

SOUTH WEST DEVELOPMENT COMMISSION ANNUAL REPORT 2004 - 2005

LEADING REGIONAL DEVELOPMENT IN A GLOBAL ENVIRONMENT



ANNUAL REPORT



Responsible Minister:

The Honourable Mark McGowan MLA

Minister for Tourism; Racing and Gaming; Youth; Peel and the South West

Accountable Authority:

South West Development Commission

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ANNUAL REPORT SUMMARY

This annual report provides a comprehensive analysis of the work undertaken by the South West Development Commission during 2004/05.

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

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

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

Minister for Peel and the South West

The Honourable Mark McGowan MLA
Minister for Tourism; Racing and Gaming; Youth; Peel and the South West

Sir,

In accordance with Section 66(1) of the *Financial Administration and Audit Act 1985*, we hereby submit for your information and presentation to Parliament, the Annual Report of the South West Development Commission, for the financial year ended 30 June 2005.

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

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

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

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



CAROL DEVITT
CHAIRMAN OF THE BOARD
31 July 2005



DON PUNCH
CHIEF EXECUTIVE OFFICER
31 July 2005

SOUTH WEST REGION – KEY FACTS

- The region faces the Indian and Southern Oceans in the South West corner of Western Australia and covers an area of 23,978 square kilometres.
- Incorporates 12 local government areas: The City of Bunbury and the shires of Harvey, Dardanup, Capel, Busselton, Augusta-Margaret River, Nannup, Donnybrook-Balingup, Collie, Bridgetown-Greenbushes, Boyup Brook and Manjimup.
- Has one of the fastest growing regional populations of Western Australia. The greatest growth is taking place in the Greater Bunbury area and the shires of Augusta-Margaret River and Busselton.
- An estimated 137,000 people live in the South West Region.
- Has the most diversified economy of all the State's nine regions. Activities include agriculture and horticulture; timber and forest products; mineral extraction, processing and manufacturing; retailing; tourism; construction; other manufacturing; service industries; fishing and aquaculture.
- The South West's gross regional product grew to an estimated \$5.9 billion for 2003/04.
- The region's unemployment rate is consistently lower than Western Australia's overall unemployment rate.
- The Port of Bunbury is the export port of the South West Region for bulk product. 11.7 million tonnes of trade passed through the Port in 2003/04.

STATEMENT OF COMPLIANCE

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

COMPLIANCE WITH WRITTEN LAWS

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

- *Regional Development Commissions Act 1993*;
- *Financial Administration and Audit Act 1985*;
- *Library Board of Western Australia Act 1951*;
- *Public Interest Disclosure Act 2003*;
- *Public Sector Management Act 1994*;
- *Public Service Award 1992*;
- *Public Service General Agreement 2004*;
- *Equal Opportunity Act 1984*;
- *Occupational Health, Safety and Welfare Act 1984*;
- *Salaries and Allowances Act 1975*;
- *State Supply Commission Act 1991*;
- *Workers Compensation and Rehabilitation Act 1981*;
- *Disability Services Act 1993*;
- *Disability Discrimination Act 1992*;
- *State Records Act 2000*;
- *Electoral Act 1907*;
- *Freedom of Information Act 1992*; and
- Circulars to Ministers from the Premier.

ACCESS AND EQUITY

The Commission has complied with the requirements to:

- Develop and implement a Disability Services Plan (*Disability Services Act 1993*);
- Develop and implement a Public Interest Disclosure Policy (*Public Interest Disclosure Act 2003*); and
- Develop and implement a Complaints Management System to conform with the principles of AS4269 – 1995.

PUBLIC SECTOR STANDARDS

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

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

Section 1.

Our Organisation

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

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

OUR ORGANISATION

ESTABLISHMENT

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

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

HISTORY

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

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

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

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

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

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

RESPONSIBLE MINISTER

The South West Development Commission is responsible to the Minister for Peel and the South West, Hon Mark McGowan MLA who replaced the Hon Bob Kucera MLA as Minister on 10 March 2005.

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

OBJECTS AND POWERS

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

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

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

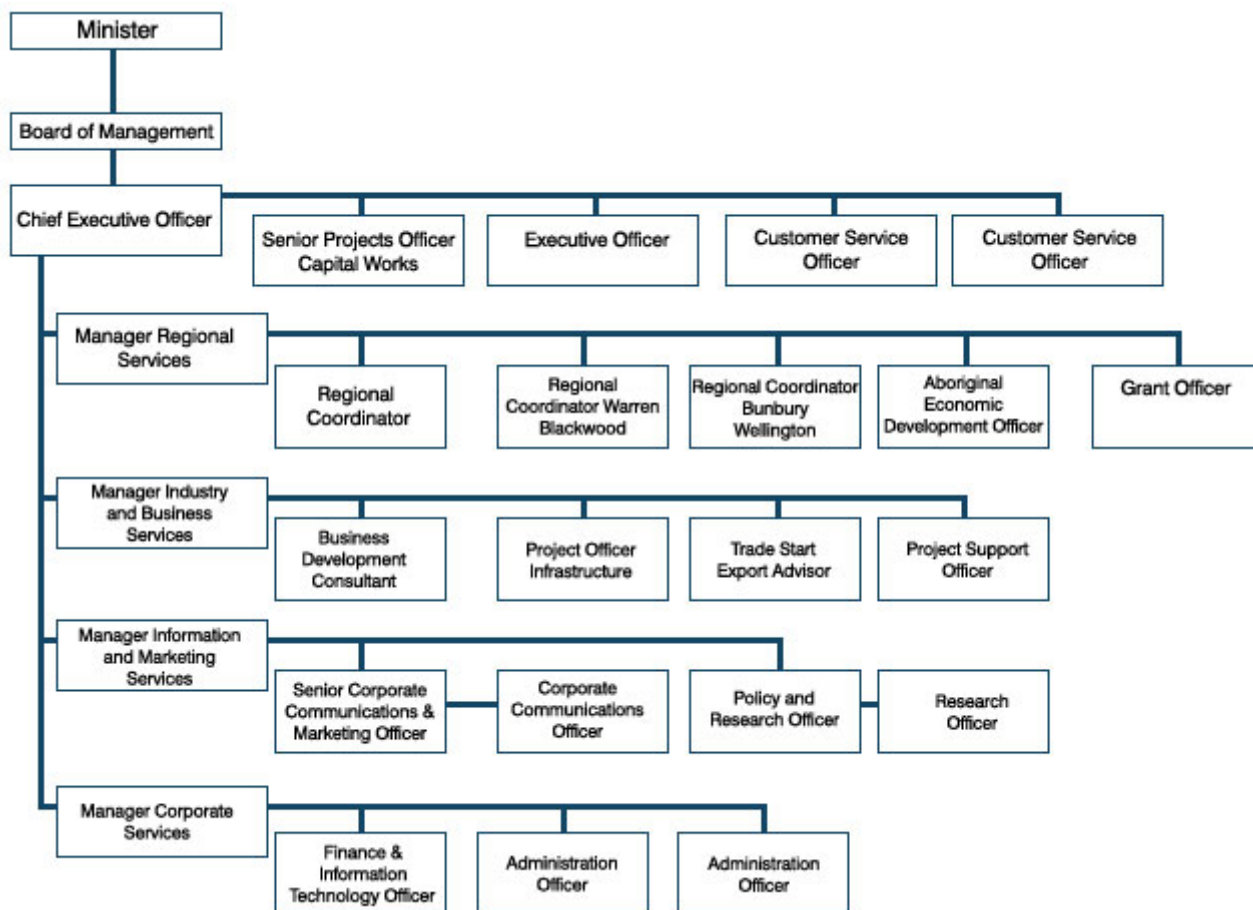
- Promote the region;
- Facilitate coordination between relevant statutory bodies and State government agencies;
- Cooperate with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community throughout the region;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

STRUCTURE

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

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

SOUTH WEST DEVELOPMENT COMMISSION ORGANISATION CHART AS AT 30 JUNE 2005



Section 2.

Our Region

The South West Region covers 23,978 square kilometres in the beautiful South West corner of Western Australia.

