs and maintenance	19,455	29,550
Cleaning	6,783	7,758
	<b>315,188</b>	<b>280,880</b>
<b>11. Grants and subsidies</b>		
Non public organisations	1,095,234	3,390,922
Public organisations	5,382,014	2,802,521
	<b>6,477,248</b>	<b>6,193,443</b>
<b>12. Other expenses</b>		
Guarantee fee for loan	11,316	13,054
Repairs and maintenance	37,219	80,604
Employment on-costs [a]	11,041	23,709
Other employment costs	109,514	113,411
Audit costs [b]	25,200	24,900
	<b>194,290</b>	<b>255,678</b>

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Notes to the Financial Statements

for the year ended 30 June 2008

[a] Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 27 '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 33 'Remuneration of auditor'.

	\$ 2008	\$ 2007
<b>13. Commonwealth grants and contributions</b>		
Recurrent	73,167	191,259
	<b>73,167</b>	<b>191,259</b>
<b>14. Other revenue</b>		
Sundry income	101,899	106,382
Conference fees	28,391	97,206
Grants public organisations	214,000	12,500
Rental from property	11,670	10,037
Government vehicle scheme	2,217	2,141
	<b>358,177</b>	<b>228,266</b>
<b>15. Net gain / (loss) on disposal of non-current assets</b>		
Costs of disposal of non-current assets:		
Land	-	(1,025,000)
Office equipment	(12,973)	-
Proceeds from disposal of non-current assets:		
Land	-	501,000
Office equipment	90	-
	<b>(12,883)</b>	<b>(524,000)</b>
<b>16. Income from State Government</b>		
Appropriation received during the year:		
Service appropriation [a]	8,975,000	8,677,000
	<b>8,975,000</b>	<b>8,677,000</b>
The following liabilities have been assumed by the Treasurer during the financial year:		
Superannuation [b]	-	4,051
<b>Total liabilities assumed by the Treasurer</b>	<b>-</b>	<b>4,051</b>
Resources received free of charge [c]		
Determined on the basis of the following estimates provided by agencies:		
Crown Solicitor's Office	1,258	4,054
	<b>1,258</b>	<b>4,054</b>
Grants received from government agencies	1,581,662	698,700
	<b>1,581,662</b>	<b>698,700</b>
<b>Total revenue from State Government</b>	<b>10,557,920</b>	<b>9,383,805</b>

## Notes to the Financial Statements

for the year ended 30 June 2008

[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 6 'Employee benefits expense'). There was a reduction in the liability for 2007-08 therefore no expense or income disclosed.

[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. The exception occurs where the contribution of assets or services are in the nature of contributions by owners, in which case the Commission makes the adjustment direct to equity.

**17. Restricted cash and cash equivalents****Current**

Restricted projects

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

	\$ 2008	\$ 2007
Restore Collie River Boardwalk	-	197,182
Lake Kepwari	598,110	435,364
Repairs Bunbury Court House	-	37,511
Collie Industrial Park	-	53,325
AED Priority Projects	25,119	35,000
Regional Development Scheme	98,490	156,490
Intensive Agriculture Futures	26,605	24,568
Bulletin Board (PBSS)	10,000	10,000
South West Indigenous Mapping	79,541	100,000
Escape for A While	119,700	-
Building a Better Harvey	175,000	-
Critical Horizons	32,229	-
<b>Total current restricted cash</b>	<b>1,164,794</b>	<b>1,049,440</b>

**Non-current**

Accrued salaries suspense [a]	18,785	13,383
	<b>18,785</b>	<b>13,383</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.

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Notes to the Financial Statements

for the year ended 30 June 2008

#### 18. Inventories

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

	\$ 2008	\$ 2007
Non-current at cost	1,209,152	1,209,152
	<b>1,209,152</b>	<b>1,209,152</b>

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

#### 19. Receivables

##### Current

Government agencies	16,500	131,869
External	12,035	5,049
Accrued revenue	20,004	-
GST receivable	19,265	257,046
Prepayments	7,690	5,660
	<b>75,494</b>	<b>399,624</b>

##### Credit risk

Ageing of receivables past due but not impaired based on the information provided to senior management, at the balance sheet date:

Not more than 3 months	28,535	136,918
	<b>28,355</b>	<b>136,918</b>

#### 20. Amounts receivable for services

Current	30,000	30,000
Non-current	689,000	512,000
	<b>719,000</b>	<b>542,000</b>

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.



# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Notes to the Financial Statements

for the year ended 30 June 2008

	\$ 2008	\$ 2007
<b>21. Property, plant and equipment</b>		
<b>Office equipment</b>		
At cost	244,927	266,814
Accumulated depreciation	(119,432)	(141,576)
	<b>125,495</b>	<b>125,238</b>
<b>Buildings</b>		
At fair value [a]	1,052,500	882,500
Accumulated depreciation	(1,124)	(34,640)
	<b>1,051,376</b>	<b>847,860</b>
<b>Land</b>		
At fair value [a]	4,023,002	3,862,902
	<b>4,023,002</b>	<b>3,862,902</b>
<b>Works of art</b>		
At fair value	13,220	13,220
	<b>13,220</b>	<b>13,220</b>
<b>Total property, plant and equipment</b>	<b>5,213,093</b>	<b>4,849,220</b>

[a] Freehold land and buildings were re valued as at 1 July 2007 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2008 and recognised at 30 June 2008. In undertaking the revaluation, fair value was determined by reference to market values for land: \$1,335,000 and buildings: \$0. For the remaining balance, fair value of land and buildings was determined on the basis of current use and fair value of buildings was determined on the basis of depreciated value.

Valuation Services, the office of the Auditor General and the Department of Treasury and Finance assessed the valuations globally to ensure that the valuations provided (as at 1 July 2007) were compliant with fair value at 30 June 2008.

#### Reconciliations

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

2008	\$ Land	\$ Buildings	\$ Office equipment and works of art	\$ Total
Carrying amount at start of year	3,862,902	847,860	138,458	4,849,220
Additions	-	-	46,804	46,804
Revaluation	160,100	237,261	-	397,361
Disposals	-	-	(68,692)	(68,692)
Depreciation written back	-	-	55,720	55,720
Depreciation	-	(33,745)	(33,575)	(67,320)
<b>Carrying amount at end of year</b>	<b>4,023,002</b>	<b>1,051,376</b>	<b>138,715</b>	<b>5,213,093</b>

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Notes to the Financial Statements

for the year ended 30 June 2008

<b>2007</b>	<b>\$ Land</b>	<b>\$ Buildings</b>	<b>\$ Office equipment and works of art</b>	<b>\$ Total</b>
Carrying amount at start of year	4,376,300	768,050	171,883	5,316,233
Additions	33,502	-	5,832	39,334
Revaluation	478,100	113,554	-	591,654
Disposals	(1,025,000)	-	(23,395)	(1,048,395)
Depreciation written back	-	-	23,395	23,395
Depreciation	-	(33,744)	(39,257)	(73,001)
<b>Carrying amount at end of year</b>	<b>3,862,902</b>	<b>847,860</b>	<b>138,458</b>	<b>4,849,220</b>

#### 22. Infrastructure

	<b>\$ 2008</b>	<b>\$ 2007</b>
At fair value	1,050,278	1,050,278
Accumulated depreciation	(108,899)	(72,692)
	<b>941,379</b>	<b>977,586</b>

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

#### Reconciliations

Carrying amount at start of year	977,586	1,013,793
Depreciation	(36,207)	(36,207)
<b>Carrying amount at end of year</b>	<b>941,379</b>	<b>977,586</b>

#### 23. Intangible assets

##### Computer software

At cost	36,894	30,144
Accumulated depreciation	(29,022)	(23,824)
	<b>7,872</b>	<b>6,320</b>

#### Reconciliations

Carrying amount at start of year	6,320	10,174
Additions	6,750	7,384
Depreciation	(5,198)	(11,238)
<b>Carrying amount at end of year</b>	<b>7,872</b>	<b>6,320</b>

## Notes to the Financial Statements

for the year ended 30 June 2008

**24. Impairment of assets**

There were no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2008.

