

SOUTH WEST DEVELOPMENT COMMISSION
ANNUAL REPORT 2010



creating a region of excellence



About this report

In this report you will find an overview of the South West Development Commission's activities for 2009/10.

You will learn how our projects benefited the region during the year in review.

Gain insight into how local decision-making is helping to shape the region.

And discover how we are planning for the future.

Most of the information about our projects is contained in chapters structured around the Commission's strategic plan, which guides the Commission's delivery of services into three key areas:

People – We focus on projects which engage the community in developing a vibrant region. This includes planning, civic engagement, community leadership and community infrastructure.

Infrastructure and Place – Our aim is to build modern infrastructure which supports industry, maintains a sense of place for our communities and values our natural environment.

Knowledge, Enterprise and Innovation – We aim to create jobs, develop greater job diversity and increase incomes through a diverse industrial base. Projects focus on attracting knowledge-based industries and maximising the region's trade potential.

Royalties for Regions

has been allocated its own chapter to highlight the impact it has across our three strategic service areas.

A summary of our corporate performance and audited financial statements are also provided in the report.

The report is available in electronic format on the Commission's website –

www.swdc.wa.gov.au



ROYALTIES
FOR REGIONS



This document
is available
in alternative
formats on
request.

The Commission
encourages people to
access this report online
at www.swdc.wa.gov.au

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Statement of compliance

The Honourable Brendon Grylls, MLA
Minister for Regional Development

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the South West Development Commission, for the financial year ended 30 June 2010.

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
- Public Interest Disclosure Act 2003
- Royalties for Regions Act 2009

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.



Stephen Harrison
BOARD CHAIRMAN
3 September 2010



Don Punch
CHIEF EXECUTIVE OFFICER
3 September 2010

Chairman's report



with
Stephen Harrison

The year in review has been a very significant year for the South West Development Commission. The continued delivery of Royalties for Regions has not only provided a significant source of grants for the community and local government but more importantly it has changed the way people view regional Western Australia.

During the 2009/10 round of the Royalties for Regions – South West Regional Grants Scheme, the Commission received 165 applications for funding. Applications were from a diverse range of groups and included a significant number of indigenous and tourism related projects.

In addition, the Board has provided funding through the scheme to enable several important strategic projects, such as the redevelopment of the Dolphin Discovery Centre, to proceed.

The importance of providing resources that support regional Western Australia direct to incorporated and not-for-profit groups cannot be underestimated. It rewards volunteerism, helps to build confidence in the future and makes a direct contribution to quality of life.

The region has continued to grow throughout the year. Gross regional product is now estimated

at \$11.3 billion and our population growth is estimated at 3.5 per cent. This places demands on existing infrastructure, much of which is reaching capacity levels. The Commission would like to acknowledge the significant investment made by the State in key areas such as the Port Access Road and the opening of the new Forrest Highway.

For its part the Commission is working with Regional Development Australia and the 12 local governments of the South West to identify the key social and economic projects and infrastructure requirements that will continue to support the region's growth. Our aim is to develop a common sense of purpose and alignment of funding priorities so that projects can be advanced in a timely manner and take advantage of potential investment opportunities.

International trade has continued to be an important part of the Commission's work in diversifying and growing the region's economic base. New civic ties have been developed between areas in southern China and the shires of Manjimup and Margaret River. Our Austrade relationship has also seen the development of significant interest from India. These developments all have the

potential to support trade in timber processing, wine, food and tourism.

The Commission, on behalf of the State Government, has also directly invested in tourism infrastructure. The refurbishment of the Busselton Jetty is well underway, together with planning for the future of the Busselton foreshore. The Munda Biddi bike trail is well advanced and will provide an important tourism opportunity between Nannup and Albany, while support provided to the Manjimup Shire to renew the main street of Pemberton will see this town grow as a valuable tourism asset.

I would like to thank my fellow Board members for their contribution to the Commission over the past 12 months. The Board brings a variety of perspectives and views to guide the work of the Commission and to take the South West forward.

The staff of the Commission have provided outstanding service during the year and are to be congratulated in the manner in which they have introduced Royalties for Regions to the South West and administered the grants scheme.

Finally I would like to pass on our appreciation to the Minister, the Hon Brendon Grylls and his staff for their support and commitment to regional Western Australia.

Q&A

with
Don Punch,
CEO

What were the highlights of 2009/10?

The holding of the Regional Parliament in Bunbury provided a huge boost for the region, allowing people to meet our representatives and to see how Parliament works. Importantly for the South West, it provided an opportunity to brief the State Government on the contribution the region makes, how it is growing and some of its important economic and social needs.

Development of the Shotts Industrial Park at Collie was also a significant highlight with Government giving the green light to proceed with development planning and approvals as quickly as possible. These are scheduled for completion early in 2010/11 and provide a pathway for the proposed urea plant to proceed.

The second round of contestable Royalties for Regions grants provided significant support to local organisations.

Critical Horizons, the region's biannual futures conference, allowed participants to explore various scenarios for the region's future with Jeff Kennett challenging the region to stay focused, agree on goals and set timelines for progress.



The region's overseas links continued to strengthen with growing numbers of trade delegations visiting the region and the development of new links between the towns of Manjimup and Margaret River and like-minded areas in southern China.

The continued strong growth of the region signaled the South West as a region of choice for many people due to lifestyle and diverse employment opportunities.



What is in store for the Commission in 2010/11?

The completion of Lake Kepwari will be an important milestone. The last legal matters should be resolved, allowing construction to proceed on public infrastructure at the lake. When we look back on 2010/11 we expect to be able to reflect on how we transformed a former coal mine into a recreational water body in partnership with Wesfarmers Premier Coal.

The Roads to Export transport study sets out a blueprint for investing in the region's road and rail network to ensure continued growth does not become strangled by bottlenecks at the Bunbury Port. We will be working with all levels of Government and industry to develop a finance strategy for this infrastructure.

The Commission will finalise its program of land development at Picton and Glen Iris with a view to reinvesting the proceeds of this sale in the Greater Bunbury Area.

An important theme for 2010/11 will be the need to support further diversification of opportunities in the Warren-Blackwood region. This region needs new employment opportunities to grow and a concerted effort will be made to support further international branding of the Pemberton wine region.

The Busselton Jetty rebuild will be completed and new plans for the foreshore at Busselton finalised.

The year will also see significant work done on the National Broadband Network to secure further band speed for the South West and in particular the Bunbury corridor.



↑ City of Bunbury



↑ Improving quality of life



↑ The Roads to Export study aims to ensure continued growth through investment in transport infrastructure.

What are some of the challenges the South West will face in the future?

The most significant challenge is maintaining the quality of social and economic infrastructure in a fast-growing region. Intra-regional transport is a very significant challenge for our smaller communities and investment in the South Western Highway between Manjimup and Walpole is urgently required to improve road safety.

The development of Bunbury as a second city – a city of choice – will be a key focus and gaining community consensus on a vision for the future of the city is a priority. Linked to this, the Greater Bunbury Area must develop as an alternative

metropolitan area to Perth with synchronised planning and development of infrastructure.

Building a consensus between the various levels of Government is a priority. In this regard, the Commission and Regional Development Australia – South West have joined forces to gain agreement on the 20 most important projects that will support the building of our region.

Above all our biggest challenge is supporting the region to develop and grow without losing the important values that make the South West special to the people who live here.

“The most significant challenge is maintaining the quality of social and economic infrastructure in a fast-growing region.”

Project highlights

a look back
at how we
helped the
region in
2009/10

Investing in People

- The needs of the region's ageing population are identified in the South West Active Ageing Research Project report.
- A total of 37 projects are given a boost when they share in \$2.8 million in funding through the South West Regional Grants Scheme component of Royalties for Regions.
- Outdoor fitness equipment is installed across the region to help improve quality of life.
- The South West Academy of Sport holds its first annual dinner to recognise the achievements of its athletes.
- The Bunbury CBD Walkability and Wayfinding Strategy guides Bunbury's transformation into a more pedestrian-friendly city.
- New specially-designed wheelchairs provide people with disabilities with a way to access the beach.
- Former Victorian Premier Jeff Kennett is among the guest speakers who inspire South West residents to think about the future of the region at the 2010 Critical Horizons Regional Futures Conference.



↑ Active ageing research



↑ South West Academy of Sport

↓ Collie's Riding for the Disabled Association received support through the Royalties for Regions – South West Regional Grants Scheme.

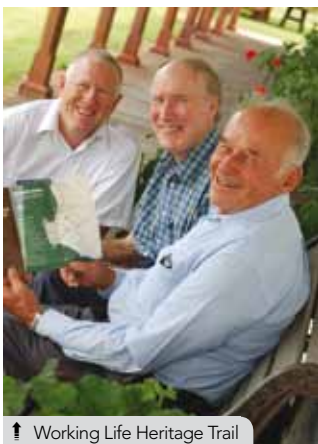


~ Diversity
~ Equity
~ Participation
~ Volunteerism
~ Self reliance
~ Access to services

Investing in Infrastructure and Place

~ Preserving lifestyle
~ Jobs growth
~ Modernisation
~ Biodiversity protection
~ Infrastructure provision

- Lake Kepwari moves a step closer to becoming a recreational water playground when Wesfarmers Premier Coal hands back the site to the Department of Environment and Conservation.
- A concept plan for the redevelopment of the Busselton Foreshore is developed from ideas contained in more than 700 public submissions.
- Land assembly required to create the proposed Shotts Industrial Park is underway.
- Roads to Export: Greater Bunbury Infrastructure Investment Plan highlights gaps in local transport infrastructure and presents a case for investment in road, rail and port projects.
- The Escape for A While project helps to market the Yarloop to Brunswick area as a tourism destination.
- A new brochure is launched for the expanded Working Life Heritage Trail.
- The Commission and LandCorp host Greening the Moo, an event that showcases sustainable initiatives in the region.
- A two-part study to identify new opportunities for the Manjimup timber industry is underway.



↑ Working Life Heritage Trail



↓ Lake Kepwari



↑ Identifying new opportunities for the Manjimup timber industry.

Investing in Knowledge, Enterprise and Innovation

- The Pemberton Hydro-Energy Station officially opens its doors to the public.
- The arrival of floating luxury residence The World marks Bunbury's growing reputation as a cruise ship destination.
- An international digital animation studio bases its operations in Bunbury's new world-class data centre.
- About 45 wine buyers and media representatives from the UK tour the region.
- The South West's calendar of events gets a financial injection with the announcement of the 2009/10 South West Events Program recipients.
- The Commission supports excellence in business by sponsoring the South West Small Business Awards.
- The Bunbury-Jiaxing Business Office hosts delegations of officials and investors from China.
- Wine and food from the South West is promoted to buyers at events in Jakarta, India and Nepal.
- A total of 164 skilled migration applications are processed.
- SWDC is a finalist in the prestigious Western Australian IT and Telecommunications Awards.
- The Commission teams up with the City of Bunbury to help bring major music festival Groovin the Moo to Bunbury.



↑ South West Small Business Awards



↑ Bunbury-Jiaxing Business Office



↑ Groovin the Moo festival

~ Education
~ Competitiveness
~ Efficiency
~ Research
~ Excellence
~ Communication

The year in numbers



↑ Warren Blackwood Trails project

\$45m

The total value of grants administered by the Commission.

164

The number of skilled migration certificates processed.

\$12.2m

The amount of export trade and investment the Commission helped achieve for small to medium enterprises.



Hon. Jeff Kennett ↑

15

The number of experts who spoke at the 2010 Critical Horizons Regional Futures Conference.

93.1

The percentage of clients who rated the quality of service provided by the Commission as 'net effective' in 2009/10.

30

The number of events given a financial boost through the South West Events Program.

↓ Margaret River Wine Region Festival



\$2.8m

The amount in grants provided through the contestable component of the Royalties for Regions – South West Regional Grants Scheme.

\$21.7m

The total value of projects that received funding through the contestable and strategic components of the Royalties for Regions – South West Regional Grants Scheme.

Governance



† The Commission signed a statement of agreement with Regional Development Australia – South West, officially paving the way for the State and Federal government agencies to work together on improving quality of life in the region.

ABOUT US

The South West Development Commission works to make the South West region an even better place to live, work and invest.

We do so by partnering with communities, government, business and industry to identify, develop and support projects that benefit the region.

Our Vision

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

Our Mission

To develop the region's economy and enhance quality of life.

Strategic Direction

To help us achieve a region of excellence, we invest in:

- People
- Infrastructure and Place
- Knowledge, Enterprise and Innovation

How we help

We aim to:

- Support the sustainable development of communities and towns
- Identify and address gaps in government services and infrastructure
- Maximise local job opportunities by attracting new business and industry to the region, while helping existing business and industry to grow

Our services include:

- Community development
- Export assistance
- Business investment support
- Skilled migration certification
- Interagency facilitation
- Advocacy
- Grant administration
- Research and provision of information

Our promise to you

We are leaders: We provide leadership to the region that is inspiring, motivating and relevant.

We are professional: We act at all times with honesty, integrity and fairness, recognising the importance of being open and accountable in our actions.

We embrace sustainable practice: We take a well-planned, considered approach to our projects to ensure the qualities and opportunities of the region are enhanced for both present and future generations.

We display excellent service: We aim to be global leaders in regional development, with valued and skilled personnel and a responsive attitude to people.

Minister



The Hon.
Brendon Grylls MLA
Minister for Regional Development

Our responsibility

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

About the Minister

The Hon. Brendon Grylls was elected to State Parliament when he won a by-election for the seat of Merredin in 2001 and became the leader of the Nationals WA in July 2005. Following the 2008 election he led the party into a power sharing alliance with the Liberals. In the lead up to the September 2008 election, Mr Grylls and The Nationals WA campaigned on the Royalties for Regions plan which captured the imagination of regional WA and now underpins the Liberal-Nationals alliance in Government.