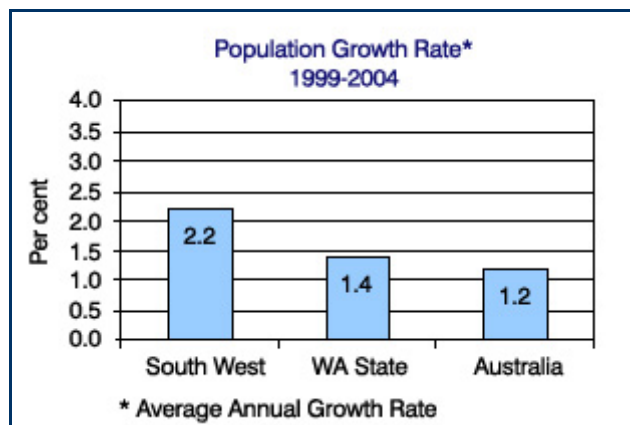
The South West has the most diverse regional economy of the State. Latest estimates value the region's gross regional product at \$5.9 billion.

OUR REGION

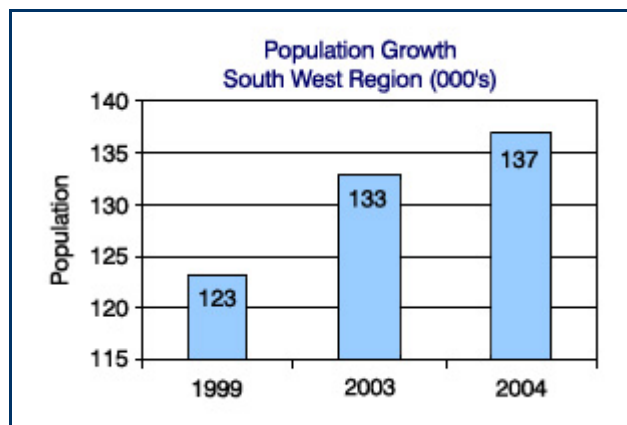
The South West Region of Western Australia is a diverse and dynamic region. Located in the South West corner of the State, the region faces the Indian and Southern Oceans and covers an area of 23,978 square kilometres.

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

More than a quarter of Western Australians who live outside the metropolitan area live in the South West. Approximately 137,000 people reside in the South West and, with a growth rate twice that of the national average, it is one of the fastest growing populations of regional Western Australia. The region's population is predicted to grow to 142,200 by 2006 and 157,300 by 2011.



Source: ABS, *Regional Population Growth 2003-04*, March 2005.



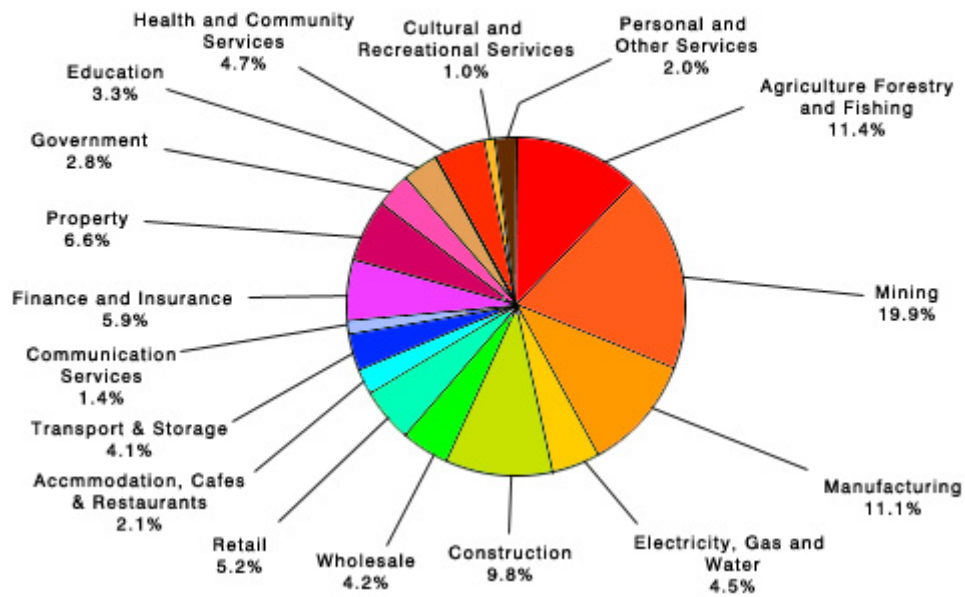
Source: ABS, *Regional Population Growth 2003-04*, March 2005.

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

Principal urban centres are Greater Bunbury, Busselton, Collie and Manjimup. The City of Bunbury is the administrative, commercial, educational and cultural centre of the region and home to the Port of Bunbury. The Port handles 11.7 million tonnes of cargo annually, the main exports being alumina, woodchips and mineral sands.

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

**Gross Regional Product by Industry - South West Region
2003/04**

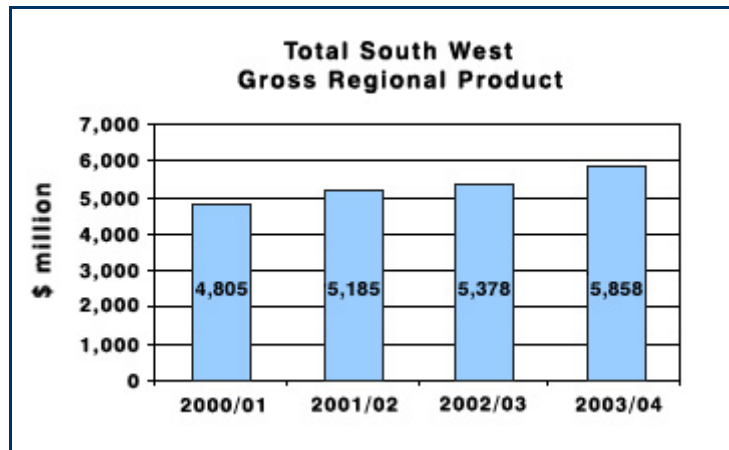


Source: Department of Local Government and Regional Development, 2005

<i>South West Key Economic Indicators</i>	
<i>Agricultural Production</i>	<i>\$516 million</i>
<i>Mineral Extraction and Processing</i>	<i>\$1,430 million</i>
<i>Coal Production</i>	<i>\$274 million</i>
<i>Alumina Production</i>	<i>\$901 million</i>
<i>Mineral Sands Production</i>	<i>\$250 million</i>
<i>Mineral Manufacturing</i>	<i>\$315 million</i>
<i>Unprocessed Forestry Products (value)</i>	<i>\$63 million</i>
<i>Building Approvals (residential & non residential)</i>	<i>\$433 million</i>
<i>Viticulture (value of wine grapes at farm gate)</i>	<i>\$50 million</i>
<i>Tourism</i>	<i>\$609 million</i>
<i>Retail Turnover</i>	<i>\$1,108 million</i>
<i>Total Trade through Bunbury Port</i>	<i>11.7 million tonnes</i>

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

The South West's gross regional product is estimated at \$5.9 billion (2003/04).



Source: Department of Local Government and Regional Development, 2005.

HOW WE OPERATE IN THE REGION

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

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

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

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

Section 3.

Our Role

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

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

OUR ROLE

WHO WE ARE

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

WHAT WE DO

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

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

OUR ROLE

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

SERVICE DELIVERY

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

HELPING INDUSTRY AND BUSINESS

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

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

The Commission, through a joint partnership with Austrade, also provides export assistance to business through its TradeStart adviser.

SUSTAINING AND DEVELOPING COMMUNITIES

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

INFORMING THE COMMUNITY

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

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

CORPORATE OBJECTIVES

CORPORATE VISION

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

CORPORATE MISSION

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

CORPORATE VALUES

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

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

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

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

STRATEGIC SUMMARY

The South West Development Commission's 2000-2005 strategic plan drew to the end of its term on 30 June 2005. During the past five years it has provided the Commission with a valuable framework for managing its activities to best effect in a period of significant change and growth within the South West Region.

Development of a new plan to carry the Commission forward commenced early in 2004. The SWDC Board identified broad directions for the Commission, which were then used as a basis by the SWDC Executive and staff in preparing a draft framework for the new strategic plan. The Board approved the framework in July 2004 and a draft plan was then developed.