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 2008 have been classified as assets held for sale or written off.

**25. Payables**

## Current

Other payables

Accrued expenses

Accrued salaries

Contractual (grant cheques held and not released)

\$ 2008

\$ 2007

2,815

29,238

43,425

-

25,441

18,135

-

441,100

**71,681****488,473****26. Borrowings****Current**

Amount due to the WATC

935,168

904,423

**935,168****904,423****Non-current**

Amount due to the WATC

4,066,282

5,001,449

4,066,282

5,001,449

**Total borrowings****5,001,450****5,905,872****27. Provisions****Current**

Employee benefits provision

Annual leave [a]

Long service leave [b]

259,294

236,012

220,157

203,888

**479,451****439,900**

Other provisions

Employment on-costs [c]

4,315

3,959

**4,315****3,959****Total current provisions****483,766****443,859**

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Notes to the Financial Statements

for the year ended 30 June 2008

	\$ 2008	\$ 2007
<b>Non-current</b>		
Employee benefits provisions		
Long service leave [b]	148,267	128,822
	<b>148,267</b>	<b>128,822</b>
Other provisions		
Employment on-costs [c]	1,360	1,182
	<b>1,360</b>	<b>1,182</b>
<b>Total non-current provisions</b>	<b>149,627</b>	<b>130,004</b>
<b>Total provisions</b>	<b>633,393</b>	<b>573,863</b>

[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	224,720	208,098
More than 12 months after reporting date	34,574	27,914
	<b>259,294</b>	<b>236,012</b>

[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	103,715	76,835
More than 12 months after reporting date	264,709	255,875
	<b>368,424</b>	<b>332,710</b>

[c] The settlement of annual and long service leave liabilities give rise to the payment of employment on-costs including workers compensation insurance. The provision is the present value of expected future payments. The associated expense is included at note 12 'Other expenses'.

#### Movements in provisions

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

#### Employment on-cost provision

Carrying amount at start of year	5,140	3,799
Additional provisions recognised	535	1,341
<b>Carrying amount at end of year</b>	<b>5,675</b>	<b>5,140</b>

#### 28. Other liabilities

##### Current

Accrued superannuation	1,141	523
Accrued interest	91,958	100,143
	<b>93,099</b>	<b>100,666</b>

## Notes to the Financial Statements

for the year ended 30 June 2008

**29. Equity**

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

	\$ 2008	\$ 2007
<b>Contributed equity</b>		
Balance at start of year	5,483,177	4,607,177
<b>Contributions by owners:</b>		
Capital contribution	905,000	876,000
<b>Balance at end of year</b>	<b>6,388,177</b>	<b>5,483,177</b>
<b>Reserves</b>		
<b>Asset revaluation reserve</b>		
Balance at start of year	3,389,503	3,512,086
<b>Net revaluation increments:</b>		
Land	160,100	478,100
Buildings	237,261	113,554
<b>Transfer of asset revaluation after sale to accumulated deficiency:</b>		
Land	-	(714,237)
<b>Balance at end of year</b>	<b>3,786,864</b>	<b>3,389,503</b>
<b>Accumulated deficiency</b>		
Balance at start of year	(4,547,203)	(2,236,726)
Transfer from asset revaluation after sale	-	714,237
Result for the period	265,751	(3,024,714)
<b>Balance at end of year</b>	<b>(4,281,452)</b>	<b>(4,547,203)</b>

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Notes to the Cash Flow Statement

for the year ended 30 June 2008

#### 30. 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:

	\$ 2008	\$ 2007
Cash and cash equivalent	2,343,643	2,347,626
Restricted cash and cash equivalent (refer to note 17)	1,183,579	1,062,823
	<b>3,527,222</b>	<b>3,410,449</b>

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

Net cost of services	(10,286,079)	(12,408,519)
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##### Non-cash items