↑ Regional Development Minister Brendon Grylls met SWDC's regional coordinator for the Warren-Blackwood area, Deanna Giumelli, during a visit to Manjimup in July 2009 to congratulate local recipients of Royalties for Regions funding.



↑ The Minister visited Kemerton Industrial Park in April 2010 to launch expansion of silicon producer Simcoa's operations.

Our Board



Back: Cr Brad Day, Cr Ian Stubbs, Cr Wade De Campo, Mr Stephen Harrison (Chairman), Mr John Borlini, Mr Don Punch (CEO)
Front: Mrs Patricia Hughes, Mr Stan Liaros, Ms Posy Barnes Inset: Mr David Trench

The South West Development Commission Board is the governing body responsible to the Regional Development Minister for setting the direction and priorities of the Commission.

It has 10 members selected from community and local government nominations, ministerial appointments and the Commission's Chief Executive Officer.

Primary activities include:

- Setting the overall strategic direction and goals of the Commission
- Providing guidance on specific projects and initiatives
- Formulating Commission policy
- Reviewing progress at regular intervals to ensure established goals are being achieved
- Monitoring Commission expenditure
- Promoting economic development
- Representing the Commission at relevant meetings and functions
- Providing a conduit between the Commission and the community
- Facilitating cooperation between organisations in the region

Our Board Members

Stephen Harrison **Chairman**

Stephen Harrison is a part-time lecturer with Curtin University, and works part-time in a Margaret River vineyard. He has worked as a consultant in the public and private sectors, specialising in education, IT and multimedia resources. Mr Harrison currently lives in Witchcliffe and is a former president of the Augusta-Margaret River Shire and Margaret River Chamber of Commerce and Industry.

David Trench **Deputy Chairman**

David Trench is an active contributor to the Bunbury business community and is currently chairman of the Val Lishman Health Research Foundation, Manea Senior College Board and the Dolphin Discovery Centre Board. He is a board member of the Bunbury-Wellington Economic Alliance, ECU SW Advisory Board, SW Regional College of TAFE and Regional Development Australia – South West. He is also past president of the Bunbury Chamber of Commerce and Industries and a founding member of the South West Community Foundation. Mr Trench is General Manager CRM Group for Wartsila Australia responsible for Australia, New Guinea, New Zealand, Philippines and Indonesia. He has a military background having served five years in the 10th Light Horse Regiment.

Don Punch **Chief Executive Officer**

Chief Executive Officer Don Punch has extensive experience working throughout regional Western Australia for the public service. He has undertaken a variety of roles including working in regional and remote communities on the provision of infrastructure, identification and funding of community needs, and project management. Mr Punch is also a member of the Governing Council of the South West Regional College of TAFE and a member of the South West Region Planning Committee.

Stan Liaros

Stan Liaros is Chief Executive Officer of Group Training South West Inc, Chairman of Group Training Australia WA, National Board Member – Group Training Australia and currently sits on the board of AQWEST (the Bunbury Water Board). A community-minded family man, Mr Liaros is involved in several regional chambers of commerce. His company supports and sponsors local football, hockey, cricket and surf lifesaving organisations.

Brad Day

Brad Day is the director of a real estate agency based in Eaton and president of the Shire of Dardanup. A member of the Dardanup Council since 1995, he has been involved with the development of Eaton's commercial, residential and recreational areas.

Posy Barnes

Posy Barnes is Chief Executive Officer of Jobs South West Inc. a community services and training organisation with offices throughout the South West region. She has a strong background in management, public relations and marketing and has worked extensively throughout Western Australia and in London. Posy has an MBA, is Deputy Chair of Regional Development Australia and Chair of the South West Community Foundation. Ms Barnes brings a wealth of experience to the Commission in employment, training and community matters.

John Borlini

John Borlini is a representative of the Collie Shire Council, with a long history of involvement in the town and the South West. He was an industry advisor to the South West Development Authority in the 1980s, was involved in the Collie Tourism Townscape and Promotion committee, is presently chairperson of the Disability Services Committee and is also involved in a number of other council committees. Mr Borlini has served on the Collie Coal Mineworkers Welfare Board in the past.

Patricia Hughes

Gelorup resident Patricia Hughes has a history of community involvement stemming from a lifetime association with dairy, beef, grain and sheep farming and living in rural areas. She is currently involved in numerous agricultural groups and is WA Board Representative for Australian Women in Agriculture Ltd and the National Rural Women's Coalition. A teacher for 28 years, Mrs Hughes has also worked in school environments to deliver effective policy outcomes for students.

Ian Stubbs

Ian Stubbs has more than four decades of experience in local government. He has been the Chief Executive Officer of the Shires of Dandaragan, Wyndham-East Kimberley, Busselton and Toodyay and has worked as a consultant to local government. Mr Stubbs is currently the president of the Shire of Busselton.

Wade De Campo

Wade De Campo is the president of the Shire of Manjimup. He has held numerous positions over the years, including with the Warren-Blackwood Economic Alliance, Pemberton Chamber of Commerce, Rotary Club of Manjimup and Manjimup Cherry Harmony Festival.

Leadership team

Our Executive

The Commission's executive officers provide leadership to the Commission's staff. With diverse backgrounds in regional development, members of the executive have experience across a number of fields including economics, human services, policy and finance.

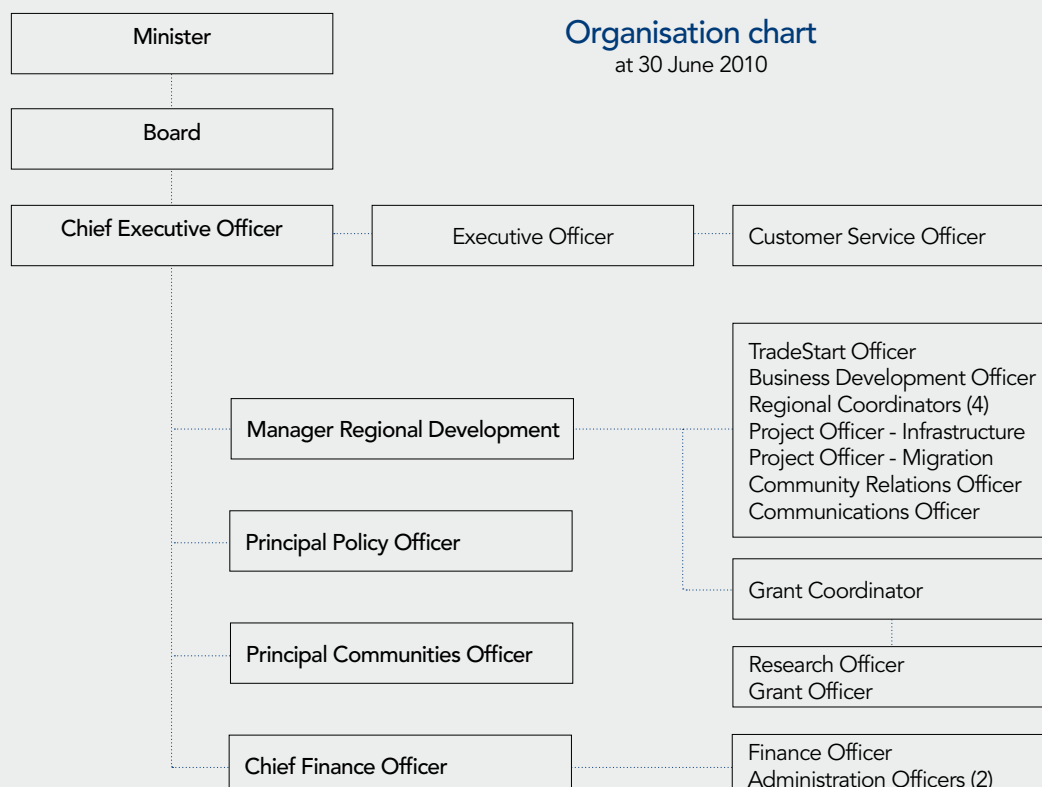
Don Punch
Chief Executive Officer
 Term of Appointment 1998-2012. Don has extensive experience working throughout regional Western Australia within the Western Australian Public Service and is responsible for the overall operations of the South West Development Commission.

Graeme Baesjou
Manager Regional Development
 Graeme has 13 years experience in regional development. He has been at the South West Development Commission for four years and has a planning and operations background with the military.

Vanessa Lewis
Principal Policy Officer
 Vanessa has more than 30 years experience in regional development, particularly in the areas of research, regional planning and policy development.

Anna Oades
Principal Communities Officer
 Anna has wide-ranging experience in the WA public sector in diverse areas such as community development and funding, social policy and research, and social planning.

Val Cartwright
Chief Finance Officer
 Val is responsible for the management of the Commission's finance, human resource, information technology and administration services.



About the region

Location

Situated in the picturesque south-west corner of Australia, the region is known for its extensive natural beauty and enviable climate. It covers an area of 23,970 square kilometers and has a typically Mediterranean climate. It is bordered by the Indian and Southern oceans, and the northern gateway to the region is only about an hour from Perth by road.

The port city of Bunbury is the South West's regional hub, while many smaller towns can be found throughout the region's 12 local government areas.

Our challenge:

- Improving urban centres while retaining the qualities of the towns that make them attractive to residents, visitors and investors.
- Protecting the region's natural environment and biodiversity.
- Transforming Bunbury into the State's second city.



how location,
population
and natural
environment
defined the
region in
2009/10

Fast-growing population

The South West of Western Australia is a fast-growing region, with an increasing number of people choosing to call it home each year.

Over the past five years the South West's average annual growth rate was 3.2 per cent, resulting in an extra 23,021 people living in the region.

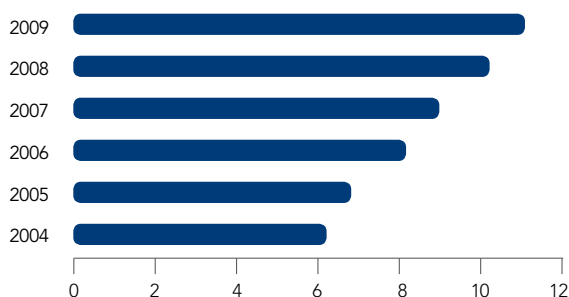
Currently more than 157,000 people are residents of the South West. By 2027 it is anticipated about 216,000 people will reside in the region.

Significantly, the number of people in the South West aged 55 years and above is expected to grow from 24 per cent in 2006 to 35 per cent in 2031.

Our challenge:

- Improving quality of life for the region's growing population through the provision of community infrastructure and services.
- Planning for the region's ageing population.
- Ensuring the presence of diverse educational and career opportunities.

Gross regional product \$11.3 billion



Regional economic powerhouse

The South West has the largest economy in regional Western Australia, and the most diverse. Its thriving economy generated \$11.3 billion during 2008/09 – an amount more than any other region in the State.

The region derived most of its wealth from healthy mining and manufacturing sectors, which latest figures show produced \$2 billion and \$2.7 billion respectively.

Our challenge:

- Ensuring the provision of infrastructure necessary to cope with planned industry improvements.
- Addressing skills shortages.
- Facilitating trade.

A look back at the issues and trends that defined the region in 2009/10

- The South West continues to be Western Australia's major growth region.
- Infrastructure provision and biodiversity issues continue to be major challenges.
- Career diversity remains a key theme and is linked to job and educational opportunities in the region.
- 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.
- Some industry sectors continue to experience skills shortages.

Achieving the Government's goals



The South West Development Commission delivered funding to various projects and services, including the Augusta Volunteer Sea Search and Rescue Group, through Royalties for Regions.

The South West Development Commission was enacted in April 1994, under the Regional Development Commissions Act 1993. Our role under the Act is to foster the economic development of the South West region.

To meet this aim, we develop and support projects that fit under the three strategic priority areas of People, Infrastructure and Place, and Knowledge, Enterprise and Innovation.

Working collaboratively with other agencies is an important part of achieving outcomes for the South West.

We also work to carry out specific Government-directed priorities. During the year in review, this included the continued administration of the South West Regional Grants Scheme component of Royalties for Regions.

Through this funding scheme, the equivalent of 25 per cent of the State's mining and petroleum royalty revenue (up to a maximum of \$1billion per annum) is being reinvested in regional Western Australia's infrastructure, services and community projects.

The scheme aims to improve

economic and community infrastructure and services in the South West region by funding projects that will assist in attracting investment, increasing jobs or help to improve quality of life.

Now in its second year, the benefits of the scheme can be seen in the projects taking shape across the region, from improvements to the Augusta Volunteer Sea Search and Rescue Group building, to the relocation and upgrade of the Balingup Visitor Centre.



ROYALTIES
FOR REGIONS

Special report

Royalties for Regions – South West Regional Grants Scheme

As administrators of the South West Regional Grants Scheme component of Royalties for Regions, we were in a unique position to see first-hand how Royalties for Regions funding helped to shape the region in 2009/10.

We saw exciting redevelopments of tourism attractions get underway, volunteer groups receive the resources required to provide important services to communities, and new life breathed into the main streets of towns.

One of the largest projects to get underway was the expansion of the Munda Biddi cycling trail. Royalties for Regions funding is assisting the Department of Environment and Conservation in conjunction with the Munda Biddi Trail Foundation to extend the world-class track from Nannup to Albany by 2012. The section between Jarrahwood and Manjimup, covering 110km, is expected to open to the public by the end of 2010.

While it will be some time before all sections of the extended trail are open, many projects funded through the 2008/09 round of the scheme were completed during 2009/10 and we were able to gauge the benefits they brought to local communities. One of these was the Anaconda

Adventure Race which was held in Augusta for the first time in November 2009. An estimated \$1.34 million was injected into the local economy as a result of the race, which attracted 1,561 participants.

More controversial was the Margaret River CowParade, which received \$50,000 from Royalties for Regions to help bring the international public art event to the region. Though it attracted a number of detractors, the Margaret River Tourism Association recorded an 11.4 per cent increase in visitation against the 2009 door statistics throughout the four months of the event. An auction of the artworks raised more than \$300,000 for a variety of charities and not-for-profit groups

including Telethon, Busselton Hospice Care and Augusta Margaret River SES Unit.