Late in 2004 the 'Draft SWDC Strategic Plan 2005-2020' was posted on the SWDC website and also circulated to Government agencies, local governments and selected key stakeholders for comment. The plan was finalised following consideration of the feedback received. The SWDC Board and the Minister for Peel and the South West subsequently endorsed the plan for implementation from 1 July 2005.

The new strategic plan has adopted the following three new strategic themes: Investing in People; Investing in Infrastructure and Place; and Investing in Knowledge, Enterprise and Innovation. Through these themes the Commission aims to support the development of new industries and more diverse opportunities for people, and pursue the establishment of community and industry infrastructure, while advancing sustainable jobs development.

The plan, which provides direction over the next 15 years through to 2020, is comprised of three time horizons: 2005-2010, 2010-2015 and 2015-2020. Such an approach clearly requires flexibility and review. The Commission's strategic planning process will continue to encompass both of these requirements.

As expected, 2004/05 has been a transition year between the existing and new strategic plans. While a focus on export as a basis for development was maintained, the Commission also started to develop new strategies for job creation through value adding and knowledge-based industries, and for supporting creative communities.

During the year in review, the Commission's work, within the five priority areas of the existing strategic plan, and outlined in the section "Our Performance", was again varied and responsive to the needs of the regional community.

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

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

Section 4.

Chairman's Report

From Chairman of the Board,
Carol Devitt.

CHAIRMAN'S REPORT

The South West is entering a new age, where managing growth has now been identified by our regional communities as a key challenge. The magnetism of our coastal areas sits side by side with the growing popularity of our inland destinations. This is a significant swing in the mood of our region.

Collie, Boyup Brook, Nannup and Pemberton are all experiencing residential demand that has driven up land prices and created a shortage of accommodation. This is being supported by quality industry developments that are either in operation or approved and commencing. It is a very different mood from 18 and even 12 months ago.

Our coastal communities are intently focused on community planning, urban renewal and jobs growth. Indeed one of the Commission's projects during 2004/05 was to assist the Shire of Augusta-Margaret River in its development of a new strategic vision for the central business area. With its focus on people, space, tourism and creating more of the "magic of Margaret River", this project aims to preserve and enhance Margaret River's global reputation.

Similarly, Bunbury has embarked on the City Vision Strategy, designed to propel Bunbury into the 21st Century as a regional city of international significance. The Commission has worked with the City since 2001 on this project and while it represents an ambitious future it clearly sets out a series of strategic steps for the realisation of the vision.

These kinds of developments bring into sharp focus the infrastructure required, not only to support growth, but to ensure that we are highly competitive as a region, both for lifestyle and for investment. Transport is an issue in point and a major priority. Already there are debates within our region about the conflict between trucks and passengers and the role of rail.

Planning for our infrastructure needs is comprehensive. But the actual infrastructure is costly, and we lack innovative financing solutions to meet our infrastructure needs. Competing for limited government funding is an arduous process and does not meet the timelines of industry or community. The Board of the Commission is very pleased that the new Peel Deviation is funded but it has taken eight years of lobbying governments and still funding considerations may further delay the project.

The Board of the Commission has investigated options for third-party financing of infrastructure through superannuation funds. Infrastructure has a proven track record in providing secure returns and the South West is an attractive investment proposition. We strongly encourage the State Government to actively consider third-party funding for our much needed infrastructure.

THE YEAR IN REVIEW — HIGHLIGHTS

Infrastructure

The Commission has provided funding and technical support for a series of urban improvements to the region including Bunbury's Back Beach. An important focus has been on town centres with financial support for planning in Brunswick, Boyup Brook, Margaret River and Walpole. These projects provide a platform for improving the investment potential of our communities by creating a new vibrancy from old assets.

Complementing the Commission's small town renewal program has been a greater focus on improving key community assets as diverse as Bunbury's Big Swamp, Collie's swimming pool and library facilities at Binningup. These projects make a significant difference to the lives of people in the region.

Water has remained a key theme within the region. Announcements made by the Water Corporation for improved supplies for the towns of Bridgetown, Hester, Boyup Brook, Greenbushes, Balingup, Mullalyup and Kirup, were very welcome. The Commission will, during 2005/06, undertake a review of water infrastructure needs as a basis for improving the sustainability of water use in the region.

Information Technology

The Government's South West Online initiative has continued to be a catalyst for the growth of technology within the region. The secondment of a Commission staff member to Connect South West has so far facilitated the expansion of broadband to 10 communities through the broadband broker scheme. New "My Town" portals are being rolled out and will be complemented by an additional initiative in 2005/06 to link community telecentres and learning centres together to provide new opportunities for community learning programs throughout the region.

Economic Development

My opening remarks commented on the growth pressures faced by the region. The Commission has responded to critical issues of skills requirements through its work with industry, supporting a regional skills development plan and through its support of skilled migration initiatives.

Our TradeStart alliance has continued its success with a further 22 businesses engaging in exports for the first time. The Commission also facilitated the Indulgence Exhibition at Kuala Lumpur and Singapore, promoting the best of South West produce, with 21 buying relationships established.

The Commission provided services to assist a total of 56 local businesses to achieve export sale. The businesses attributed the assistance of the Commission's TradeStart service to \$6.48 million in new market sales. The Commission also provided services to over 93 businesses wishing to establish or expand in the region.

Sustaining and Developing Communities

Twenty-one projects were funded through the Regional Development Scheme and 30 projects funded through the South West Events Program. These funding schemes continue to be an important resource for the South West, directly helping community organisations with a variety of projects.

The Commission has continued to support the development of leadership within the region which culminated in the 2005 Southern Region Community Leadership Forum attended by over 150 delegates.

Informing the Community

New promotional materials were produced to support the promotion of the region as a residential destination both for overseas and local people and to support the effective marketing of Kemerton as an industrial park. In addition, the Commission responded to over 544 inquiries for information about the region. The Commission's website continues to be a popular information source with a continuing average of 3,700 visitors per month. 2005/06 will see the redevelopment of the website with improvements to accessibility and diversity of information available.

THE YEAR AHEAD

In the year ahead the Commission has set an ambitious program of projects designed to improve the urban space in which we live. Projects stretch from Walpole to Yarloop and from Bunbury to Boyup Brook.

These projects will help lift the vibrancy of our communities and contribute to creating an attractive image of the town to potential investors and the local community members.

This program recognises the fundamental changes taking place within the region as a result of our growth and aims to ensure all our communities reap the benefits.

In this, my fourth and final report as Chairman, I leave the Commission knowing our new 15 year (2005-2020) strategic vision maps out a path of regional excellence for the South West. The vision commits to ensuring that industry provides for a diverse and growing population, that our lifestyle is supported and enhanced through access to education and services, and that our environment and infrastructure are not compromised as we grow.

Our vision is as complex and interwoven as our region, and it can be enabled with sagacious leadership and wise investment – investment in people; in infrastructure and place; and in knowledge, enterprise and innovation.

Mr Stan Liaros is the Commission's new Chairman and I entrust the carriage of this regional vision to his stewardship.

We have been fortunate in the strong support of our Ministers, firstly the Hon Bob Kucera, who was Minister for the South West until March 2005, and more recently the Hon Mark McGowan. It is imperative that our regional voice is heard within Government, and that our regional needs continue to be championed by our Minister.

I would like to thank members of the Board for their commitment and support throughout the year, and I strongly commend our staff for their dedication, professionalism and enthusiasm.

It has been a privilege to serve this wonderful region of ours and to represent South West interests to the Government of Western Australia.

A handwritten signature in black ink, reading "Carol Devitt". The signature is written in a cursive, flowing style.

CAROL DEVITT
CHAIRMAN

Section 5.

Our People

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

5.1 BOARD

BOARD OF MANAGEMENT

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

RESPONSIBILITIES

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

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

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

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

CODE OF CONDUCT

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

REMUNERATION TO BOARD MEMBERS

The following remuneration is currently paid to board members:

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

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

ADVISORY COMMITTEES

The Commission has four committees of the board:

- Wellington Forest Advisory Committee – provides advice on the development of the Wellington National Park.
- Lake Kepwari (Western Five) Working Group – progresses the planning and future development of the water-filled former open cut coal mine at Collie.
- SWDC Audit and Risk Assurance Committee – provides reasonable assurance that the Commission has in place adequate systems of control and risk management to enable it to achieve its objectives in an efficient and effective manner.
- South West Human Services Planning Committee – facilitates coordination and planning at a regional level between agencies involved in the provision of community and human services.