Depreciation expense	108,725	120,449
Net (gain) / loss on sale of non-current assets	12,883	524,000
Adjustment for other non-cash items	(4)	(6,892)

##### (Increase) / decrease in assets

Current receivables	88,003	(74,090)
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##### Increase / (decrease) in liabilities

Current accounts payable	(424,973)	159,825
Current provisions	39,907	103,351
Other current liabilities	619	(30,675)
Non-current provisions	19,623	45,981
GST Nett (payments / receipts)	237,781	(252,461)

<b>Net cash provided by / (used in) operating activities</b>	<b>(10,203,515)</b>	<b>(11,819,031)</b>
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## Notes to the Financial Statements

for the year ended 30 June 2008

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

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

\$ 0 - \$10,000	9	11
\$10,001 - \$20,000	1	-
<b>Total remuneration of the members of the accountable authority is:</b>	<b>\$ 36,561</b>	<b>\$ 17,618</b>

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.

**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 is:

\$70,001 - \$80,000	0	1
\$80,001 - \$110,000	2	1
\$110,001 - \$140,000	1	1
\$140,001 - \$ 160,000	1	1
<b>The total remuneration of senior officers is:</b>	<b>\$ 442,318</b>	<b>\$ 444,249</b>

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.

**33. Remuneration of auditor**

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

<b>Auditing the accounts, financial statements and performance indicators</b>	<b>\$ 20,700</b>	<b>\$ 19,000</b>
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Payment for auditing services is paid in the following year.

Audit fee for 2007-08 will be paid in 2008-09.

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Notes to the Financial Statements

for the year ended 30 June 2008

#### 34. Lease commitments

Non cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

	\$ 2008	\$ 2007
Motor vehicle - not later than one year	65,963	54,537
Motor vehicle - later than one year, not later than five years	14,205	19,592
Office rentals - not later than one year	290,521	276,779
Office rentals - later than one year, not later than five years	600,277	916,173

#### 35. Contingent liabilities and contingent assets

There are no contingent liabilities or assets that the Commission is aware of as at 30 June 2008.

#### 36. 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 2008

	Actual \$ 2008	Estimates \$ 2008	\$ Variance
Supplies and services	1,396,638	2,110,000	(713,362)
Depreciation and amortisation expense	108,725	141,000	(32,275)
Other expenses	194,290	152,000	42,290
Other revenue	358,177	27,000	331,177

##### Supplies and services

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

##### Depreciation and amortisation expense

Reduced depreciation due to the write back of depreciation on the revaluation of the Dolphin Discovery Centre under the depreciated replacement cost method.

##### Other expenses

Actual results include an increase in vehicle expenses, office maintenance costs and Shire rate charges.

##### Other revenue

The revenue received to offset the expenses of holding conferences and refund on project expenses was not included in the estimates.



## Notes to the Financial Statements

for the year ended 30 June 2008

**Significant variances between actual results for 2007 and 2008**

	<b>\$ 2008</b>	<b>\$ 2007</b>	<b>Variance \$</b>
<b>Expenses</b>			
Supplies and services	1,396,638	3,076,303	(1,679,665)
Finance costs	337,108	380,544	(43,436)
Accommodation expenses	315,188	280,880	34,308
Loss on disposal of non current assets	12,883	524,000	(511,117)
Other expenses	194,290	255,678	(61,388)
<b>Income</b>			
Commonwealth grants and contributions	73,167	191,259	(118,092)
Other revenue	358,177	228,266	129,911
Grants from Government agencies	1,581,662	698,700	882,962

**Supplies and services**

In 2006-07 a payment of \$2,000,000 was made to LandCorp towards the Picton Sewerage Project.

**Finance costs**

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

**Accommodation expenses**

2007-08 includes a payment for the 18 month occupation of the Harvey Office since closed.

**Loss on disposal of non current assets**

The loss on disposal of non-current assets variance is the sale of land to the Bunbury Port Authority in 2006-07.