We look forward to seeing similar successful results from the projects which received funding through the second round of the scheme.

A total of 37 projects were allocated a share in \$2.8 million through the 2009/10 round of the contestable component of the grants scheme in June 2010. In addition, the Commission allocated \$1.45 million to four projects through the strategic part of the scheme.

The grants will result in projects valued at a total of \$21.7 million going ahead.



↑ Balingup Visitor Centre

Visitors to Balingup can now locate the Balingup Visitor Centre with ease. With the aid of a Royalties for Regions grant, the Balingup and Districts Tourism Association was able to move into an established building on Balingup's main street. The grant also paid for upgrades to displays and office equipment.

↓ Anaconda Adventure Race



Some of the projects to benefit through the 2009/10 non-contestable and strategic components of the scheme include:

Karla Centre

A grant of \$85,000 will help the Ngalang Boodja Council Aboriginal Corporation refurbish the Karla Centre so it can be used as a dedicated community centre for Collie's Noongar residents.

Once the transformation of the building is complete, it is expected the Karla Centre will offer health, homework and drop-in services, as well as art and craft rooms.

Busselton Regional Airport

A grant of \$50,000 will enable the Shire of Busselton to make improvements to the Busselton Regional Airport.

The construction of a new helicopter pad to allow the FESA helicopter to be stationed at the airport is among the improvements to the airport that will be made using the funding.

Mobile Health Clinic

A grant of \$200,000 will help the South West Aboriginal Medical Service put a mobile health clinic on the road.

The "clinic on wheels" will visit towns in the South West, giving people the opportunity to consult with general practitioners and allied health staff, including podiatrists and dieticians, without leaving their hometown.

Manjimup Volunteer and Resource Centre

A grant of \$495,000 has been put towards an extension of the Manjimup Volunteer and Resource Centre, which provides services such as photocopying and video conferencing to local groups.

The expansion will increase the not-for-profit organisation's capacity to accommodate community groups and services.

Dolphin Discovery Centre

A grant of \$950,000 will help Bunbury's Dolphin Discovery Centre complete the first stage of a planned multi-million dollar redevelopment.

Plans include the development of a 'dolphinarium', a purpose-built 4D theatre that will give people an animated underwater experience.



Bunbury Dolphin Discovery Centre redevelopment plans ↑

Regional Grants Scheme – Statewide

In 2009/10 the South West received more applications for funding through the Regional Grants Scheme component of Royalties for Regions than any other region.

South West	165
Kimberley	95
Wheatbelt	75
Great Southern	73
Pilbara	68
Goldfields-Esperance	61
Mid-West	61
Peel	50
Gascoyne	41

Strategic priority: people



Getting around Bunbury on foot is set to become a lot easier, thanks to the Bunbury CBD Walkability and Wayfinding Strategy.

The report has been designed to guide Bunbury's transformation into a more pedestrian-friendly city. Already adopted by the City of Bunbury, it identifies a number of ways to improve pedestrian safety in Bunbury and help visitors find their way around the city.

Every year we look for new ways to initiate, support and develop projects that improve quality of life for people living in the South West.

The 2009/10 financial year was no exception, with our team working on a number of projects to enhance the wellbeing of the region's residents.

Initiatives such as the Bunbury CBD Walkability and Wayfinding Strategy laid the foundation for positive changes in the years ahead, while more established projects such as the South West Academy of Sport continued to provide talent development pathways for young people.

The South West Active Ageing Research Project provided planning tools to make the region more age-friendly,

and the South West Human Services Planning Committee continued to provide a forum for the managers of public sector agencies to coordinate responses to issues such as drugs, early childhood and housing.

A study to investigate accommodation needs of not-for-profit organisations in the Greater Bunbury area kicked off, and outdoor gym equipment and beach wheelchairs began to provide benefits to the region.

The Indigenous Map and Gap study, a project to identify gaps Aboriginal people experience in human services, was completed in 2009 and is now being implemented by the Department of Indigenous Affairs.

The 2010 Critical Horizons Regional Futures Conference,

featuring presentations by 15 experts including former Victorian Premier Jeff Kennett, encouraged participants to think about the future of the region.

We continued to assist with community infrastructure through the South West Regional Grants Scheme component of Royalties for Regions. The funding scheme enabled us to fund community projects such as a women's health program, and provide funding to support volunteers who provide important community services.

Importantly, we continued to empower community organisations to take advantage of opportunities, overcome challenges and assist in project development by facilitating partnerships between agencies

and government departments. An example of this was how we assisted agencies to come together to establish the Warren Blackwood Early Years Network. The group gives participants an opportunity to share information, advocate for resources and provide greater support for families and children.

We also assisted numerous community groups by reviewing their business plans and providing practical support for projects by participating on committees, and delivering marketing advice.

PROJECT IN FOCUS

South West Community for Life

Much can be done to improve the wellbeing of people through the way urban areas are designed, the type of services provided and the facilities that are made available.

With this in mind, we set out to improve quality of life for the region's residents through our South West Community for Life strategy.

Designed to enhance the wellbeing of local people through the improvement of community amenities and services, the policy placed the spotlight on the needs of South West people.

It led us to investigate the infrastructure and services required by the South West's ageing population, come up with an initiative to get people to adopt more active and healthy lifestyles, and find a way for people with disabilities to have greater access to the region's natural attractions.

South West Active Ageing Research Project

We commissioned the South West Active Ageing Research Project report to identify the needs of the South West's ageing population and show how the region could become more age-friendly.

The report highlights how the planning and delivery of infrastructure and services to senior members of the South West community can be improved.

As well as highlighting how the wellbeing of older people could be enhanced through improving areas such as community transport systems or providing access to lifetime learning, the report also looks at how towns can be improved for seniors.

The development of appropriate housing models for older people, upgrading of urban design and ensuring adequate service provision are just some of the priorities listed in the report.

Outdoor fitness equipment

Another way the South West Community for Life strategy helped to improve the wellbeing of the region's residents was through the provision of funding to allow local governments to install outdoor fitness equipment.

We invited all 12 South West local governments to apply for grants towards the purchase of outdoor gym equipment as part of a strategy to promote fitness and encourage people to lead active and healthy lifestyles.

The initiative received an excellent response and all local governments in the region took up the opportunity to apply for grants and establish outdoor fitness trails in their areas.

In total, we allocated \$128,000 towards the project, which has seen rowing machines, cycling seats and chin lifts pop up in parks and along walking paths across the South West.

Beach wheelchairs

Cooling off at the beach on a warm day is a popular activity for many people, but for local residents with disabilities getting to the water can be difficult.

That is why we teamed up with a number of organisations to make beach wheelchairs available at popular Bunbury swimming spots.

We put \$10,000 towards the purchase of two specially-designed Beach Trekker wheelchairs, which can be maneuvered over sand into water, and engaged a number of local organisations to make the project a reality.

The City of Bunbury and Rotary carried out improvements to the Koombana Bay Sailing Club, which is where the equipment is stored. Enable South West agreed to manage bookings, and members of South West Community Fundraisers put up their hands to purchase a third chair.



PROJECT IN FOCUS

Critical Horizons

It's a small world. What happens in one part of the world can have an enormous impact on another.

Industrial growth in China, for instance, is helping to drive major expansion in the South West of Western Australia.

And that's just for starters.

To help leaders stay informed about emerging global trends and become better prepared for the future, we run the Critical Horizons seminar and conference series.

The series is a follow-on from 2007's acclaimed two-day Critical Horizons Futures Conference, and has been designed to maintain the region's competitive

edge by building knowledge and encouraging innovation.

One-day seminars are held throughout the year, while two-day conferences are held biannually.

During the year in review, both a seminar and a conference were held.

The 2010 Critical Horizons Regional Futures Conference was held in Bunbury over June 2 and 3 2010 and featured presentations by 15 experts.

The list of speakers included former Victorian Premier and beyondblue chairman Jeff Kennett, futurist and strategist Dr Peter Ellyard, and former

Governor of Western Australia, Lieutenant General John Sanderson.

Speakers at the conference encouraged people to think about the future and what they would like the South West region to be like in the years ahead. The importance of leadership and innovation were key themes discussed.

Topics ranged from a "vision for a prosperous and vibrant South West of the future" to a "roadmap for a sustainable transport future."

As well as the conference, a one-day seminar was held on July 23 2009 in which US Consul General

Dr Kenneth Chern spoke of the challenges and opportunities for the South West region in the USA and China.

Planning is underway for the next seminar. Events are organised by the Commission in conjunction with our partners the City of Bunbury and Edith Cowan University with planning assistance from a committee of local leaders representing a range of industries who work to address a variety of future-shaping issues.



↑ Strategist and futurist Dr Peter Ellyard, pictured on the right with SWDC chairman Stephen Harrison, shared his views on the future at the 2010 Critical Horizons Regional Futures Conference.

Examples of how we invested in people – at a glance:

- Commissioned the South West Active Ageing Research Project
- Administered the Royalties for Regions – South West Regional Grants Scheme
- Commissioned the Bunbury CBD Walkability and Wayfinding Strategy
- Brought outdoor fitness equipment to the South West region
- Commissioned the Greater Bunbury Community Sector Accommodation Needs study
- Facilitated the South West Human Services Planning Committee
- Completed the Indigenous Map and Gap study
- Supported the South West Academy of Sport
- Supported the Boyup Brook Pioneer Museum by facilitating the needs assessment and feasibility study process for the development of a tourism rail project in Boyup Brook
- Brought beach wheelchairs to Bunbury
- Assisted the Manjimup Cherry Harmony Festival Committee by facilitating the review of the committee's strategic plan
- Worked with the members of the Harvey Mainstreet Inc Committee to plan and fund the Harvey Diversion Drain Redevelopment Project
- Facilitated the Balingup Town Hall Committee in developing a vision and business plan to redevelop the town hall as a community hub
- Assisted community groups to access funding
- Facilitated a group to discuss the future of Collie's Karla Centre building

The South West Development Commission has supported the local arts scene by funding events such as the South West Survey through Royalties for Regions.



Strategic priority: infrastructure and place



A South West Development Commission-led project to turn a former Collie mining pit into a recreational water playground reached a major milestone in 2009/10.

Wesfarmers Premier Coal was able to formally hand back the site to the Department of Environment and Conservation, paving the way for the lake to be made available for public use. Once complete, Lake Kepwari will be able to be used for a variety of water-based activities including skiing, boating, swimming and specialist dive training. It is expected to have a significant impact on tourism in the region.

The Lake Kepwari project is a perfect example of how we are creating a region of excellence by investing in infrastructure and place.

Involving the transformation of a flooded mine to a recreational lake for water sports, the project shows how old assets can be redeveloped for new purposes – something that has been a focus for us in 2009/10.

In the same way the Lake Kepwari project is breathing new life into a disused piece of mining infrastructure, urban renewal projects across the South West are converting worn and underused streets and suburbs into more vibrant public spaces.

For instance, we have been involved with planning and public consultation for the redevelopment of the Busselton Foreshore, and we have continued to administer the \$24 million State Government grant for the Busselton Jetty refurbishment.

We have watched as a concept plan for the Collie town centre redevelopment was drawn up, and efforts to improve Balingup's main street moved ahead – two

projects which benefited from grants from the Commission.

Other urban renewal projects included the installation of underground power at Brunswick Junction, the revitalisation of Collie's Wilson Park, and the rejuvenation of Pemberton's main street.

We also worked to make places across the South West more attractive to residents and visitors alike through the upgrading of technology. Examples of this included setting up a group to lobby for the rollout of the national broadband network in Bunbury, and working to establish wireless internet access in Bunbury's central business district.

We also invested in infrastructure and place through our efforts to create a modern transport network. Work continued on trying to secure funding for vital transport infrastructure projects, including the completion of all stages of the Bunbury Outer Ring Road. The Roads to Export: Greater Bunbury Infrastructure Investment Plan, which highlights transport infrastructure projects crucial to the future prosperity

of the region, was launched.

And having been one of the drivers behind the lobby group that achieved the new Forrest Highway, we were pleased to see the continuous carriageway open in September 2009.

We continued to ensure the availability of land for industry purposes, with land assembly for the Shotts Industrial Park underway, and feasibility work for the next stage of the Picton Enterprise Park undertaken. A major development for the Kemerton Industrial Park was silicon producer Simcoa's announcement of plans to expand its operations by building two new furnaces. This project will double Simcoa's current capacity by the end of 2013.

We were involved in a strategy to guide the future of industrial land supply in the South West region over the next 20 years. Called the South West Region Industrial Land Study, it will provide valuable insight to ensure an optimum supply of suitable industrial land is readily available to meet long-term demand. Similarly, we were involved in a study to investigate long-term access to raw material in the

region.

The support of tourism infrastructure also formed part of our work in 2009/10. Working in partnership with local heritage tourism site operators, we expanded the Working Life Heritage Trail and launched a new brochure to promote the trail. In addition, a grant of \$180,700 was allocated towards a range of initiatives designed to raise the profile of the Yarloop-Brunswick area and entice visitors to the region.

Natural resource management was also an important part of our activities during the year in review.

A study to determine the health of the Leschenault Estuary by analysing changes to fish and crab populations moved closer to conclusion with the completion of field sampling. A final report is expected to be released in late 2010.

And transforming the Wellington Dam from a salty problem into a viable resource supporting industrial and agricultural growth moved ahead, with funding for the Collie River Salinity Recovery Project announced.

PROJECT IN FOCUS

Vision for Busselton Foreshore

When we worked with the Shire of Busselton to put together a working group to oversee the public consultation process for the Busselton Foreshore redevelopment, we did so in order to ensure plans for the project reflected the values and wishes of the local community.