Board Members for 2004/2005:

MEMBER	REPRESENTATIVE	TERM	TERM EXPIRY	MEETINGS ATTENDED
CAROL DEVITT CHAIRMAN	Ministerial	1 year	2005	10/10

The first Western Australian woman Rhodes Scholar, Carol Devitt is involved in the Western Australian wine industry. She resides at 'Ashbrook', her family's Margaret River grape growing and winemaking business (est. 1975). Carol chairs the Edith Cowan University South West Campus (Bunbury) Advisory Board and is a member of the ECU Council. Carol is also a member of the Western Australian Regional Development Council and the Wesley College Council. Carol served as a director of the Western Power Corporation from its inception in 1995 through to December 2002.

PETER MONAGLE DEPUTY CHAIRMAN

Local Government

2 years

2005

9/10

Harvey Shire Council president, Peter Monagle, has been a shire councillor since 1996. Peter is a business manager, residing at Roelands, with extensive and varied business experience. With 25 years involvement in his community, including the creation of the Brunswick Community Channel Park, Peter is very enthusiastic about the economic and social development of the South West.

MAUREEN THURSTON

Local Government

3 years

2007

6/10

(Reappointed December 2004)

Maureen Thurston is a Bridgetown-Greenbushes Shire councillor and administration officer with St Brigid's School at Bridgetown. Maureen has lengthy local government experience and is chairman of Bridgetown-Greenbushes Roadwise Committee and past chairman of both Bridgetown's Mainstreet Project and the Blackwood River Valley Marketing Association. Maureen is very interested in community participation in regional matters.

TED THOMPSON

Community

3 years

2005

8/10

Former Manjimup Shire councillor (1992-1997) and president (1994-1997), Ted Thompson operates a mixed farm in West Manjimup including marron production, Wiltshire Horn sheep and irrigated wheat cropping for grain research companies. Currently Ted is also employed part time as an administration manager for his wife's accountancy practice, and part-time as a project manager for a leading agricultural research company.

BARBARA DUNNET

Local Government

3 years

2006

7/10

Currently president of the Nannup Shire Council, Barbara Dunnet has been a shire councillor since 1997. Barbara has a farming and teaching background, and helps run her family's cattle grazing operation and irrigated agricultural pursuits at Scott River. Barbara is chairperson of the Augusta-Walpole Coastal Strategy Steering Committee, vice chairperson of the South West Zone of the WA Local Government Association and serves on several committees addressing primary industry and local government issues.

TANYA HEASLIP

Ministerial

3 years

2006

8/10

Strategic consultant, lawyer and director of her own company, Tanya Heaslip has over 18 years experience advising government and companies about land access and development issues in Western Australia and the Northern Territory, specialising in mining and Indigenous issues. Tanya is a member of the Association of Mining and Exploration Companies and a former executive officer of the WA Chamber of Minerals and Energy. Tanya is a member of the Margaret River Silver Chain Advisory Committee and the South West Area Consultative Committee. She lives in Margaret River and is involved at a community level with tourism, local arts, the wine industry and women in business. Tanya is focused on strategic and sustainable long term economic development in the South West.

MEMBER	REPRESENTATIVE	TERM	TERM EXPIRY	MEETINGS ATTENDED
NICHOLAS OAKS	Ministerial	2 years	2005	9/10

Nick Oaks has extensive experience in production and processing and industry training in the timber industry. He is currently commissioner of the Forest Products Commission, chairman of the Forest and Forest Products Division of the Primary Industry Training Council and chairman of Trees South West, a private forestry development committee. He is also a board member of the Forest Heritage Centre, former president and councillor of the Bridgetown-Greenbushes Shire Council and has a practical interest in regional economic and community development.

JOHN BIRD	Community	3 years	2007	5/5
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(Appointed December 2004)

John Bird has been deputy president of the Collie Shire Council since 2003 and is a former community relations manager at Griffin Coal. He is an author, heritage consultant, sportsman, thoroughbred horse breeder and proprietor of a bed and breakfast accommodation house in Collie. John has contributed a great deal to the Collie community, organising events such as the Australian Rowing Championships at Wellington Dam, the Griffin Arts Festival (16 years) and Perth Royal Show Guest Town. He has a background in agriculture and is a member of the Lane Poole Reserve Committee.

DAVID TRENCH	Community	3 years	2007	5/5
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(Appointed December 2004)

David Trench is an active contributor to the Bunbury business community and is currently deputy chairman of the Bunbury Wellington Economic Alliance and president of the Bunbury Chamber of Commerce and Industries. David is Asia Pacific regional director of Bristol Babcock and has a military background having served five years in the 10th Light Horse Regiment. David sits on two business committees advising the Bunbury City Council, is a member of the Val Lishman Foundation and also works as a marketing consultant to a Bunbury-based real estate firm.

DON PUNCH, SWDC CEO	Chief Executive Officer	N/A	N/A	10/10
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Chief executive officer of the South West Development Commission, Don Punch has extensive experience working throughout regional Western Australia for the Western Australian Public Service. Don has undertaken a variety of roles including working in regional and remote communities on the provision of infrastructure, identification and funding of community needs, and project management. Don is also a member of the Governing Council of the South West Regional College of TAFE and a member of the Board of Management for the Centre for Regional Development and Research, Edith Cowan University (South West Campus).

Members who retired in November 2004:

ANN MILLER	Community	2 years	2004	4/6
STEWART BUTEL	Community	2 years	2004	3/6

5.2 STAFF

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

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

VOLUNTEERS

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

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

Don Punch

Chief Executive Officer

MBA, Bachelor of Psychology and Bachelor of Social Work
Term of Appointment 1998-2006

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

Dominique Van Gent

Manager, Industry and Business Services

MBA and graduate qualifications in resource development

Dominique has a strong background in infrastructure, planning and development; and has actively assisted small business to maximise opportunities from major projects.

Jon Birch

Manager, Regional Services

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

Jon has over 20 years of business and management experience in the education, small business, agriculture, computing and building fields.

Vanessa Lewis

Manager, Information and Marketing Services

Bachelor of Economics

Vanessa has 28 years of experience in regional development in the South West Region, particularly in the areas of research, regional planning and policy development.

Val Cartwright

Acting Manager of Corporate Services

Advanced Diploma of Accounting

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

5.3 REPORT ON HUMAN RESOURCES

As at the end of June 2005 the Commission had 23 employees.

Sixty-five 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 both Aboriginal and non-English speaking background employees made up four per cent each.

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

STAFF LEVELS	TOTAL STAFF	NUMBER OF STAFF	
		FEMALE	MALE
LEVEL 1	3	3	-
LEVEL 2	3	2	1
LEVEL 3	1	1	-
LEVEL 4	2	2	-
LEVEL 5	8	4	4
LEVEL 6	2	1	1
LEVEL 7	3	1	2
LEVEL 9	1	-	1
TOTAL	23	14	9

STAFFING POLICIES

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

CODE OF CONDUCT

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

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

INDUSTRIAL RELATIONS

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

OCCUPATIONAL HEALTH AND SAFETY

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

FLEXIBLE WORKING ARRANGEMENTS

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

TRAINING DEVELOPMENT AND ACHIEVEMENTS

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

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

During 2004/05, employees were involved in a range of skill renewal, development and knowledge-based activities that included: Creative Capital Forum; Facilitating Effective Meetings; Office 2003 update; Smarter, Stronger, Sustainable Communities Summit; Australian Regional Economies Conference; Aussie Host workshop; Defensive Driving Program; Project Management Essentials; and Looking Out for Culture Seminar.

A new Professional Development System is being put in place for 2005/06 to foster personal growth across the streams of Leadership and Management, Community and Project Development, and Corporate and Administration.

The Commission spent a total of \$20,250 on development and training activities during the reporting period.

EMPLOYEE VOLUNTEERING POLICY

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

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

Section 6.

Our Performance

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

6.1 REPORT ON OPERATIONS

The Commission delivers its work through five strategic priority areas:

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

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

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

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

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

STRATEGIC HIGHLIGHTS

Physical Infrastructure

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

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

- Planning in partnership for a sustainable future;
- Improved regional infrastructure; and
- Enhanced regional investment.