**Other expenses**

The variance is mainly associated with a decrease in office maintenance costs in 2007-08.

**Commonwealth grants and contributions**

The amount of funds received from the Commonwealth for the Tradestart Officer position varies according to the timing of the success payments received under the contract with Austrade.

**Other revenue**

The variance is due to the receipt of funds for the infrastructure development of Lake Kepwari.

**Grants from Government agencies**

Grants from government agencies are dependant upon successfully obtaining grants for projects under schemes such as Regional Infrastructure Funding (RIF) through DLGRD. 2007-08 includes funds under RIF for the Leschenault Estuary Dredging project.

### Notes to the Financial Statements

for the year ended 30 June 2008

#### **37. 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.

#### **38. 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.

#### **39. Financial instruments**

##### **[a] Financial risk management objectives and policies**

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

##### **Credit risk**

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

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

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

Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 19 'Receivables'.

##### **Liquidity risk**

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

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

## Notes to the Financial Statements

for the year ended 30 June 2008

### Market risk

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

### [b] Categories of financial instruments

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

	\$ 2008	\$ 2007
<b>Financial assets</b>		
Cash and cash equivalents	2,343,643	2,347,626
Restricted cash and cash equivalents	1,183,579	1,062,823
Receivables <sup>(1)</sup>	48,539	136,918
Amounts receivable for services	719,000	542,000
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	164,780	589,139
WATC borrowings	5,001,450	5,905,872

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

### [c] Financial Instruments Disclosure

#### Credit risk, liquidity risk and interest risk exposure

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

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

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

# DISCLOSURES AND LEGAL REQUIREMENTS

## Financial Statements for 2007-08

### Notes to the Financial Statements

for the year ended 30 June 2008

2008	weighted average effective interest rate %	non interest bearing \$	within 1 year \$	1 - 5 years \$	over 5 years \$	adjustment for discounting \$	carrying amount \$
<b>Financial assets</b>							
Cash and cash equivalents		2,343,643	-	-	-	-	2,343,643
Restricted cash and cash equivalents		1,183,579	-	-	-	-	1,183,579
Receivables [a]		48,539	-	-	-	-	48,539
Amounts receivable for services		719,000	-	-	-	-	719,000
		<b>4,294,761</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,294,761</b>
<b>Financial liabilities</b>							
Payables		(71,681)	-	-	-	-	(71,681)
Other liabilities		(93,099)	-	-	-	-	(93,099)
WATC borrowings	6.55	-	(935,168)	(3,897,390)	(168,892)	-	(5,001,450)
		<b>(164,780)</b>	<b>(935,168)</b>	<b>(3,897,390)</b>	<b>(168,892)</b>	<b>-</b>	<b>(5,166,230)</b>
		<b>4,129,981</b>	<b>(935,168)</b>	<b>(3,897,390)</b>	<b>(168,892)</b>	<b>-</b>	<b>(871,469)</b>

2007	weighted average effective interest rate %	non interest bearing \$	within 1 year \$	1 - 5 years \$	over 5 years \$	adjustment for discounting \$	carrying amount \$
<b>Financial assets</b>							
Cash and cash equivalents		2,347,626	-	-	-	-	2,347,626
Restricted cash and cash equivalents		1,062,823	-	-	-	-	1,062,823
Receivables [a]		136,918	-	-	-	-	136,918
Amounts receivable for services		542,000	-	-	-	-	542,000
		<b>4,089,367</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,089,367</b>
<b>Financial liabilities</b>							
Payables		(488,473)	-	-	-	-	(488,473)
Other liabilities		(100,666)	-	-	-	-	(100,666)
WATC borrowings	6.14	-	(904,423)	(3,656,433)	(1,345,016)	-	(5,905,872)
		<b>(589,139)</b>	<b>(904,423)</b>	<b>(3,656,433)</b>	<b>(1,345,016)</b>	<b>-</b>	<b>(6,495,011)</b>
		<b>3,500,228</b>	<b>(904,423)</b>	<b>(3,656,433)</b>	<b>(1,345,016)</b>	<b>-</b>	<b>(2,405,644)</b>

[a] The amount of receivables excludes GST recoverable from the ATO (statutory receivable). The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

### Notes to the Financial Statements

for the year ended 30 June 2008

#### **Fair values**

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

#### **Interest rate sensitivity analysis**

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

## Certification of Performance Indicators

for the year ended 30 June 2008

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 2008.