So we were pleased to see the public consultation process pay off, with hundreds of people taking up the opportunity to have their say about the future of the iconic beachfront.

The concept plans pieced

together by architects from more than 700 public submissions reveal a vision for the Busselton Foreshore spanning 20 years.

Reflected in this vision is the community's desire for a family-friendly foreshore, with a water playground for children, amphitheatre for community performances and revamped skatepark among the features included on the draft concept plan.

Barbecues, sheltered seating, cafes, kiosks, short-stay accommodation and a boardwalk

promenade also form part of the proposal.

We are keen to see designs for the foreshore finalised in the 2010/11 financial year. Together with the refurbishment of the Busselton Jetty, the foreshore redevelopment is expected to breathe new life into the popular tourist town's waterfront, making it even more attractive for visitors and locals alike.



PROJECT IN FOCUS

Roads to Export

During the year in review, we partnered with the Bunbury Wellington Economic Alliance, Bunbury Port Authority and The Chamber of Minerals & Energy WA to investigate the region's transport infrastructure needs.

Our jointly commissioned report found that port-linked road and rail infrastructure was at or nearing capacity, and improvements were required to unlock bottlenecks which could choke the future prosperity of the region.

Called Roads to Export, the report identified a series of projects that needed funding to ensure the region was able to

cope with projected industry and population growth, and ensure continued quality of life through jobs creation and road safety.

These included:

- Construction of a second railway track from Brunswick to the Bunbury Port;
- Completion of all stages of the Bunbury Outer Ring Road and Bunbury Port Access Road;
- Realignment of the Preston River;
- Improvement of traffic management at Bunbury's Eelup Roundabout;
- Resolution of safety and

bottleneck issues on the Coalfields Highway;

- Refurbishment of the Greenbushes rail line; and
- Development of the Bunbury Port's container handling capacity.

This push for funding has been about more than investment in roads and railways. It has been about securing the future prosperity of the region and ensuring the good economic times enjoyed by today's residents continue in the years ahead.

Efficient transport infrastructure and port operations in the region are essential for the South West

– the State's regional economic powerhouse – to continue its strong contribution to regional, State and national productivity.

Safer roads, reduced travel times, room for industry growth and jobs creation are some of the benefits that can be expected from improving the region's infrastructure – and we will continue to advocate for a transport funding package for the region.



Examples of how we invested in infrastructure and place – at a glance:

■ Roads to Export: Greater Bunbury Infrastructure Investment Plan

■ Bunbury Outer Ring Road

■ Shotts Industrial Park

■ Kemerton Industrial Park

■ Preston Enterprise Park

■ Basic Raw Materials Study

■ Collie River Salinity Recovery Project

■ South West Infrastructure Committee

■ Leschenault Estuary fish stocks study

■ Lake Kepwari

■ Collie River restoration

■ Collie town centre redevelopment

■ Balingup main street development

■ Busselton Jetty refurbishment

■ Busselton Foreshore redevelopment

■ Working Life Heritage Trail

■ Escape for A While

■ Greening the Moo

The installation of underground power in Brunswick Junction kicked off a dairy-themed redevelopment of the town's main street. →



Strategic priority: knowledge, enterprise and innovation



Bunbury may be thousands of kilometres away from the bright lights of Hollywood, but it is now equipped to play a role in bringing blockbuster movies to the big screen.

During 2009/10, an international digital animation and special effects company set up operations in the new Bunbury library building. It was able to do so because of the presence of a state-of-the-art data centre funded by the South West Development Commission.

The continuing effects of the global financial crisis have meant challenging times for many corners of the world. But despite this difficult financial period, the South West region's dynamic economy has continued to thrive.

The challenge for the South West – and the Commission – lies in retaining the region's competitive edge to ensure continued economic prosperity.

To meet this challenge, we are driving and supporting projects that invest in knowledge, enterprise and innovation – and we are pleased to say many of these projects achieved milestones during the year in review.

The first stage of a two-part study into the Manjimup timber industry was completed. The investigation will assist local timber enterprises to remain competitive in a changing industry through the discovery of new markets and technology.

The establishment of a data centre was successful in

attracting a digital animation company to Bunbury, resulting in the development of a new industry for the South West, as well as new and diverse career opportunities for residents.

Efforts to grow a cruise ship market in the South West paid off, with nine cruise ships docking at the Bunbury harbour and local retailers reporting increased sales during cruise ship visits. The introduction of a free shuttle bus service to transport passengers from the wharf to the central business district encouraged passengers to travel into town.

Bunbury came closer to having a free wireless internet service. The project will help to position Bunbury as the State's second city and build its competitive advantage in tourism and business.

The activities of our TradeStart office, together with the Bunbury-Jiaxing Business Office, fostered trade opportunities for local businesses. As an extension of this, we established the

South West Creative Network to support the creative and smart industries in the South West.

A total of 164 skilled migration applications were processed, supplying South West businesses with employees essential to their operations.

Excellence in business was encouraged through our continued sponsorship of the South West Small Business Awards and the South West Young Achievers Program.

We continued to support events that encourage visitation to the region through the South West Events Program. During 2009/10, the program provided \$70,000 in funding to 30 events including the Collie Country Music Round Up 2010 and Bunbury's Multicultural Night Under the Stars. We also provided a separate grant of \$50,000 to the City of Bunbury to bring the Groovin the Moo music festival to Bunbury for the first time.

In other tourism ventures, the Pemberton Hydro-Energy

Station officially opened its doors to the public, providing a working reminder of Pemberton's early history as a provider of renewable energy. And we secured the contents of Western Power's former World of Energy, a museum that highlighted the history of electricity production in Western Australia. During the year in review, we began investigating options for relocating the museum's collection of heritage items to the South West.

In our endeavors to create a sustainable region, we continued to investigate new ways to conserve and protect our environment. In 2009/10, for instance, the practical stage of a study into the Leschenault Estuary wound-up, with a final report about the water body's fish and crab populations expected in late 2010. And a PhD program at the Dolphin Discovery Centre provided insight into Bunbury's resident dolphin population.

PROJECT IN FOCUS

Pemberton Hydro-Energy Station

Construction work is not something we do every day at the Commission. But staff members were happy to put up their hands to carry out basic improvements to the Pemberton Hydro-Energy Station in October 2009.

Under the guidance of a licensed builder, we rolled up our sleeves to create a verandah, fence and interpretive display for the hydro-energy station.

Our efforts brought the facility closer to completion and in May 2010 the hydro-energy station opened its doors to the public.

First proposed in the 1990s, the idea to create a working replica of the original facility

that provided electricity for Pemberton from the 1930s to the 1950s took years of work to become reality.

A building, pipeline and turbine had to be constructed, and agreements finalised.

The facility is now a heritage tourist attraction that pays tribute to Pemberton's history as a provider of renewable energy.

People are able to visit the Pemberton Hydro-Energy Station, learn about the industrial heritage of the region and see how power is generated by water.

And just as electricity was generated from the site in the past, today's facility is able

to carry on that tradition – generating up to 75 kilowatts of electricity per hour between May and October, provided water levels in the Lefroy Brook are at required levels.

Profits accrued from the sale of electricity are made available to support local projects through the Pemberton Future Fund.

The Commission has placed management of the overall operation of the hydro-energy station in the hands of the Pemberton Hydro-Energy Association, which consists of community representatives and a Commission staff member.



A team from the South West Development Commission completed extensions to the Pemberton Hydro-Energy Station. ↑



PROJECT IN FOCUS

Trade Agenda

From timber and truffles in Manjimup to wine and wagyu in Margaret River, the South West region has a variety of premium products to share with the world.

To help businesses make the most of trade opportunities, we have continued to assist in unearthing new international markets for South West products.

At the same time, we have worked to provide platforms for business activity by fostering new sister relationships between South West towns and areas in China.

Trade

Various events organised by the South West Development Commission's TradeStart office helped to lift the international profile of the region's premium food and wine products, creating new market opportunities for local producers.

Dinners held in New Delhi, Mumbai, Kathmandu and Jakarta assisted participating wine and food producers to tap into new markets. The biggest of these promotional events, The Taste of Margaret River dinner at The Ritz-Carlton in Jakarta in October 2009, created listings for a number of participating producers, led to the first truffle dinner being staged in Indonesia, and established a partnership with Garuda Indonesia for a larger Western Australian promotion in 2010/11.

As well as organising dinners to showcase products, we hosted numerous delegations of wine buyers and wine magazine writers. In February 2010, for instance, 45 wine trade and media representatives from the United Kingdom travelled to the South West to participate in a series of promotional activities

and events as part of a wider tour of Western Australia. The event strengthened the profile of South West wines in the UK and fostered new trade opportunities for local wineries.

But it wasn't all about food and wine, with the creative industries also promoted overseas. For instance, the Commission assisted a Margaret River guitar maker to make inroads into Hawaii and the United States of America.

The Bunbury-Jiaxing Business Office also hosted delegations of investors from China, and assisted prospective importers and exporters with communications and advice, while helping to facilitate trade opportunities.

Sister cities

As Bunbury prepared to celebrate the 10th anniversary of its sister city relationship with Jiaxing, steps were undertaken to set up similar arrangements for other South West shires.

We facilitated meetings between the shires of Manjimup and the Chinese county of Jiashan, and Margaret River and the Chinese city of Haining.

Jiashan and Manjimup share a common interest in the timber and agricultural industries, while Haining is a tourist hot spot thanks in part to the Qiantang River's spectacular tidal bore.

Increasing trade and tourism opportunities are expected to be two of the main benefits of the potential sister city relationships as business relationships spring from exchanges of friendship and culture.



Examples of how we invested in knowledge, enterprise and innovation – at a glance:

- Timber industry development study
- South West Events funding program
- Invest South West
- Business Grow
- Data centre
- TradeStart
- Dolphin Discovery Centre PhD program
- Dairy industry support
- Bunbury-Jiaxing Business Office
- Skilled migration certification
- World of Energy
- Pemberton Hydro
- South West Futures Framework
- Sponsored South West Small Business Awards
- Cruise ship attraction
- Wireless hotspot in Bunbury
- South West Creative Network

South West chef Dennis Mifsud and The Ritz-Carlton Jakarta executive chef Sean MacDougall helped to showcase some of the Margaret River region's finest food and wine products at a promotional dinner in Jakarta in October 2009.



Performance summary

The 2009/10 financial year was significant for South West Development Commission operations because it marked our transition to the Office of Shared Services.

Shared Services refers to the provision of services by a single State Government department, that were previously provided by a number of separate organisations.

This significant change to our corporate operations, including the way we delivered human resources and financial services, required the adoption of new business practices and the up-skilling of staff.

It was pleasing to note while we were busy rolling out the new service and training personnel, our usual activities ran smoothly.

Our Client Satisfaction Survey, carried out by independent consultancy firm Savant Surveys and Strategies, confirmed this – the overall level of satisfaction with the quality of performance by the Commission was rated at 95 per cent by participants.

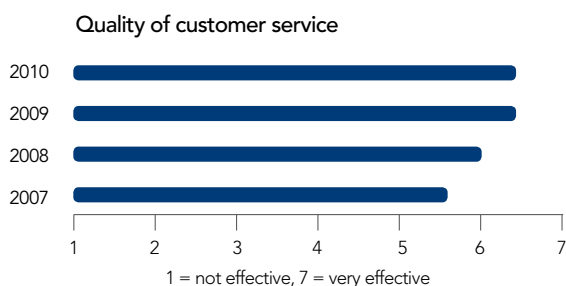
This outstanding result was achieved as the team at the Commission administered about \$45 million in grants, were recognised as a finalist in the prestigious Western Australian IT and Telecommunications Awards, signed a statement of agreement with Regional Development Australia – South West, and delivered numerous benefits to the region through projects.

How we performed

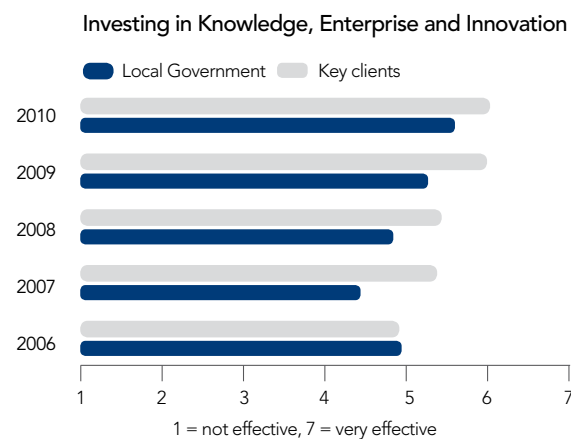
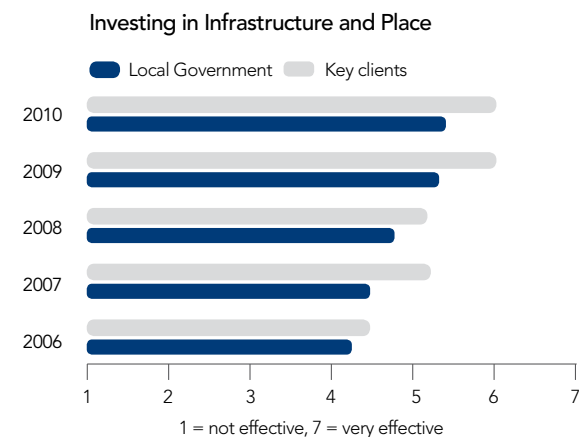
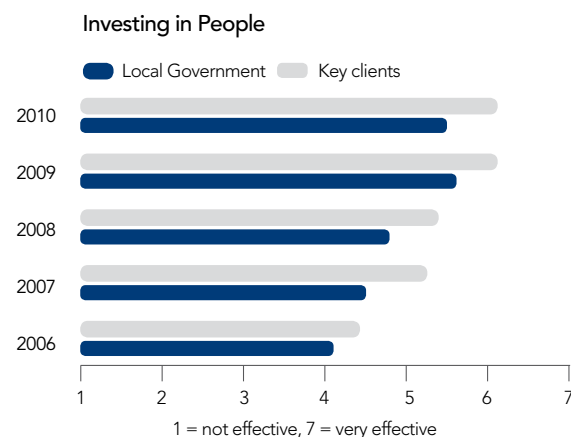
Our 2010 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in:

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

From 181 clients invited to participate in the survey, 102 completed questionnaires.