Priority Outcomes for the South West	Achievements	Future Actions
Construct the Peel Deviation (Mandurah bypass road)	In partnership with key stakeholders, State and Commonwealth government commitments to fund the Peel Deviation were obtained. Construction is expected to commence in 2006/07.	Work with stakeholders to ensure timely construction and maximised local content in construction.
Ensure South Western Highway does not fail performance standards for vehicle movements	<p>Lobbied for the priority for a Bridgetown bypass with Main Roads WA (MRWA) and Department for Planning and Infrastructure. Funding was announced in the 2005/06 budget.</p> <p>The State Government has committed to a \$7.5 million three-year program of works on the South Western Highway. \$2.45 million has been budgeted for the Hester Hill to Bridgetown section in 2005/06.</p>	Work with MRWA to identify and articulate a comprehensive lane passing and speed management plan for the South Western Highway.
Maximise small town access to sewerage targeting flood prone and development potential areas	No action by SWDC during this period.	SWDC will work with local governments and the Water Corporation to identify high need areas for sewerage.
Ensure there is a supply of appropriately zoned industrial land at strategic locations	<p>Completed and sold Stage 3 of Picton Industrial Park.</p> <p>Completed subdivision works for the proposed biodiesel plant and facilitated its approvals, leading to 30 new jobs.</p> <p>An interim development report has been prepared for the balance of SWDC land holdings at Picton – approximately 260 hectares. The report builds on earlier investigations regarding the future development of the land and recommends strategies for structure planning, rezoning and subdivision.</p> <p>The proposed Shotts Industrial Park concept has undergone further review and is now awaiting confirmation from respective landowners of the proposed land consolidation plan.</p>	<p>Fast track Picton Industrial Park Stage 4, incorporating opportunities for a technology park concept.</p> <p>Confirm land availability and proceed to a detailed environmental analysis for Shotts Industrial Park at Collie.</p> <p>Prepare a development plan for the Shotts Industrial Park that reflects the findings of the environmental investigations.</p>
Ensure maximum value is obtained from Commission land holdings	<p>Review of Commission land holdings confirmed Glen Iris land earmarked for future port expansion was surplus to SWDC needs. Land is now under contract of sale to the Bunbury Port.</p> <p>Commenced review of Preston River floodway land following confirmation the land was not required for flood mitigation purposes.</p>	<p>Complete sale of Commission land holdings to the Bunbury Port.</p> <p>Complete review of Preston River floodway and develop a land asset management plan.</p>

Priority Outcomes for the South West	Achievements	Future Actions
Promote industry development within small towns	<p>The final Warren Blackwood Industrial Sites Study report has been approved for public release. This is expected to occur in July 2005 for a period of public comment.</p> <p>Provided funding to complete planning for the Boyup Brook industrial area.</p>	<p>Develop a finance plan with the Shire of Boyup Brook to facilitate light industry land development.</p> <p>Continue to work with the Shire of Harvey to develop light industry land.</p>
<p>Enhance Bunbury's waterfronts including:</p> <ul style="list-style-type: none"> • Back Beach • Outer Harbour • Koombana Bay 	<p>The major civil works components of the Back Beach project, i.e. roads, drainage and the seawall have been completed. The landscape components are well advanced and are scheduled for completion by September 2005. SWDC has paid the City of Bunbury \$6 million to construct the works to date. A further \$1 million will be paid in 2005/06 to complete the project.</p> <p>SWDC is a member of the cross-agency coordinating committee for the Outer Harbour project. Strong public support has been shown for project concepts presented at public workshops. LandCorp has subsequently commenced a detailed feasibility study, which is scheduled for completion by August 2005 and will be tabled with the State Government.</p> <p>Established a small reference group to provide input on the Koombana Bay groyne project.</p>	<p>Finalise redevelopment of Bunbury's Back Beach.</p> <p>Assist the finalisation of concept plans for Bunbury's Outer Harbour.</p> <p>Complete the capping and repair of the Koombana Bay groyne.</p>
Assist central business district renewal in region	<p>Brunswick Junction Town Centre Redevelopment Steering Group has been established; and consultants appointed to develop a master plan and undertake a comprehensive public consultation program. The plan is expected to be complete in August 2005.</p> <p>The Bunbury City Vision project has progressed with a series of public workshops facilitated by the City. Public consultation is due for completion by the end of July 2005.</p> <p>Contributed financially to the development of a strategy for the redevelopment of the main street in Walpole. Plans are completed and construction-ready.</p>	<p>Work with local governments to develop a financing strategy for urban redevelopment of Walpole, Pemberton, Brunswick Junction and Bunbury.</p> <p>Assist the implementation of endorsed components of the Bunbury City Vision project.</p>

Priority Outcomes for the South West	Achievements	Future Actions
Power Supplies		
Ensure the South West Interconnected System is capable of meeting power demands for industry and residential growth	<p>The cost of upgrading power supplies to 3-phase remains a significant issue to growth and expansion within the region, particularly for the dairy, horticulture and viticulture sectors. SWDC developed a discussion model for third-party finance.</p> <p>A briefing note and issues outline, regarding the impact of underground power policy on industrial land development, has been presented to Western Power. The note calls for a revaluation of costs associated with industrial land power supplies.</p>	Facilitate the further provision of 3-phase power with Western Power by continuing to lobby for inspired financing mechanisms.
Passenger Transport Services		
Ensure passenger road services meet the needs of South West residents	Information has been provided to Government for a decision on provision of a new rolling stock/train set for the Australind rail service.	Support the review of South West road passenger transport services to improve connectivity; and ensure the review reflects both current and emerging needs.
Ensure effective plans are in place for future expansion of passenger rail services where viable	A road passenger review committee has been established and is in the process of developing terms of reference for more detailed work.	
Freight Transport		
Position the Bunbury Port as the South West port of choice, including expansion of the port and development of container services	Provided advice to Government on the importance of the Bunbury Port Access Road as a key piece of infrastructure in the overall strategy to facilitate the economic and industrial growth of Bunbury and the South West Region.	Undertake an inter-modal freight transport study with the Department for Planning and Infrastructure.
Improve availability and coordination of freight transport options within the region	The State Government has committed \$19.5 million to allow construction to commence in 2006/07.	Undertake a standard gauge rail study (Perth-Bunbury) with Department for Planning and Infrastructure.
Pemberton Hydroelectric Project		
Assist tourism in Pemberton through development of a unique hydroelectric power heritage energy project	<p>The hydro plant is now commissioned and operational.</p> <p>A contractual arrangement is being finalised between the WA Community Foundation, Western Power and SWDC for the distribution of funds flowing from this project.</p>	Finalise contractual arrangement and commence community foundation.