Mr Stan Liaros

Chairman of Accountable Authority

6 August 2008



Mr Don Punch

Member of Accountable Authority

6 August 2008

## Performance Indicators

### Outcome

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

#### *Key output:*

Regional Development

### Relationship with Government policy

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

These three strategic themes integrate together to provide a balanced approach to regional development. They are also aligned with the State Government's strategic planning framework, 'Better Planning: Better Futures', Goal 4: Regional Development, "ensuring that regional Western Australia is strong and vibrant".

The activities of the Commission aim to ensure that the South West is a strong and vibrant region.

### Effectiveness indicators

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

#### **Client Survey 2008**

As a requirement of its strategic plan, the Commission undertook an evaluation of its operations in April 2008. 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 eight years.

Key performance results from the 2008 survey, including results from previous surveys, are detailed below. It should be noted that the questionnaire response scales to questions were changed from a five point scale to a seven point scale in 2006 (five point scale used in previous questionnaires) for greater score refinement.

An independent consultant, Patterson Market Research, undertook the survey. The Commission provided Patterson Market Research with a database of 253 key clients and 20 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 past 12 months.

The survey questionnaire was distributed to all of the key clients (253) and all local government representatives (20). The total of 160 completed surveys were received by Patterson Market Research, comprising 11 completed surveys from local government representatives (from a useable population of 17) and 149 from key clients (from a useable population of 237). This represents a 65 per cent response rate from the local governments and a key client response rate of 63 per cent. A total of 160 clients were interviewed, out of a possible 254 (useable sample).

The overall response rate was 63 per cent. The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of clients (i.e. local government representatives and key clients) within a possible sampling error of +/- 5 per cent at 95 per cent level of confidence. The sampling error range for this survey period is +/- 5 per cent.

# DISCLOSURES AND LEGAL REQUIREMENTS

## 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	Total output target			Total average			Local governments avg.			Key clients average		
	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006
Regional Development	5.32	5.32	5.25	5.41	5.05	4.47	4.82	4.93	4.4	5.46	5.06	4.54
	76%	76%	75%	83%	72%	64%						

1 = very ineffective to 5 = very effective

Key output	Total output target	Total average				Local governments average				Key clients average			
	2005	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%											

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

- Source of funds;
- Coordination between other organisations and groups;
- Information about the region and the Commission;
- Provision of advice; and
- Project development.



## Efficiency indicators

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

Regional development	Note	2007-08	2006-07	2005-06	2004-05	2003-04
Operating cost	1	\$3,736,373	\$4,634,601	\$4,317,996	\$3,830,124	\$3,466,982
Project / service hours	2	20,793	25,328	27,856	25,827	26,255
Cost per hour	3	\$180	\$182	\$155	\$148	\$132
Target	4	\$160	\$175	\$142	\$241	

## Notes on variance between reporting period

### Note 1

Operating cost information is sourced from the Income Statement excluding grants and project costs paid direct to other agencies. A net movement of \$898,228 is shown. The variation is due to the variable nature of project costs associated with projects managed by the Commission.

### 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.

## Other Financial Disclosures

As at the end of June 2008 the Commission had 25 full-time equivalent employees.

Seventy two per cent of employees were aged over 45 with one employee aged less than 25 years. Sixty 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 profile	2007-08	2006-07	2005-06
Full-time permanent	20	17	19
Full-time contract	3	3	2
Part-time measured on a FTE basis	2	4	4
On secondment	0	0	0
Total	25	24	25

### Staffing policies

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

### Industrial relations

The Commission's employees are employed under the *Public Service General Agreement 2006*.