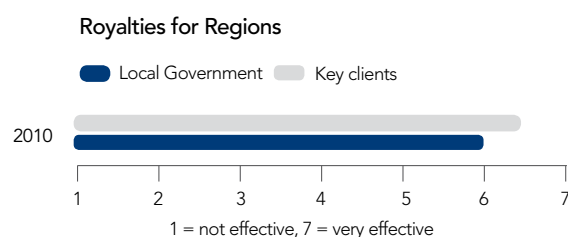


Client survey results



Royalties for Regions South West Regional Grants Scheme

Our 2010 client survey asked local government representatives and key clients to rate how effectively the Royalties for Regions South West Regional Grants Scheme added value to communities.



Government performance framework

Each year the South West Development Commission is required to meet a number of targets set by the State Government. These targets relate to Government-desired outcomes, services to be delivered and performance targets to be achieved. The agreement is a transparent way for the State Government to monitor the operational performance of the Commission.

Resource agreement

Financial targets	2009/10 target ¹	2009/10 actual	2009/10 variation ²
Total Cost of Services (i.e. endorsed expense limit)	\$23,967	\$25,349	\$1,382
Net Cost of Services (details in the Income Statement)	\$23,721	\$25,044	\$1,323
Total Equity (details in the Balance Sheet)	\$8,082	\$20,502	\$12,420
Net Increase/(Decrease) in Cash Held (details in Cash Flow Statement)	(\$211)	(\$1,873)	\$1,662
Full Time Equivalent (FTE) staff level	25	22	3

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

2. Explanations are contained in Note 38 Explanatory Statement.

Key performance indicators	2009/10 target ¹	2009/10 actual	2009/10 variation ²
REGIONAL DEVELOPMENT			
Key Effectiveness Indicator – Customer satisfaction survey	76%	79%	3%
Key Efficiency Indicator – Average cost per hour of service	\$175	\$144	(\$31)

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.

Funding programs

Royalties for Regions South West Regional Grants Scheme – contestable grants

The scheme is administered by the Commission as part of Royalties for Regions, a State Government program designed to promote long-term development in Western Australia's regions.

Under this contestable scheme, the Government provided \$2.8 million during the reporting period for the South West Development Commission to administer contestable grants to assist in:

- Infrastructure
- Services
- Provision of headworks

The Commission, through the scheme, provides new opportunities for local communities to improve and develop infrastructure and services in the South West region. The following 37 successful applications were approved under this scheme in 2009/10.

The South West Development Commission administered two contestable grant programs during 2009/10.

They were the Royalties for Regions – South West Regional Grants Scheme and the South West Events Program. The Commission also administered non-contestable grants during the financial year.

Recipient	Project	Grant (GST exc.)
ACTIV Foundation Inc	Manjimup Property Care	\$ 39,281
Arts Margaret River Inc	Margaret River Performing Arts Cultural Centre upgrade	\$ 71,864
Augusta Margaret River Tourism Association Inc	Jewel Cave preservation and redevelopment project	\$ 350,000
Boyanup & Districts Farmers Market Inc	Permanent home for the Boyanup and Districts Farmers Market	\$ 34,973
Boyanup Foundation Inc	Renovation of Boyanup Museum infrastructure	\$ 23,030
Bridgetown Family and Community Centre Inc	Warren Blackwood Early Years Project	\$ 5,000
Bunbury Meals on Wheels and Senior Citizens Association Inc	Upgrade kitchen equipment at the Bunbury Senior Citizens Centre	\$ 12,480
Bunbury Sea Rescue Inc	Paving, retaining wall and shed floor at the Bunbury Sea Rescue site	\$ 17,000
Bunbury Women's Club Inc	Repairs to Bunbury Women's Club	\$ 14,606
Busselton Community Garden Inc	Busselton Community Garden Local Produce Market	\$ 16,141
Cornerstone Christian College Limited (on behalf of Busselton and Dunsborough Area School Bus Committee)	Extension of existing bus shelter in Grace Court, Busselton	\$ 7,150
Department of Water (in partnership with Leschenault Catchment Council)	Leschenault Estuary modelling	\$ 149,901
Disabled Surfers Association of Australia Inc (on behalf of Disabled Surfers Association, South West)	Beach Matting - Stage 2 in South West region	\$ 23,200
Geegeelup Village Inc	Geegeelup Village Accommodation Units Stage 2 – Infrastructure in Bridgetown	\$ 255,000
Geographe Bay Tourism Association Inc	Cape Naturaliste Lighthouse Revitalisation Project - Stage 2	\$ 57,286
Goldbay Enterprises Pty Ltd	Fonty's Pool power enhancement project in Manjimup	\$ 15,065
Goomburrup Aboriginal Corporation	Back Beach Cultural Aboriginal Heritage Project	\$ 300,000
Group Training South West Inc	Training Centre upgrade project in Bunbury	\$ 148,119
Investing In Our Youth Inc	Linking Education and Families training package in Bunbury	\$ 25,167
Learning About Mental Problems Inc (trading as LAMP Inc)	Lamp Inc Community Mental Health Support Centre in Busselton	\$ 76,835
Lions Club of Boyup Brook WA Inc	Creating an Age Friendly Community in Boyup Brook	\$ 8,500
Lot 208 Youth Inc	Youth Linx 2 for Brunswick community and within the Shire of Harvey	\$ 40,000
Manjimup Farmers Market Inc	Manjimup Farmers Market into the Future	\$ 13,260

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Recipient	Project	Grant (GST exc.)
Manjimup Volunteer and Resource Centre Inc	Manjimup Volunteer and Resource Centre building extension	\$ 495,000
Motoring South West Inc	Drag Strip Project - Concept for Stage 1 at the South West Motorplex in Collie	\$ 44,500
Northcliffe Men's Shed	Concrete floor, concrete apron and electrical wiring for the men's shed in Northcliffe	\$ 18,600
Rapid Ascent Pty Ltd	Anaconda Adventure Race 2010 to be held in Augusta	\$ 15,000
Shire of Augusta - Margaret River	Augusta Margaret River Regional Library - outdoor library	\$ 40,000
Shire of Bridgetown-Greenbushes	Bridgetown Volunteer Bushfire Support Brigade vehicle and storage shed	\$ 46,800
Shire of Busselton	Busselton Regional Airport helicopter pad and extension of taxiways and internal road infrastructure	\$ 50,000
Shire of Busselton	Busselton Bird Observatory, Wetland Demonstration Site and Nature Trails - Infrastructure Development Stage	\$ 50,800
Shire of Manjimup	Manjimup Airport Master Plan	\$ 30,000
South West Emergency Care for Children Inc	Investigating Partnerships for Future Service Delivery in South West region	\$ 12,010
South West Women's Health and Information Centre Inc	Wellness Program for Women - Phase Two in South West region	\$ 75,000
The Rotary Club of Margaret River Inc	Margaret River Rotary Park development	\$ 50,000
Volunteer South West Inc	Volunteer Active Support Training in South West region	\$ 18,932
Yarloop Workshops Inc	Pattern for Success - Yarloop Infrastructure Project	\$ 149,500

Project approved in Regional Grants Scheme 2008/09 round and receiving funding for a second year.

Recipient	Project	Grant (GST exc.)
Department of Environment and Conservation (in partnership with Munda Biddi Trail Foundation)	Munda Biddi Trail from Nannup to Albany	\$ 500,000

Non-contestable grants

Under the non-contestable component of the scheme, the Government provided \$1.455 million during the reporting period to the South West Development Commission. The following four grants were approved in 2009/10.

Recipient	Project	Grant (GST exc.)
Bunbury Dolphin Discovery Centre Inc	Bunbury Dolphin Discovery Centre Redevelopment – Stage 1	\$950,000
South West Academy of Sport Inc (SWAS)	High Performance Programs	\$220,000
Ngalang Boodja Council Aboriginal Corporation	Refurbishment of the Karla Centre in Collie	\$85,000
South West Aboriginal Medical Service Inc	South West Aboriginal Medical Service Mobile Centre	\$200,000

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. Seventy-three applications were received this year, surpassing the previous record of 49 set in 2002/03.

The objectives of the program are to:

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

The following 30 successful grant applications were approved under this program in 2009/10.

Recipient	Project	Grant (GST exc.)
Arts Margaret River Inc	Arts Margaret River Readers and Writers Festival (formerly Words Uncorked)	\$3,000
Augusta Chamber of Commerce Inc	Whale Season Launch 2010	\$2,000
Balingup & Districts Tourism Association Inc	"Telling Tales in Balingup" - Children's Book & Story Telling Festival	\$2,000
Bunbury and Districts Hockey Stadium Inc	Australian National Veterans Hockey Championships	\$2,500
Bunbury Community and Child Care Association (Milligan House) Inc	21st Annual Teddy Bears Picnic & Spring Fair	\$2,000
Bunbury Multicultural Group Inc	Multicultural Night Under the Stars	\$3,000
Busselton Population Medical Research Foundation Inc	Le Mystere	\$3,000
Capelfest Inc	Capelfest 2010	\$2,200
Collie Country Music Club Inc	Collie Country Music Round Up 2010	\$1,000
Collie Cycle Club Inc	Collie to Donnybrook & Return Cycle Race/Traffic Management	\$3,500
Collie Day Care Centre Inc	Living it Up Festival - Fun for Over 50's	\$1,000
Dunsborough & Districts Progress Association	Dunsborough Arts Festival including X Factor & Evening Concert by the Bay	\$2,500
Geographe Bay Yacht Club Inc	Geographe Bay Race Week 2010	\$2,000
Geographe French Australian Festivals Inc	Cinefest Oz 2010	\$4,000
Lot 208 Youth Inc	Launch of Skate Park and Family Fun Day - Yarloop	\$2,000
Manjimup Speedway Club Inc	Late Model National Title	\$4,000
Manjimup Volunteer and Resource Centre	Manjimup Community Carols by Candlelight	\$1,500
Margaret River Wine Industry Association Inc	Margaret River Wine Region Festival	\$3,000
Myalup Community Association Inc	2010 Easter Fair	\$1,000
Northcliffe Visitor Centre Inc	Karri Cup MTB Challenge	\$4,000
Pemberton Visitor Centre Inc	Pemberton Relentless Blue Mountain Bike Challenge	\$1,000
Shire of Bridgetown-Greenbushes (Applicant withdrew their application)	Stream Dreaming - Bridgetown Digital Media, Arts and Film Festival	\$2,450
Shire of Dardanup (auspicing Dardanup Art Spectacular Committee)	Dardanup Art Spectacular Trail	\$1,000
Shire of Manjimup	"Orchestra in the Park"	\$2,250
South West Opera Co. Inc	Production of "Die Fledermaus"	\$3,000
South West Wind and Jazz Orchestras Inc	Queen's Cup Band Competition	\$1,600
Stirling Street Arts Centre	Fire, Fibre & Fine Arts Exhibition "ELEMENTS"	\$2,000
Upper Blackwood Agricultural Society Inc	2010 Show Improvement and Evaluation	\$2,500
Walpole Community Resource Telecentre Inc (auspicing Walpole Arts and Crafts)	Walpole Arts and Crafts in Action	\$1,000
Yallingup Surfilm Festival Inc	Yallingup Surfilm Festival	\$4,000

Other non-contestable grants

The Commission also administered 43 non-contestable grants during 2009/10.

Recipient	Project	Grant (GST exc.)
Australian and District Historical Society Inc (Auspicing South West Irish Committee)	Replacement of John Boyle O'Reilly plaque	\$1,448.35
Bunbury & Districts Combined Schools Music Festival Inc	Bunbury & Districts Combined Schools Music Festival 2010	\$2,000
Bunbury Chamber of Commerce and Industries Inc	Bunbury Wireless Hotspot	\$15,000
Bunbury Chamber of Commerce and Industries Inc	South West Young Achievers Award 2010	\$2,000
Bunbury Historical Society Inc	Conservation of Spencer Family Portraits	\$400
Bunbury Regional Entertainment Centre	Planning Approval Documentation for alterations and additions to the Bunbury Regional Entertainment Centre.	\$10,000
Bunbury Timber Jetty Environment and Conservation Inc	Lease Costs Old Bunbury Post Office	\$2,000
Bunbury Wellington Economic Alliance Inc	South West Land and Infrastructure Linkages Business Case	\$60,000
City of Bunbury	Bunbury Walkability and Wayfinding Project	\$2,750
City of Bunbury	WAPGA 2009 Championships	\$15,000
City of Bunbury	Bunbury Cruise Ship Shuttle Bus Service 2009	\$5,000
City of Bunbury	City of Bunbury Music Festival 2010 - Groovin' the Moo	\$50,000
City of Bunbury	Provision of Outdoor Fitness Equipment	\$13,600
City of Bunbury	Accommodation Needs Study of the not for profit sector of the South West	\$5,000
City of Bunbury	Bunbury Walkability and Wayfinding Project - Stage II	\$9,250
Club Doctors	Club Doctors 2010 - 2012	\$3,000
Club Doctors	Club Doctors 2008-09	\$1,000
Curtin University of Technology	Margaret River Wine History Project	\$5,000
Federation of WA Police & Citizens Youth Club	Collie Police & Citizens Auto Workshop	\$5,000
Greenbushes Aged Community Committee Inc	Site Plan - Greenbushes Aged Care Development	\$400
Harvey Water	Agribusiness Officer	\$5,000
Jobs South West Inc	Mobile Youth Space	\$28,360
Koombana Bay Sailing Club Inc	Koombana Bay Regional Boating Facility	\$23,750
Margaret River & Districts Horseman's Association and Pony Club Inc	Margaret River Wine Region Dressage Spectacular	\$1,000
National Trust of Australia (WA) Inc	Heritage Plan Pemberton Forest Reserve Mountain Bike Trail	\$9,148.30
Ngalang Boodja Council Aboriginal Corporation	Training and Assessment Course Costs	\$3,040
Pemberton Hydro Energy Association Inc	Pemberton Hydro Electric Plant - Maintenance	\$11,694
Regional Development Australia - South West Inc.	Business Planning in the South West for the 2010/11 Country Local Government Fund	\$100,000
Shire of Augusta-Margaret River	Provision of Outdoor Fitness Equipment	\$10,400
Shire of Augusta-Margaret River	Proposed Sister City Relationship with Haining City, China.	\$7,074.54
Shire of Boyup Brook	Provision of Outdoor Fitness Equipment	\$10,400
Shire of Bridgetown-Greenbushes	Provision of Outdoor Fitness Equipment	\$10,400
Shire of Busselton	Provision of Outdoor Fitness Equipment	\$10,400
Shire of Busselton	Busselton Jetty Festival	\$10,000
Shire of Capel	Provision of Outdoor Fitness Equipment	\$10,400
Shire of Collie	2010 Griffin Festival	\$3,500
Shire of Collie	Provision of Outdoor Fitness Equipment	\$10,400
Shire of Dardanup	Provision of Outdoor Fitness Equipment	\$10,400
Shire of Donnybrook-Balingup	Provision of Outdoor Fitness Equipment	\$10,400
Shire of Harvey	Provision of Outdoor Fitness Equipment	\$10,400
Shire of Manjimup	Provision of Outdoor Fitness Equipment	\$10,400
Shire of Nannup	Provision of Outdoor Fitness Equipment	\$10,400
Small Business Centre Bunbury-Wellington	2010 South West Small Business Awards	\$2,250

Financial statements

Busseton Jetty refurbishment.