New Additional Initiatives 2005/06

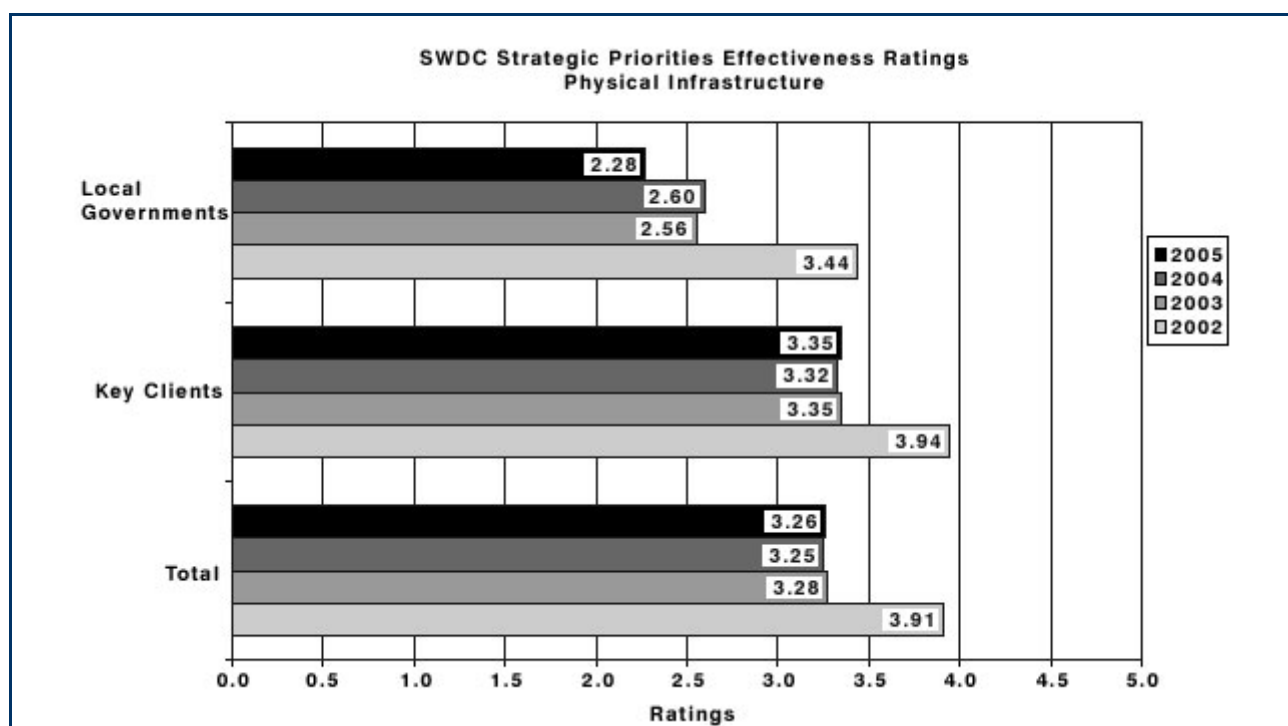
The following additional initiatives will commence during 2005/06 as part of the SWDC Strategic Plan 2005-2020 strategic theme “Investing in Infrastructure and Place”:

- Facilitate the further development of the South West regional waste management group.
- Develop a South West regional infrastructure plan.

HOW WE PERFORMED

SWDC’s 2005 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in “Physical Infrastructure”. The rating scale ranged from 1 – very ineffective to 5 – very effective.

While the overall results indicate that the Commission is seen to be effective in this area, the results for local governments dropped below mid-range in this survey period. This is a reflection of the region’s ageing infrastructure and the need to identify new ways of financing maintenance and/or replacement.



SPECIAL REPORT: URBAN RENEWAL – WALPOLE, YARLOOP AND BRUNSWICK

The South West Development Commission is actively working across the region to undertake urban renewal in communities under pressure from structural adjustment in their traditional industries.

This is aimed at:

- Preserving and enhancing townscapes, cultural heritage and physical infrastructure.
- Developing tourism appeal by improving visitor amenities and aesthetics.

During 2004/05, the Commission allocated funds to start planning for or commence improvements to several centres including Yarloop, Nannup, Boyup Brook, Brunswick Junction and Walpole.

Under the Regional Development Scheme, \$25,000 was allocated to the Shire of Harvey to create a master plan for the redevelopment of the Brunswick Junction town centre.

The Shire of Manjimup was awarded \$15,000 to develop a master plan for upgrades to the main street of Walpole and the Shire of Nannup was allocated \$25,200 to undertake improvements to the historic Nannup railway bridge.

In addition, under the South West Initiatives Program, Harvey Shire Council was allocated \$100,000 for improvements to the Yarloop township, with the handover of an initial grant of \$30,000 to appoint a consultant to develop a Yarloop precinct town plan.

The Commission is keen to work in partnership with local governments and agencies throughout the South West to help protect and enhance the region's infrastructure assets.

The funding provided this financial year and the planning and work which has been undertaken will help ensure the character of the region's townships is preserved and the infrastructure is protected for the long term.

Economic Development

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

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

- Planning in partnership for a sustainable future;
- Skilled communities;
- Diversified regional economies;
- Enhanced regional investment;
- Fair pricing for regional residents and businesses; and
- Safe and cohesive regional communities.

Priority Outcomes for the South West	Achievements	Future Actions
Promote investment in the South West through the Invest South West strategy	<p>SWDC was a major partner in the organisation of the Indulgence Exhibition in Singapore and Kuala Lumpur. Over 40 South West firms attended and promoted their wares.</p> <p>Provided assistance to Manjimup growers to attend the Gulf Food Expo in Dubai.</p> <p>SWDC TradeStart officer was awarded the 2005 TradeStart Export Adviser Excellence in Client Service Award.</p> <p>Worked with Peel Development Commission, in co-operation with Alcoa, to highlight the opportunities for local business from the Wagerup and other major industrial expansions.</p> <ul style="list-style-type: none"> • A fabricators' taskforce was established following a forum held in conjunction with Alcoa in November 2004. As a result, fabricators lodged employment opportunities available within their company for SWDC to promote at Emigrate 2005 in London. To date, over 18 direct enquiries have been received by fabricators from skilled workers in the United Kingdom • A fabricators' industry cluster is currently being established to maximise local opportunities from major industry projects. 	<p>Support the Peel and South West Fabricators' Cluster as a model for skills development to overcome skills shortages.</p> <p>Continue the South West Export Development Strategy in partnership with Austrade.</p> <p>Develop an industry adviser program to ensure regional benefits are secured from the major resource developments.</p> <p>Undertake a triple bottom line analysis (economic, environmental and social considerations) of the agricultural future of the Scott River Plain in conjunction with Department of Agriculture and Department of Environment.</p> <p>Further explore industry opportunities for seed potatoes, green tea and marron.</p> <p>Support the Coal Futures Study.</p> <p>Develop an investor-ready package for encouraging Perth metropolitan businesses to relocate to the South West.</p> <p>Continue the Commission's skilled and business migration strategy.</p>

Priority Outcomes for the South West	Achievements	Future Actions
<p>Promote investment in the South West through the Invest South West strategy (Continued)</p>	<p>In partnership with the Small Business Development Corporation, implemented a promotional strategy to increase business migration to the South West, including attendance at the Emigrate 2005 Expo and a migration agents' briefing and open day at Australia House in London.</p> <p>Hosted a range of trade delegations: 13 overseas buyer missions, three trade specific seminars, 15 overseas Trade Commissioner or Business Development Managers, and two WA Government Trade Office Regional Directors.</p> <p>Made available \$500,000 in financial support for the relocation of JLV Industries, one of only two manufacturers of cable hauled conveyor belts in the world, to Harvey, leading to the creation of 35 new jobs in the region.</p> <p>Participated in a Department of Agriculture workshop in November 2004 with horticulturalists, New Opportunities for Australian Horticulture (NOAH) and other interested parties to review the New Futures project. Green tea, apricots, late navel oranges, native flowers and Summer lettuce were identified for further research, planning and project development. These new industries are expected to generate \$20-30 million per year for the growers and offer diversity, stability and employment. A funding application has been made to Horticulture Australia Limited to progress this project.</p>	
<p>Promote the diversification of small town economies in the region</p>	<p>A comprehensive water-testing program for Lake Kepwari, to safeguard the public and the environment, is underway and expected to be completed in November 2005. Target date for opening Lake Kepwari to the public is 1 December 2006.</p>	<p>Funding of \$500,000 will be contributed to the development of the water-based recreational facility at Lake Kepwari.</p> <p>Finalise planning for the enhancement of Yarloop's townscape.</p>

Priority Outcomes for the South West	Achievements	Future Actions
<p>Promote the diversification of small town economies in the region</p> <p>(Continued)</p>	<p>Provided funding for the enhancement of Yarloop's townscape.</p> <p>Contributed to the Draft Pinjarra-Brunswick Sustainability Strategy, which was released for public comment until 29 June 2005.</p> <p>Assisted in the preparation of a finance plan for the Collie Entrance Tourism Precinct. As at 30 June 2005, a total of \$1.3 million had been secured for the project from the public and private sectors.</p> <p>Continued to provide financial and technical support to Business Grow.</p>	<p>Implement Pinjarra-Brunswick Sustainability Strategy activities following release of the final report.</p>
<p>Support the development of Bunbury as a tourism centre</p>	<p>Facilitated grant funding to support the Bunbury tourist tram to provide visitors with an opportunity to see the sights of Bunbury.</p> <p>Worked with the City of Bunbury to develop structure plans for Turkey Point and the Big Swamp. Both plans are being developed by a consultant in consultation with the community.</p> <p>Commissioned a concept plan for a trail or pathway in the tuart forest between Usher (in the City of Bunbury) and Dalyellup (in the Shire of Capel) in conjunction with the Bunbury Tuart Forest Walk Planning Group. SWDC will provide \$150,000 of State Government funding for the project.</p> <p>A recommended option for landscaping and memorialising Pioneer Park will be considered by the Bunbury City Council in July and further comment on the final design will be invited from the community. SWDC will provide \$100,000 of State Government funding for the project.</p> <p>Provided \$50,000 to the Bunbury Agricultural Society to upgrade the facilities at the Bunbury Recreational Ground.</p>	<p>Complete development works at Turkey Point, Pioneer Park and the Big Swamp in collaboration with the City of Bunbury.</p> <p>Fund and complete, in conjunction with the Bunbury Tuart Forest Walk Planning Group, the trail between Usher (in the City of Bunbury) and Dalyellup (in the Shire of Capel).</p>