### Occupational safety and health

Occupational safety and health 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 2007-08, employees were involved in a range of skill renewal, development and knowledge-based activities that included: Effective email; Critical Horizons futures series; Creating Effective Networks; Museums Australia (WA) Conference; Workforce 2020; Southern Regions Community Leadership Forum; Getting Connected in Our Region; Giving up on Reconciliation Seminar; WALIS International Forum; CFO Essentials; Governance & Risk Seminar for directors; LGCDA Bi-Annual Conference 2008; Advanced Report Writing; Creating Presentations and Slide Shows; Writing Ministerial Briefings; Adobe InDesign and Rapid Fire Project Management.

A professional development system is in place that fosters personal growth across the streams of Leadership and Management, Community and Project Development, and Corporate and Administration.

The Commission spent a total of \$37,850 on development and training activities during the reporting period.

## Employee volunteering policy

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

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

## Governance Disclosures

### Contracts with senior officers

At the date of reporting, other than normal contracts of employment of service, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests had any interest in existing or proposed contracts with the Commission and senior officers.

### Directors liability insurance

The Commission maintained Directors Liability Insurance for 2007-08 with the total premium being \$5,782.00.

### Ministerial Directives

No Ministerial Directives were received during the financial year.

## Other Legal Requirements

### Disability access and inclusion plan outcomes

The South West Development Commission has a Disability Access and Inclusion Plan designed to ensure all people are considered in all its activities and services. The plan ensures access to Commission activities and events, buildings and facilities and information. It also ensures all people receive the same quality of service and opportunities to participate at the Commission as everyone else. The plan can be accessed from the Commission's website or by phoning (08) 9792 2000.

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

### Compliance with public sector standards and ethical codes

The Commission has developed policy, guidelines and processes to support compliance with Public Sector standards and ensures that all associated activities are undertaken in a professional and unbiased manner.

All recruitment panel members are advised of the requirements under the standards prior to any recruitment process. New staff members are appointed after a merit-based assessment and unsuccessful applicants are made aware of their ability to lodge a breach claim if the standards have been breached. Information on the standards is readily available on the Commission's information network.

Procedures designed to ensure compliance have also been put in place and regular internal assessments are undertaken as part of the Commission's internal audit program.

No claims of breach of standards were made during the year in review.

## WA Code of Ethics

The Commission incorporates the WA Code of Ethics into both the SWDC Board members and staff codes of conduct. All employees are advised on induction and annually of the key principles of Justice, Respect for Persons and Responsible Care embodied within the code.

## Code of conduct

The Commission's staff members are guided by a code of conduct, which is a statement of the ethical principles, values and behaviours expected of South West Development Commission employees. A review of the code of conduct is undertaken when any new information is received from either the Office of the Public Sector Standards Commissioner or through Premier's Circulars.

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

The Commission has had no reports of misconduct under the SWDC Code of Conduct.

## Reporting on record keeping plans

The South West Development Commission's Record Keeping Plan was approved for a period of five years by the State Records Commission on 12 May 2005. Employee induction in record keeping, ongoing training and annual reviews of the efficiency and effectiveness of the plan are maintained. Currently the plan is being reviewed to align the naming conventions of the plan to the approved Retention and Disposal Schedule. This review is expected to be completed by 30 June 2009.

## Electoral Act compliance

In compliance with section 175ZE of the *Electoral Act 1907*, the Commission is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations. Details are as follows:

Expenditure with advertising agencies	\$ 0
Expenditure with market research agencies	\$ 8,987
▪ Patterson Market Research	
Expenditure with polling agencies	\$ 0
Expenditure with direct mail agencies	\$ 0
Expenditure with media advertising agencies	\$67,543
▪ Bunbury Key	
▪ Media Decisions	
▪ Rural Press Regional Media (WA) P/L	
▪ South West Printing & Publishing Co Ltd	
▪ Marketforce express	
<b>Total expenditure</b>	<b>\$ 75,161</b>

## Freedom of information

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

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

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

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

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

The Commission received one Freedom of Information request during the year.