THE FINANCIAL STATEMENTS
AND KEY PERFORMANCE
INDICATORS REPORT
ON OUR PERFORMANCE
THROUGHOUT THE YEAR

Certification of Financial Statements

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 2010 and the financial position as at 30 June 2010.

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.

Stephen Harrison
Chairman of accountable authority
30 July, 2010

Don Punch
Member of accountable authority
30 July, 2010

Val Cartwright
Chief Finance Officer
30 July, 2010



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 2010

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

The financial statements comprise the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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 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. This document is available on the OAG website under "How We Audit".

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 2010

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 2010 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards 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 2010.

COLIN MURPHY
AUDITOR GENERAL
25 August 2010

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2010

	Note	2010 \$	2009 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	1,897,353	1,998,969
Supplies and services	7	1,326,746	1,116,031
Depreciation and amortisation expense	8	142,466	111,795
Finance costs	9	76,010	253,639
Accommodation expenses	10	305,899	288,814
Grants and subsidies	11	21,488,003	4,296,997
Other expenses	12	112,513	190,195
Total cost of services		25,348,990	8,256,440
Income			
Revenue			
User charges and fees	13	212	-
Grants and contributions	14	12,500	159,166
Commonwealth grants and contributions	15	15,000	-
Gain on disposal of non-current assets	17	2,839	-
Other revenue	16	274,552	2,468,780
Total revenue		305,103	2,627,946
Total income other than income from State Government		305,103	2,627,946
NET COST OF SERVICES	33	(25,043,887)	(5,628,494)
INCOME FROM STATE GOVERNMENT	18		
Service appropriation		21,110,000	11,504,000
Grants from government agencies		22,500	500,000
Asset Assumed		1,786,560	-
Resources received free of charge		10,823	-
Royalties for Regions funds		1,225,000	4,440,000
Total income from State Government		24,154,883	16,444,000
(DEFICIT)/SURPLUS FOR THE PERIOD		(889,004)	10,815,506
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	31	(394,200)	101,395
Total other comprehensive income		(394,200)	101,395
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,283,204)	10,916,901

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes (see page 44).

STATEMENT OF FINANCIAL POSITION as at 30 June 2010

	Note	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	32	696,823	1,137,170
Restricted cash and cash equivalents	19	10,952,179	12,390,613
Inventories	20	1,251,518	-
Receivables	21	196,150	455,482
Amounts receivable for services	22	30,000	30,000
Total current assets		13,126,670	14,013,265
Non-current assets			
Restricted cash and cash equivalents	19	29,534	24,040
Inventories	20	-	1,209,152
Amounts receivable for services	22	894,000	802,000
Property, plant and equipment	23	6,573,489	5,237,790
Infrastructure	24	1,104,000	1,150,000
Intangible assets	25	9,746	16,539
Total non-current assets		8,610,769	8,439,521
TOTAL ASSETS		21,737,439	22,452,786
LIABILITIES			
Current liabilities			
Payables	27	658,946	63,507
Borrowings	28	-	4,066,282
Provisions	29	491,733	489,979
Other liabilities	30	1,681	1,894
Total current liabilities		1,152,360	4,621,662
Non-current liabilities			
Provisions	29	82,610	111,451
Total non-current liabilities		82,610	111,451
TOTAL LIABILITIES		1,234,970	4,733,113
NET ASSETS		20,502,469	17,719,673
Equity			
Contributed equity	31	11,389,177	7,323,177
Reserves		3,494,059	3,888,259
Accumulated surplus		5,619,233	6,508,237
TOTAL EQUITY		20,502,469	17,719,673

The Statement of Financial Position should be read in conjunction with the accompanying notes (see page 44).

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2010

	Note	Contributed equity \$	Reserves \$	Accumulated surplus/(deficit) \$	Total Equity \$
Balance at 1 July 2008	31	6,388,177	3,786,864	(4,307,269)	5,867,772
Total comprehensive income for the year		-	101,395	10,815,506	10,916,901
Transactions with owners in their capacity as owners:					
Capital appropriations		935,000	-	-	935,000
Total		935,000	-	-	935,000
Balance at 30 June 2009		7,323,177	3,888,259	6,508,237	17,719,673
Balance at 1 July 2009	31	7,323,177	3,888,259	6,508,237	17,719,673
Total comprehensive income for the year		-	(394,200)	(889,004)	(1,283,204)
Transactions with owners in their capacity as owners:					
Capital appropriations		4,066,000	-	-	4,066,000
Total		4,066,000	-	-	4,066,000
Balance at 30 June 2010		11,389,177	3,494,059	5,619,233	20,502,469

The Statement of Changes in Equity should be read in conjunction with the accompanying notes (see page 44).

STATEMENT OF CASH FLOWS for the year ended 30 June 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		20,988,000	11,361,000
Capital contributions		4,066,000	935,000
Holding account drawdowns		30,000	30,000
Grant from state government agency		22,500	500,000
Royalties for the Regions fund		1,225,000	4,440,000
Net cash provided by State Government		26,331,500	17,266,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,934,093)	(2,017,745)
Supplies and services		(1,272,620)	(1,129,954)
Finance costs		(67,780)	(353,825)
Accommodation		(305,900)	(286,372)
Grants and subsidies		(20,966,557)	(4,296,997)
GST payments on purchases		(2,222,017)	(576,983)
Other payments		(112,511)	(190,129)
Receipts			
Sale of Goods and Services		120,149	134,157
User charges and fees		36,195	-
Grants and contributions		27,500	184,166
GST receipts on sales		30,066	289,326
GST receipts from taxation authority		2,239,734	107,277
Recoup from Landcorp		-	2,000,000
Other receipts		80,777	100,612
Net cash (used in) operating activities	33	(24,347,057)	(6,036,467)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non current physical assets		4,312	-
Purchase of non-current physical assets		(34,485)	(31,040)
Net cash (used in) investing activities		(30,173)	(31,040)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(3,827,557)	(1,173,892)
Net cash (used in) financing activities		(3,827,557)	(1,173,892)
Net (decrease)/increase in cash and cash equivalents held		(1,873,287)	10,024,601
Cash and cash equivalents at the beginning of period		13,551,823	3,527,222
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	32	11,678,536	13,551,823

The Statement of Cash Flows should be read in conjunction with the accompanying notes (see page 44).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2010

1. Australian equivalents to International Financial Reporting Standards

General

The Commission's financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Commission has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Australian Accounting Standard that have been issued or amended but not operative have been early adopted by the Commission for the annual reporting period ended 30 June 2010.

2. Summary of significant accounting policies

(a) General statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with 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, except for land, buildings and infrastructure which have been measured at fair value.

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

The financial statements are presented in Australian dollars.

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'.

(c) Reporting entity

The reporting entity is South West Development Commission.

(d) Contributed equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by Treasurer's Instruction (TI) 955 'Contributions by Owners made to Wholly

Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Income

Revenue recognition

Revenue is 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 'Amounts receivable for services' (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.

Provision 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.

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

Gains

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.

(f) Borrowing costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. 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 is Nil. (2009: 5.11%).

(g) Property, plant and equipment and infrastructure

Capitalisation/expensing of assets

Items of property, plant and equipment and infrastructure costing \$5,000 or more 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 Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

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

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and Infrastructure and the cost model for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation (buildings and infrastructure only) 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 annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

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.

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 surplus relating to that asset is retained in the asset revaluation surplus.

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 23 'Property, plant and equipment'.

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 using 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	5 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 Statement of Comprehensive Income.

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.

(i) Impairment of assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is 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, where the replacement cost is falling or where there is significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/ amortisation reflects the level of consumption or expiration of 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 the end of each reporting period irrespective of whether there is any indication of impairment.

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

(j) Non-current assets (or disposal groups) 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 Statement of Financial Position. 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.

(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 Statement of Cash Flows, 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 19 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pays occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (see note 27 '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 fortnight 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.

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

Provisions – employee benefits

Annual leave and long service leave

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

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 end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

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 ten 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.

Superannuation

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

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

(u) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the 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 cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

Where assets or services are received from another State Government agency, these are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

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

Operating lease commitment

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

4. Key sources of estimation uncertainty

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

Long Service Leave

In calculating the Commission's long service leave provision, several estimations and assumptions have been made. These include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

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 effective for annual reporting periods beginning on or after 1 July 2009 that impacted on the Commission:

AASB 101	<i>Presentation of Financial Statements (September 2007).</i> This standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of the Standards.
AASB 2007-10	<i>Further amendments to Australian Accounting Standards arising from AASB 101.</i> This standard changes the term 'general purpose financial report' to 'general purpose financial statements', where appropriate in Australian Accounting Standards and the Framework to better align with IFRS terminology. There is no financial impact resulting from the application of this Standard.
AASB 2008-13	<i>Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110].</i> This Standard amends AASB 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Commission where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department for Planning and Infrastructure). The Commission does not expect any financial impact when the Standard is first applied prospectively.
AASB 2009-2	<i>Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments AASB 4, AASB 7, AASB 1023 & AASB 1038.</i> This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. There is no financial impact resulting from the application of the Standard.

Future impact of Australian Accounting Standards not yet operative

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

Operative for reporting periods beginning on/after 1/1/2013

AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].</i> The amendment to AASB 7 Financial Instruments Disclosures requires modification to the disclosure of categories of financial assets. The Commission does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.
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Operative for reporting periods beginning on/after 1/7/2013

AASB 1053	<i>Application of Tiers of Australian Accounting Standards.</i> This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Commission. However it may affect disclosures in the financial statements of the Commission if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.
AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.</i> This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities. The Standard is not expected to have any financial impact on the Commission. However this Standard may reduce some note disclosures in the financial statements of the Commission. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

	2010 \$	2009 \$
6. Employee benefits expense		
Wages and salaries (a)	1,588,634	1,670,813
Superannuation – defined contribution plans (b)	166,222	162,724
Long service leave (c)	56,632	34,154
Annual leave (c)	85,865	131,278
	1,897,353	1,998,969

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.

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

(c) 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 29 'Provisions'.

7. Supplies and services		
Communication	62,574	45,125
Consultants and contractors	917,519	630,283
Consumables	147,853	155,826
Travel	-	2,549
Other	198,800	282,248
	1,326,746	1,116,031

8. Depreciation and amortisation expense		
<i>Depreciation</i>		
Office equipment	39,673	20,633
Buildings	50,000	45,398
Infrastructure	46,000	38,541
Total depreciation	135,673	104,572
<i>Amortisation</i>		
Intangible assets	6,793	7,223
Total amortisation	6,793	7,223
Total depreciation and amortisation	142,466	111,795

9. Finance costs		
Interest paid	76,010	253,639
	76,010	253,639

10. Accommodation expenses		
Lease rentals	238,194	248,062
Repairs and maintenance	47,517	20,026
Cleaning	20,188	20,726
	305,899	288,814

	2010 \$	2009 \$
11. Grants and subsidies		
<i>Recurrent</i>		
Non public organisations	372,962	508,649
Public organisations	510,500	398,924
Shire of Busselton – Jetty Refurbishment	16,987,882	3,389,424
Royalties for Regions Funds – Regional Infrastructure and Headworks Account	3,616,659	-
	21,488,003	4,296,997

12. Other expenses		
Guarantee fee for loan	961	11,550
Repairs and maintenance	15,065	56,035
Employment on-costs (a)	1,961	13,759
Other employment costs	64,726	81,651
Audit costs (b)	29,800	27,200
	112,513	190,195

(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 29 '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 35 'Remuneration of auditor'.

	2010 \$	2009 \$
13. User charges and fees		
FOI Charges	212	-
	212	-

14. Grants and contributions		
Non public organisations	12,500	51,166
Public organisations	-	108,000
	12,500	159,166

15. Commonwealth grants and contributions		
Department of Foreign Affairs and Trade	15,000	-
	15,000	-

16. Other revenue		
Sundry income	77,372	87,515
Austrade Service Contract	123,801	121,042
Busselton Jetty refurbishment	-	2,000,300
Conference fees	69,975	-
Rental from property	864	10,446
Government vehicle scheme	2,540	2,315
Revaluation increment (offsetting decrement)*	-	247,162
	274,552	2,468,780

*The revaluation decrement was debited to the Income Statement in 2006.