Priority Outcomes for the South West	Achievements	Future Actions
Promote Indigenous economic development through the promotion of Noongar art forms	<p>Facilitated a successful exhibition conducted at 'Western Australia on Show' that involved three Indigenous businesses and 10 South West Noongar artists.</p> <p>In conjunction with the Great Southern, Warren Blackwood and Peel regions, South West Noongar artists hosted the Birak exhibition in Perth.</p> <p>Developed a website and a CD and summary that promote South West Noongar artists and culture.</p> <p>The region's Indigenous Arts Development Officer, sponsored by SWDC, promoted South West art at an international art exhibition in Florence and Italy as well as other European cities in April-May 2005.</p> <p>A partnership agreement, business model and strategic plan have been developed between Bunbury Regional Art Galleries, South West Noongar artists and SWDC.</p> <p>A two-day fellowship workshop provided the opportunity for Noongar artists to enhance their artistic skills and have input into the future direction of the Noongar Arts Strategy.</p> <p>Established a rotational exhibition structure, based on the 'Six Seasons' concept of Noongar culture.</p> <p>Developed the scope for an international Indigenous arts conference in partnership with Tourism Western Australia, Department of Indigenous Affairs, Arts WA and other stakeholders. Established an in-principle agreement with the Augusta Margaret River Tourism Association for the back-to-back delivery of an international Indigenous arts conference with the next international wine conference.</p>	<p>Deliver an international Indigenous arts conference in the South West in conjunction with the Noongar community and the tourism and arts industry.</p> <p>Work with the Bunbury Regional Art Galleries to facilitate a range of Noongar art exhibitions both within and outside the South West Region.</p> <p>Develop the opportunity for the sale of limited edition prints of Noongar art by developing a pilot program in the USA.</p> <p>Increase the opportunity for emerging Aboriginal artists by building the link between arts students at South West Regional College of TAFE and the Noongar artists of the South West.</p> <p>Further develop and implement the quality business system, and retail and studio space that increase the production and sale of quality Noongar art.</p>
Ensure the implementation of the 'Protecting Our Old Growth Forests' policy results in tangible benefits to the region (The policy is aimed at supporting the timber industry after ceasing logging in old growth forests.)	In December 2004 a seminar was held in Manjimup at the Horticulture and Timber Expo to address the idea of a further investment tour for the timber industry. Shire of Manjimup has undertaken a specific survey of furniture manufacturers to determine their future intentions.	SWDC will examine the need for a further industry forum in 2006.

Priority Outcomes for the South West	Achievements	Future Actions
Facilitate redevelopment of the dairy industry	Dairy forums are completed and the Western Australian Farmers Federation has developed a model for dairy marketing, which has been forwarded to the Government for consideration.	No further action by SWDC.
Assist further development of the aquaculture industry in the region	<p>Submitted, in consultation with the industry, funding applications to the Aquaculture Council WA and the Department of Industry and Resources for the industry plan. SWDC and the Marron Growers Association have already committed funds.</p> <p>Established a \$45,000 (\$15,000 per year for three years) funding agreement with Curtin University for the Collie poly-culture research program. An application to extend the research program has been received.</p>	<p>Assist in the development of a South West aquaculture industry plan.</p> <p>Continue the support of aquaculture research at Collie.</p>

New Additional Initiatives 2005/06

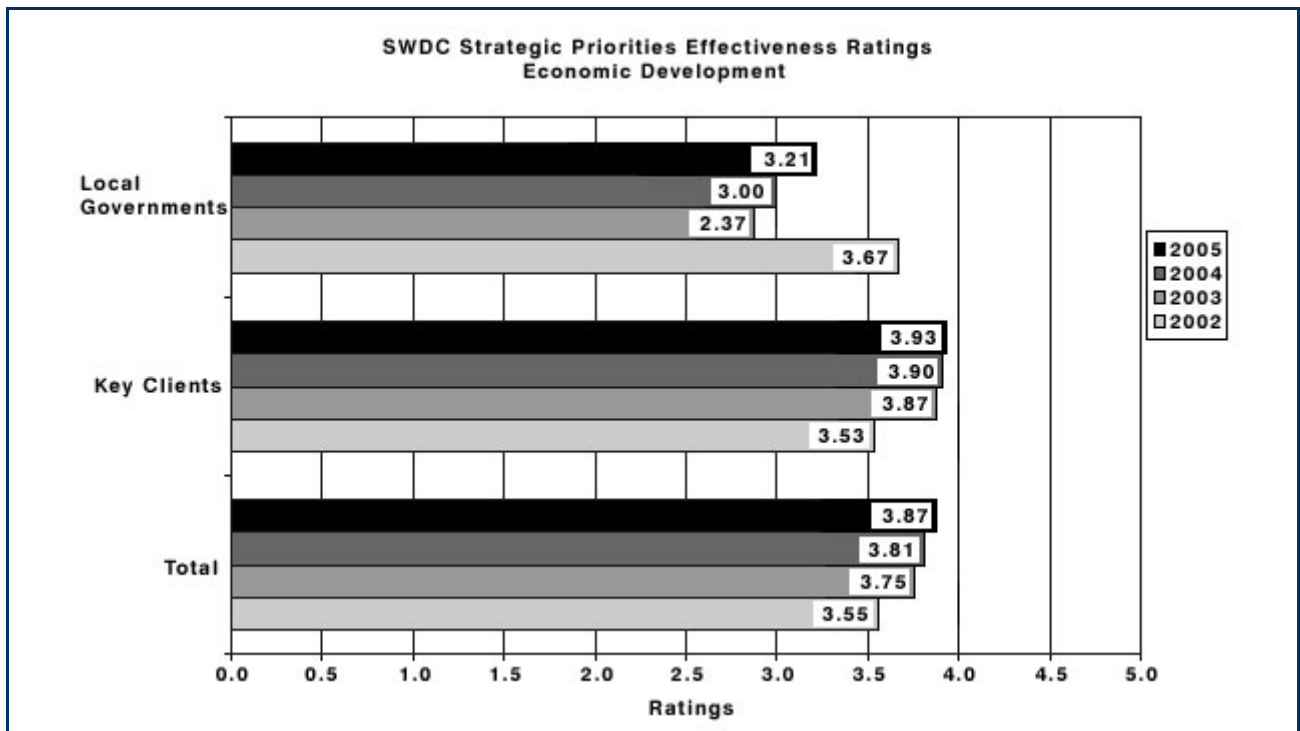
The following additional initiatives will commence during 2005/06 as part of the SWDC Strategic Plan 2005-2020 strategic theme "Investing in Knowledge, Enterprise and Innovation":

- Work with Edith Cowan University to provide higher-level research degrees within the region in partnership with industry and university extension programs.
- Support the completion and implementation of the South West Regional Training Plan.
- Establish an innovation and research council for the South West, as a subcommittee of the South West Development Commission Board.
- Work with the Department of Industry and Resources and industry to examine the feasibility of a South West research facility at Kemerton Industrial Park.
- Commence discussion with regional stakeholders on the development of a marine research capacity in the region.

HOW WE PERFORMED

SWDC's 2005 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in "Economic Development". The rating scale ranged from 1 – very ineffective to 5 – very effective.

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



SPECIAL REPORT: EMIGRATE 2005, UNITED KINGDOM

The South West Development Commission attended the world's largest emigration event in the United Kingdom in March – 'Emigrate 2005'.