# DISCLOSURES AND LEGAL REQUIREMENTS

## Agency publications available to the public

Title	Date
South West Projects Update	2008 (June)
Regionwide	Various
South West Academy of Sport	September 2007
Eco Walks – Nature Trails of Bunbury and Surrounds	2007
A Brighter Future – Delivering on the Brunswick – Pinjarra Sustainability Strategy	2006 (December)
South West Economic Perspective	2006 (July)
Our Services	2006 (May)
SWDC Strategic Vision 2005-2020	2005
Working Life (reprint)	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 Telecommunications Infrastructure and Opportunities Study	2003
Noongar Country Aboriginal Art Catalogue	2003
SWDC Strategic Plan 2000-2005	2000
SWDC New Service Delivery Structure	2000

CDrom	Date
The South West of Western Australia – “a perfect choice” - “where vision becomes reality”	2003

Publications available on SWDC website <a href="http://www.swdc.wa.gov.au">www.swdc.wa.gov.au</a>	Date
Stats News	June 2008
South West Suppliers Database	2008
Annual Report 2006-2007	2007
Annual Report 2005-2006	2006
Annual Report 2004-2005	2005
Annual Report 2003-2004	2004
Annual Report 2002-2003	2003
Annual Report 2001-2002	2002
Annual Report 2000-2001	2001

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) | [www.criticalhorizons.com.au](http://www.criticalhorizons.com.au)



## Government Policy Requirements

### Corruption prevention

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

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

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

### Complaints management system

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

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

Confidentiality is maintained at all times.

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

There was one complaint received during the reporting period.

### Occupational safety and health

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

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

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

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

#### Annual performance for 2007-08

Indicator	Target 2007-08	Actual 2007-08
Number of fatalities	0	0
Lost time injury / diseases (LTI/D) incidence rate	0	0
Lost time injury severity rate	0	0

## Sustainability

In fulfilling its mandate to coordinate and promote the economic development of the South West Region, the South West Development Commission works on the basis that development needs to be sustainable and aims to ensure that the region is resilient and adaptive to ongoing change.

The SWDC Strategic Plan, which provides direction through to 2020, allows the Commission to identify longer term outcomes and then adjust its strategies for achieving these outcomes as circumstances change.

The Commission's focus on supporting job creation (through value adding and knowledge-based industries) and creative communities, and consolidating its lifelong learning and futures programs, is set to continue. Well-established programs for industrial land development, urban renewal and community infrastructure will also continue.



Busselton Jetty

The following are examples of the Commission's commitment to sustainability in this reporting period:

- The Busselton Jetty Refurbishment and Foreshore Redevelopment project has generated a sustainable solution to ensure the long-term maintenance of the jetty, a significant tourism icon for the region and the State.
- The Critical Horizons Innovation Roundtable continues to foster futures thinking in the region. The series of events, flowing from the inaugural conference in February 2007, acts as a focal point for innovation and knowledge-based ideas development. During the reporting period two events were held, "Renewable Energy" and China "Breath of the Dragon".
- Development of the South West Academy of Sport is an important initiative for the region which is soon to come to fruition. The project will increase the capacity of regional coaches and administrators, lift overall professionalism and create a more sustainable framework for athlete participation and development. At the same time it will assist in retaining young people in the region and reduce travel for those involved in elite sports activity.

The Commission's South West Directions – an action plan for a sustainable future (2004) continues to provide a framework for State government agencies in the delivery of their services in the region.

The SWDC Sustainability Action Plan 2005-2007 has drawn to a close and has been revitalised during the year with the development of the SWDC Sustainability Action Plan 2008-2010. Sustainability in service delivery has always been, and will continue to be, a core strategy for the Commission. Steady achievements in other agency operations supporting sustainability – for example, downsizing the vehicle fleet to 4-cylinder vehicles, adoption of mechanisms for recycling paper and other materials (for example, a drink can recycling facility was introduced during the year) and power reduction initiatives – have occurred over the duration of the plan and now form part of ongoing procedures.