	2010 \$	2009 \$
17. Net Gain/(loss) on disposal of non-current assets		
Costs of disposal of non-current assets:		
Office equipment	1,473	-
Proceeds from disposal of non-current assets:		
Office equipment	4,312	-
Net gain	2,839	-

18. Income from State Government

Appropriation received during the year:		
Service appropriation (a)	21,110,000	11,504,000
	21,110,000	11,504,000
Grant from government agencies:		
Department of local government and regional development	-	500,000
Department of Commerce	22,500	-
	22,500	500,000
Resources received free of charge (c)		
Determined on the basis of the following estimates provided by agencies:		
DTF-Building Management and Works	10,823	-
	10,823	-
Asset Assumed (b)		
World of Energy Museum collection	1,786,560	-
	1,786,560	-
Royalties for Regions Fund:		
Regional Infrastructure and Headwork's Account (d)	1,125,000	4,440,000
Country Local Government Fund	100,000	-
	1,225,000	4,440,000
Total revenue from State Government	24,154,883	16,444,000

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

(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.

(d) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

2010 \$

2009 \$

19. Restricted cash and cash equivalents

Current

Restricted projects

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

Lake Kepwari	2,873,900	2,922,931
Ngalang Boodja	17,500	17,342
Regional Development Scheme	-	15,000
South West Indigenous Mapping	5,573	39,641
Escape for A While	73,805	176,200
Building a Better Harvey	175,000	175,000
Critical Horizons	-	11,094
Busselton Jetty Refurbishment	3,993,487	4,119,465
Active Ageing	-	59,385
Bunbury Data Centre	-	200,000
Marshall Waller Clifton's Journal	-	32,000
Bunbury-Jiaxing Business Office	60,090	49,327
Active Ageing Strategy	66,335	153,901
Kemerton Landscaping	8,436	16,060
Coastal Enhancement	20,000	20,000
Royalties for Regions	1,948,789	4,383,267
Picton Land Development	758,061	-
Balingup Main Street Development	150,000	-
Collie Town Centre Redevelopment	425,000	-
National Broadband Positioning	117,500	-
Fish Stock Survey	20,000	-
South West Events Program	7,924	-
Board Approved Funds	230,779	-
Total current restricted cash	10,952,179	12,390,613

Non-current

Accrued salaries suspense (a)	29,534	24,040
Total non-current restricted cash	29,534	24,040

(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.

20. Inventories

Current

Land, at cost	1,209,152	-
Development costs	42,366	-
Total current	1,251,518	-

Non-current

Land, at cost	-	1,209,152
Total non-current	-	1,209,152

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

	2010 \$	2009 \$
21. Receivables		
Current		
External	33,992	-
Accrued revenue	10,541	6,889
GST receivable	151,617	198,954
Prepayments	-	249,639
	196,150	455,482

22. Amounts receivable for services		
Current	30,000	30,000
Non-current	894,000	802,000
	924,000	832,000

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

23. Property, plant and equipment		
Office equipment		
At cost	160,615	146,837
Accumulated depreciation	(70,486)	(50,047)
	90,129	96,790
Buildings		
At fair value (a)	1,058,300	1,200,000
	1,058,300	1,200,000
Land		
At fair value (a)	3,626,500	3,929,000
	3,626,500	3,929,000
Works of art		
At fair value(b)	1,798,560	12,000
	1,798,560	12,000
Total property, plant and equipment	6,573,489	5,237,790

(a) Freehold land and buildings were revalued as at 1 July 2009 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2010 and recognised at 30 June 2010. In undertaking the revaluation, fair value was determined by reference to market values for land: \$1,081,000 and buildings: \$Nil. For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost.

(b) The latest revaluation of work of Art was performed in accordance with an independent valuation by the Wayne Gardiner (Valuers and Auction Consultant). Fair value (depreciated replacement value) was determined by existing use. The effective date of the valuation is March 2010.

Reconciliations

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

2010	Land \$	Buildings \$	Office Equipment & Works of Art \$	Total \$
Carrying amount at start of year	3,929,000	1,200,000	108,790	5,237,790
Additions	-	-	1,821,045	1,821,045
Disposals	-	-	(1,473)	(1,473)
Revaluation	(302,500)	(91,700)	-	(394,200)
Depreciation	-	(50,000)	(39,673)	(89,673)
Carrying amount at end of year	3,626,500	1,058,300	1,888,689	6,573,489

2009	Land \$	Buildings \$	Office Equipment & Works of Art \$	Total \$
Carrying amount at start of year	4,023,002	1,050,000	114,273	5,187,275
Additions	-	-	15,150	15,150
Revaluation	(94,002)	195,397	-	101,395
Depreciation	-	(45,397)	(20,633)	(66,030)
Carrying amount at end of year	3,929,000	1,200,000	108,790	5,237,790

2010 \$ 2009 \$

24. Infrastructure

At fair value	1,150,000	1,150,000
Accumulated depreciation	(46,000)	-
	1,104,000	1,150,000

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 April 2009.

Reconciliations

Carrying amount at start of year	1,150,000	941,379
Revaluation	-	247,162
Depreciation	(46,000)	(38,541)
Carrying amount at end of year	1,104,000	1,150,000

25. Intangible assets

Computer software:

At cost	22,640	22,640
Accumulated depreciation	(12,894)	(6,101)
	9,746	16,539

Reconciliations

Carrying amount at start of year	16,539	7,872
Additions	-	15,890
Depreciation	(6,793)	(7,223)
Carrying amount at end of year	9,746	16,539

2010 \$

2009 \$

26. Impairment of assets

There were no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2010.

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 2010 have been classified as assets held for sale or written off.

27. Payables

Current

Other payables	14,367	-
Accrued expenses	618,193	27,683
Accrued salaries	26,386	35,824
	658,946	63,507

28. Borrowings

Current

Amount due to the WATC	-	4,066,282
Total borrowings	-	4,066,282

29. Provisions

Current

Employee benefits provision		
Annual leave (a)	241,922	253,341
Long service leave (b)	245,325	232,245
	487,247	485,586
Other provisions		
Employment on-costs(c)	4,486	4,393
	4,486	4,393
Total current provisions	491,733	489,979

Non-current

Long service leave (b)	81,859	110,438
	81,859	110,438
Other provisions		
Employment on-costs(c)	751	1,013
	751	1,013
Total non-current provisions	82,610	111,451
Total provisions	574,343	601,430

	2010 \$	2009 \$
(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 the end of the reporting period	241,922	253,341
More than 12 months after reporting date	-	-
	241,922	253,341

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of the end of the reporting period	96,892	137,166
More than 12 months after the reporting period	230,292	205,517
	327,184	342,683

(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:

<i>Employment on-cost provision</i>		
Carrying amount at start of year	5,406	5,675
Additional provisions recognised	120	111
Payments/other sacrifices of economic benefits	(289)	(380)
Carrying amount at end of year	5,237	5,406

30. Other liabilities

Current		
Accrued superannuation	1,681	1,894
	1,681	1,894

31. Equity

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

Contributed equity		
Balance at start of year	7,323,177	6,388,177
<i>Contributions by owners</i>		
Capital contribution (a)	4,066,000	935,000
Balance at end of year	11,389,177	7,323,177
Reserves		
Asset revaluation reserve:		
Balance at start of year	3,888,259	3,786,864
Net revaluation increments:		
Land	(302,500)	(94,002)
Buildings	(91,700)	195,397
Balance at end of year	3,494,059	3,888,259

	2010 \$	2009 \$
Accumulated surplus		
Balance at start of year	6,508,237	(4,307,269)
Result for the period	(889,004)	10,815,506
Balance at end of year	5,619,233	6,508,237

(a) Capital contributions (appropriations) have been designated as contributions by owners in Treasurer's Instruction 955 and are credited directly to equity in the Balance Sheet.

32. Notes to the Statement of Cash Flows

Reconciliation of cash

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

Cash and cash equivalent	696,823	1,137,170
Restricted cash and cash equivalent (refer to note 19)	10,981,713	12,414,653
	11,678,536	13,551,823

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

Net cost of services	(25,043,887)	(5,628,494)
<i>Non-cash items:</i>		
Depreciation expense	142,466	111,795
Resources received free of charge	10,823	-
Net (gain)/loss on sale of non-current assets	(2,839)	-
Revaluation increment (offsetting decrement)	-	(247,162)
<i>(Increase)/decrease in assets:</i>		
Current receivables	(26,729)	38,426
Inventory	(42,366)	-
<i>Increase/(decrease) in liabilities:</i>		
Current accounts payable	595,123	(100,134)
Current provisions	(2,529)	6,214
Other current liabilities	(213)	753
Non-current provisions	(24,558)	(38,176)
Net GST receipts/ (payments) (a)	47,652	(179,689)
Net cash (used in) operating activities	(24,347,057)	(6,036,467)

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

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

34. 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:

	2010	2009
\$ 0 - \$10,000	10	8
\$10,001 - \$20,000	2	2
The total remuneration of the members of the accountable authority is:	75,249	60,329

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:

	2010	2009
\$80,001 - \$110,000	1	2
\$110,001 - \$150,000	3	1
\$150,001 - \$200,000	1	2
The total remuneration of senior officers is:	648,732	692,861

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.

35. Remuneration of auditor

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

Auditing the accounts, financial statements and performance indicators	26,000	22,900
Payment for auditing services is paid in the following year. Audit fee for 2009/10 will be paid in 2010/11.		

36. Lease commitments

Non cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Motor vehicle – not later than one year	57,085	44,717
Motor vehicle – later than one year, not later than five years	31,317	17,448
Office rentals – not later than one year	342,873	312,815
Office rentals – later than one year, not later than five years	85,718	314,011

37. Contingent liabilities and contingent assets

There are no contingent liabilities or assets that the Commission is aware of as at 30 June 2010.

Contaminated Sites

Under the Contaminated Sites Act 2003, the Commission is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated – remediation required or possibly contaminated – investigation required*, the Commission may have a liability in respect of investigation or remediation expenses.

The Commission has no known or suspected contaminated sites.

38. Events occurring after the end of the reporting period

There are no events occurring after the balance sheet date that the Commission is aware of as at the date of this report.

39. 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 2010

	Actual 2010 \$	Estimates 2010 \$	Variance \$
Expenses			
Employee benefits expense	1,897,353	2,222,000	(324,647)
Finance Costs	76,010	136,000	(59,990)
Accommodation expenses	305,899	340,000	(34,101)
Grants and Subsidies	21,488,003	25,796,000	(4,307,997)
Other expenses	112,513	227,000	(114,487)
Income			
Grants and contributions	50,000	100,000	(50,000)
Other Revenue	274,552	146,000	128,552

Employee benefits expense

The variance is due to vacant positions within the Commission during 2009/10 that will be filled after an appropriate strategic workforce analysis.

Finance Costs

The Commission's loan with the Western Australian Treasury Corporation has now been finalised with adjustment to the final finance cost.

Accommodation expenses

The variance is due to a slight decrease in the lease costs associated with the Bunbury Tower and rates and charges being included in supplies and services.

Grants and Subsidies

The Busselton Jetty Refurbishment grant was not completely expended due to inclement weather causing construction delays.

Other expenses

The variance is due to reduced other employment costs and equipment repairs.

Grants and contributions

The variance is due to overestimation of funds to be received for projects from external sources.

Other Revenue

The variance is due to receipt of a refund for unexpended grant funds and fees for attendance at the Commission's 2010 Critical Horizon's Regional Futures Conference.

Significant variances between actual results for 2009 and 2010

	2010 \$	2009 \$	Variance \$
Expenses			
Supplies and services	1,326,746	1,116,031	210,715
Finance costs	76,010	253,639	(177,629)
Grants and subsidies	21,488,003	4,296,997	17,191,006
Depreciation and amortisation expense	142,466	111,795	30,671
Other expenses	112,513	190,195	(77,682)
Income			
Grants and contributions	12,500	159,166	(146,666)
Other Revenue	274,552	2,221,618	(1,947,066)
Service appropriation	21,110,000	11,504,000	9,606,000
Royalties for Regions Fund	1,225,000	4,440,000	(3,215,000)
Grants from government agencies	22,500	500,000	(477,500)

Supplies and services

There was an increase in payment for temporary staff to assist in the Royalties for Regions grant administration and payment for processing of finance and human resource functions through the Office of Shared Services.

Finance costs

The reduction in the finance cost is due to the finalisation of the Commission's borrowings.

Grants and subsidies

The increase in grants and subsidies payments is due to the Busselton Jetty Refurbishment grant and the South West Regional Grant Scheme through Royalties for the Regions.

Depreciation and amortisation expense

The increase in depreciation is due to the addition of assets.

Other expenses

The decrease is associated with the cessation of payment for the Guarantee fee for the Commission's finalised loan, reduced other employment costs and repairs and maintenance costs.

Grants and contributions

Amounts vary according to the activity of sourcing external funds to undertake project work.

Other Revenue

Prior year included \$2million received for the Busselton Jetty Refurbishment grant and a revaluation increment (offsetting a decrement).

Service appropriation

Variance is due to the inclusion of appropriations for the Busselton Jetty Refurbishment grant.

Royalties for Regions fund

The majority of funding for the 2009/10 round of the South West Regional Grant Scheme will be received in 2010/11.

Grants from government agencies

Prior year included the receipt of funds for the Regional Development Scheme which is no longer active.

40. 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 40(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.

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.

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:

	2010 \$	2009 \$
Financial assets		
Cash and cash equivalents	696,823	1,137,170
Restricted cash and cash equivalents	10,981,713	12,414,653
Receivables (1)	44,533	6,889
Amounts receivable for services	924,000	832,000
Financial liabilities		
Financial liabilities measured at amortised cost	660,627	65,401
WATC borrowings	-	4,066,282

(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.

	weighted average effective interest rate %	non-interest bearing \$	within 1 year \$	1 to 5 years \$	over 5 years \$	adjustment for discounting \$	carrying amount \$
2010							
<i>Financial assets</i>							
Cash and cash equivalents	-	696,823	-	-	-	-	696,823
Restricted cash and cash equivalents	-	10,981,713	-	-	-	-	10,981,713
Receivables (a)	-	44,533	-	-	-	-	44,533
Amounts receivable for services	-	924,000	-	-	-	-	924,000
		12,647,069	-	-	-	-	12,647,069
<i>Financial liabilities</i>							
Payables	-	(658,946)	-	-	-	-	(658,946)
Other liabilities	-	(1,681)	-	-	-	-	(1,681)
		(660,627)	-	-	-	-	(660,627)
2009							
<i>Financial assets</i>							
Cash and cash equivalents	-	1,137,170	-	-	-	-	1,137,170
Restricted cash and cash equivalents	-	12,414,653	-	-	-	-	12,414,653
Receivables (a)	-	6,889	-	-	-	-	6,889
Amounts receivable for services	-	832,000	-	-	-	-	832,000
		14,390,712	-	-	-	-	14,390,712
<i>Financial liabilities</i>							
Payables	-	(63,507)	-	-	-	-	(63,507)
Other liabilities	-	(1,894)	-	-	-	-	(1,894)
WATC borrowings	5.11	-	(4,066,282)	-	-	-	(4,066,282)
		(65,401)	(4,066,282)	-	-	-	(4,131,683)

(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.

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 not required as the Commission holds no Interest Bearing financial assets or liabilities.

Key performance indicators



↑ South West Events Program recipients and Blackwood-Stirling MLA Terry Redman.

THE FINANCIAL STATEMENTS
AND KEY PERFORMANCE
INDICATORS REPORT
ON OUR PERFORMANCE
THROUGHOUT THE YEAR

Certification of Key Performance Indicators

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the South West Development Commission's performance, and fairly represent the performance of the South West Development Commission for the financial year ended 30 June 2010.

Stephen Harrison
Chairman of accountable authority
30 July, 2010

Don Punch
Member of accountable authority
30 July, 2010

Desired 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 Service

The Commission aims to build quality of life in the South West region through the development of new industries, more diverse opportunities for its residents, and community and industry infrastructure, while advancing sustainable jobs growth.

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 the South West is a strong and vibrant region.

The new 2009/10 goal will be a 'Stronger Focus on the Regions', with greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

Key effectiveness indicators

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

Client Satisfaction Survey 2010

As a requirement of its strategic plan, the Commission undertook an evaluation of its operations in April 2010. 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 nine years.

Effectiveness of the South West Development Commission

	2009/10		2008/09		2007/08		2006/07	
Target	76%	5.32	76%	5.32	76%	5.32	76%	5.32
Total Client Average	79%	5.60	83%	5.75	83%	5.41	72%	5.05
Local Governments	58%	5.00	71%	5.00	55%	4.82	71%	4.93
Key Clients	83%	5.70	85%	5.85	85%	5.46	70%	5.06

% = response rate ~ 1 = not effective, 7 = very effective

An independent consultant, Savant Surveys & Strategies, undertook the survey. The Commission provided Savant Surveys & Strategies with a database comprising 162 key clients and 22 representatives from South West local governments. The key clients were made up of Commonwealth and State government agencies and private organisations having regular contact with the Commission over the last 12 months.

This year involved using an online self completion methodology. The contacts were sent an email invitation to complete the annual client survey online. The survey questionnaire was distributed to all of the key clients (162) and all local government representatives (22). A total of 102 clients were interviewed, out of a possible 181 (useable sample). This results in a maximum survey error of +/- 6.43 per cent at 95 per cent level of confidence.

As often occurs with surveys of small populations (i.e. <500), the Sample obtained (N=102) fell just short of the minimum number required (N=123) to meet the OAG's statistical standard for the given Population (N=181). Therefore, although generalisations from the sample to the population should be made with caution, a response rate of 56.35 per cent is commendable and a great deal of valuable data has been obtained.

In terms of client subgroups, a total of 15 local government representatives responded equating to a response rate of 68.2 per cent. A total of 87 key clients responded, from a useable population of 159. This equates to a response rate of 54.71 per cent. The overall survey response rate was 56.3 per cent.

The overall level of satisfaction with the quality of performance of the Commission in 2009/10 was 94 per cent increased from 89 per cent in 2008/09.

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):

- Provision of advice;
- Project development;
- Co-ordination between other organisations and groups;
- Community consultation;
- Organisation support; and
- Information about the region/Commission.

Service: regional development

Key efficiency indicator

Average cost per hour of service

The operating costs of the South West Development Commission are based on the Statement of Comprehensive Income 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.

Average cost per hour	Note	2009/10	2008/09	2007/08	2006/07	2005/06
Operating cost	1	\$3,860,987	\$3,959,443	\$3,736,373	\$4,634,601	\$4,317,996
Project / service hours	2	26,728	23,374	20,793	25,328	27,856
Cost per hour	3	\$144	\$169	\$180	\$182	\$155
Target	4	\$175	\$165	\$160	\$175	\$142

Notes on variance between reporting periods

Note 1: Operating cost information is sourced from the Statement of Comprehensive Income excluding grants and project costs paid direct to other agencies. A net movement of \$98,456 is shown. Fluctuations are to be expected, given the variable nature of project costs associated with projects managed by the Commission. In 2009-10 less project costs and greater emphasis on the distribution of grant funds resulted in a decline in project operating costs.

Note 2: Project hours are taken from employees' individual time sheets and can be influenced by the number and intensity

of project activity. This year's project hours increase has been influenced by the introduction of the Royalties for Regions Regional Grant Scheme that has a project management component.

Note 3: Hours directly attributable to projects or services are used to calculate cost per hour and the variance is based on the increase in project hours and decrease in operating costs.

Note 4: The target cost per hour is an estimated figure based on expected staffing levels and positions. The extra project hours required for the Royalties for Regions Regional Grant Scheme was underestimated.

Disclosures and legal requirements

Other financial disclosures

Employment and industrial relations

As at the end of June 2010 the Commission had 22 full-time equivalent employees.

The Commission's employees are employed under the *Public Service General Agreement 2008*.

There were no workers' compensation claims during the year.

Staff Profile

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

Staff profile	2009/10	2008/09	2007/08	2006/07
Full-time permanent	16	18	20	17
Full-time contract	1	1	3	3
Part-time measured on FTE basis	5	4	2	4
Total	22	23	25	24

Seventy four per cent of employees were aged over 45 with no employees aged less than 25 years. Sixty one per cent of employees were female and no Aboriginal or non-English speaking background employees.

Work-Life Balance

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.

Type of flexible arrangement	Permanent staff (headcount)	Contract staff (headcount)	Proportion of total staff
Working from home	1	1	9%
Working part-time	6	0	26%
Flexible start/finish	21	1	96%
Purchased leave arrangements	1	0	4%

Employee Volunteering

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.

Professional development

The purpose of the Commission's Professional Development Policy is to encourage and support employees to actively pursue their professional and career development as an integral element of their employment with the Commission. The Commission acknowledges that continuing professional development contributes to personal job satisfaction, workplace productivity, reward and recognition.

The Commission identifies organisational goals and priorities, and develops and implements a range of strategies and programs to enhance and build the capacity, skills and professionalism of employees to enable them to contribute effectively to the Commission's mission and strategic directions. The Commission is committed to providing employees with:

- The opportunity to develop capabilities that complement organisational and work goals.
- The opportunity to develop a career plan and participate in career development activities that extend and enhance their capabilities and capacity for advancement within the Public Sector.
- Equity of access to professional development opportunities.

	2009/10
Total training hours provided to staff	434.5
Average hours per FTE	18.8
Total training costs	\$31,640
Average training investment	\$1,375 per person
Number of staff receiving study assistance	1
Number of staff receiving professional development assistance	1
Number of staff supported to attend/present at professional conferences	5

Training initiatives in 2009/10 included:

- Ethics in leadership and decision making
- Accountable and ethical decision making
- Communication in community engagement
- Government accounting master class
- Chinese language class
- Waste and Recycle Conference
- WA Surveying and Spatial Information Conference
- 2nd Metropolis Women's International Forum
- Planning for a safer environment
- In the Zone: Crisis, Opportunity and the New World Order
- International Federation of Ageing Conference
- Editing and proof reading skills
- A systems approach to Indigenous Affairs
- Future of the timber industry
- Your Institute at Work
- International Association for Public Participation

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 2009/10 with the total premium being \$4,744.

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 are developing a culture of awareness within the Commission to ensuring 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 opportunities 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 opportunities 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 worked to overcome any barriers.

Compliance with public sector standards and ethical codes

The following compliance issues arose during 2009/10:

- Public Sector Standards: No breach claims were lodged
- WA Code of Ethics: No breach claims were lodged
- SWDC Code of Conduct: No breach of conducts occurred

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. Employees are continually kept informed and standards reinforced during performance management, training and during inductions.

All staff participated in accountability and ethical decision making training and information sessions provided by the Corruption and Crime Commission.

During the year the following policies were reviewed:

- SWDC Staff Code of Conduct
- SWDC Board Code of Conduct
- Contact with Lobbyist Policy (Staff)
- Contact with Lobbyist Policy (Board)
- Public Interest Disclosure Policy

Reporting on record keeping plans

The South West Development Commission's Record Keeping Plan details the record keeping program for the agency including which records are to be created and how those records are to be kept. Measures to ensure compliance with the State Records Commission – Standard 2 Record Keeping Plans: Principle 6 – include:

- A review of the record keeping plan has been completed and a revised plan submitted to the State Records Commission.
- The provision of record keeping induction programs for new employees addressing their roles and responsibilities. Existing staff are given the opportunity to attend record keeping training and information sessions.
- An annual review of the record keeping training program in order to ensure that it is efficient and effective.

Electoral Act compliance

In accordance with s175ZE of the *Electoral Act 1907*, the Commission incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

The total expenditure for 2009/10 was \$16,896. Expenditure was incurred in the following areas:

	\$	\$
Expenditure with Advertising Agencies		0
Expenditure with Market Research Agencies:		7,550
– Savant Surveys & Strategies	7,550	
Expenditure with Polling Agencies		0
Expenditure with Direct Mail Agencies		0
Expenditure with Media Advertising Agencies:		9,344
– Collie Mail	480	
– Bunbury Mail	390	
– Rural Press Regional Media (WA) P/L	313	
– South West Printing & Publishing Co Ltd	2,842	
– Adcorp	857	
– West Australian Newspapers	545	
– Istock International	44	
– Macquarie Southern Cross	2,570	
– Aquarius Productions	1,000	
– Collie Chamber of Commerce	303	
Total expenditure		16,894

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 three Freedom of Information requests during the year.

Government policy requirements

Occupational safety and health

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

The objective of the Commission's policy is to have workplaces that are free of work-related injuries and diseases.

The Commission does this by operating in accordance with occupational safety and health legislation, regulations, approved codes of practice and WorkSafe Plan. The Commission makes 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 following actions form the basis of the Commission's consultation mechanism:

- Employee involvement in hazard identification, risk assessment and risk control process through the reporting of potential risk to either their manager or by entering that incident in the central register.
 - Accidents that occur.
 - Near miss accidents.
 - Potential hazards in work areas.
- Feedback from employees on occupational safety and health issues.
 - By survey on an annual basis.
 - During team meetings.
- Communication to employees of the OSH management system on implementation and on review.
- Inclusion of OSH management system requirements in employee inductions.
- Regular reporting of OSH issues at corporate executive meetings.
- Reporting of any irregular OSH risks or incidents to the SWDC Audit and Risk Assurance Committee.

The Commission is committed to providing quality and prompt injury management support to all employees of SWDC 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*.

The expected injury management outcomes are:

1. Return to work in the same position
2. Return to work in a new position
3. Return to work in a position with another agency

A review of the Occupational Safety and Health Policy was undertaken in 2008 by internal auditors with the following findings. Further work on strengthening the areas identified is ongoing.

Finding

While the OSH Policy prepared to date is consistent with OSH Code of Practice requirements, the Policy was not complete at the time of our visit. Areas yet to be drafted include a 'Risk Management Plan' and 'Register of OSH'.

Recommendation

The Work Safe Plan is reviewed in detail in relation to the OSH Policy to ensure that the Policy encompasses all stated requirements.

Annual performance for 2009/10

	Target 2009/10	Actual 2009/10
Number of fatalities	0	0
Lost time injury/diseases (LTI/D) incidence rate	0	0
Lost time injury severity rate	0	0
Percentage of injured workers returned to work within 28 weeks		N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities	Greater than or equal to 50%	25%

Occupational Safety and Health Initiatives in 2009/10 included:

Employees are encouraged to undertake healthy activity and a reimbursement up to \$500 each financial year is available upon the production of receipts for physical activity through a gym or other classes.

Other activities that are encouraged but not funded are:

- Lunchtime walking groups
- Workplace sports teams
- Meditation, massage
- A healthy catering policy for workplace functions
- Using flexible work options to undertake activity or sports before or after work.

New employees undertake driver awareness training on commencement with the Commission and all employees on a five year rotational basis.

Annual Flu vaccinations are available to all employees.

Complaints management

The 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 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 were no complaints received during the reporting period.

creating a region of excellence

South West Development Commission

61 Victoria Street Bunbury WA 6230
PO Box 2000 Bunbury WA 6231

Telephone +61 08 9792 2000
Facsimile +61 08 9791 3223
Email swdc@swdc.wa.gov.au
Web www.swdc.wa.gov.au

Collie office

Unit 5 Centrepont Building
Princep Street Collie WA 6225

Manjimup office

20a Giblett Street Manjimup WA 6258