With a booming regional economy and high demand for skilled workers in the South West, the expo provided a relevant and timely opportunity to promote regional Western Australia as an ideal destination for skilled and business migrants.

Australia was a huge draw with the crowds but competes with New Zealand, Canada, South Africa and many European countries.

At the event the Commission represented the South West and Peel Development Commissions, promoting the two regions jointly as "Southern Western Australia".

For some time prior to the expo, the Commission had been working closely with mining giant, Alcoa, and the engineering and construction industries across the Peel and South West regions.

From this work the Commission was able to offer real employment opportunities providing prospective migrants with jobs lists which contained information about the main areas where vacancies were occurring.

Since the expo, eight of nine fabrication companies have been contacted regarding work opportunities. In most cases, more than one prospective migrant has made contact.

Other local businesses have been contacted by people who attended the expo.

The South West and Peel Development Commissions have responded to approximately 50 enquiries.

The Commission provided information to approximately 500 people out of the 19,000 who attended the show. Of those who attended:

- 47% were interested in Australia as a destination
- 83% were interested in emigration/permanent move information
- 71% were interested in job opportunities
- 22% were interested in business opportunities
- 53% were interested in information on buying property
- 35% were interested in destination information

The Commission believes that the trip was an outstanding success and will continue to monitor the number of new migrants to the region.

SPECIAL REPORT: INDULGENCE EXHIBITION SINGAPORE AND KUALA LUMPUR, 2005

The South West Development Commission, through TradeStart officer Tristram Travers, was central to arranging the MasterCard 'Indulgence Exhibition' at Regent Hotels in Singapore and Kuala Lumpur on 29-30 April and 3-4 May 2005.

Some of the best luxury items Western Australia has to offer were showcased over the four days, attracting in excess of 4,200 visitors.

Over 40 exhibitors took uniquely Western Australian products, including premium wines, gourmet foods, arts and tourism products, to a market looking for high quality luxury items.

South West companies made up the majority of those exhibiting.

The promotion was organised jointly by the WA Trade Office (Department of Industry and Resources), in conjunction with the South West Development Commission and Austrade, and was supported by the Department of Agriculture and the Wine Travel Group. Major sponsors included MasterCard and Singapore Airlines.

The MasterCard 'Indulgence Exhibition' was highly successful with many of the exhibitors making direct sales. In excess of 20 contracts were negotiated with a number of other contracts still under discussion.

Export sales worth \$437,700 were achieved, both at the festival and during the next 12 months, much of which was realised by South West exhibitors.

As well as securing new export sales, the event achieved wide exposure for Western Australia and particularly the Margaret River brand.

Promotions appeared in two of the national daily newspapers reaching a readership in excess of 2 million people.

Among the region's wineries taking part were Moss Brothers, Amarok, Cullens, Gralyn, Jane Brook, Madfish, Pierro and Voyager.

In addition a number of luxury accommodation houses including Moondance Lodge and Cape Lodge were also represented.

Austrade's regional director praised the organisation and success of the event as being an 'outstanding success'.

I.T. & E-Commerce

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

The Commission's priority outcomes for "Information Technology and E-Commerce" in the South West assist in achieving the State Government's 'Strategic Planning Framework' and 'Regional Development Policy' strategic outcomes:

- Planning in partnership for a sustainable future;
- Effective government service delivery to regions;
- Skilled communities; and
- Improved regional infrastructure.

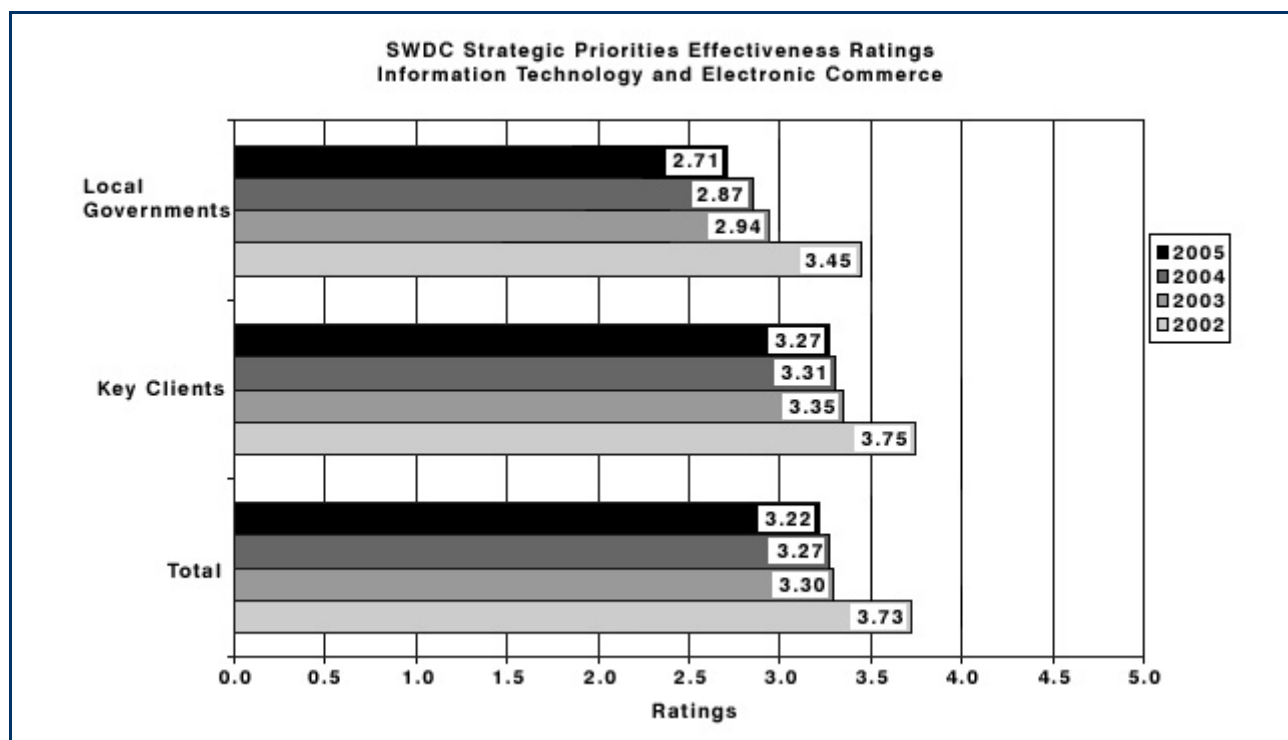
Priority Outcomes for the South West	Achievements	Future Actions
Increase the level of information technology use within the region through the South West Online program (South West Online is a \$5.5 million State Government commitment aimed at bringing about improvements in technology and e-commerce in the region.)	<p>Connect South West, in its third year, continues to deliver the web portal and e-commerce training components of the State Government's \$2.2 million South West Online initiative. Currently 84 per cent of registered businesses within the region, plus 2,200 community groups are benefiting from services delivered by the program.</p> <p>In partnership with Connect South West, continued to improve access to information technology training for business and community groups across the region.</p> <p>Finalised planning for the electronic library in partnership with the City of Bunbury.</p> <p>The PhD E-Commerce program at ECU South West Campus was suspended due to the unexpected withdrawal of the candidate for personal reasons.</p>	<p>Continue to support Connect South West to achieve the outcomes set out within its funding agreement.</p> <p>Facilitate the completion of the regional electronic library.</p>
Increase access to High Speed Data transmission services	In partnership with Connect South West and Telstra, developed a broadband blueprint for the region leading to the following towns being connected: Harvey, Augusta, Donnybrook, Walpole, Boyup Brook, Yallingup, Pemberton and Kingston.	Continue to promote the establishment of broadband or equivalent high-speed technology across the region.

Priority Outcomes for the South West	Achievements	Future Actions
Improve mobile telephone coverage	The commissioning of a new mobile phone tower at Kemerton in June 2004 has significantly improved mobile coverage in the area. Future investment is likely to take place in the Busselton-Margaret River area.	Work with providers to complete mobile phone coverage in the region, including a strategic sites analysis for aeriels.

HOW WE PERFORMED

SWDC's 2005 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the region's development through its work in "I.T. & E-Commerce". The rating scale ranged from 1 – very ineffective to 5 – very effective.

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



SPECIAL REPORT: CONNECT SOUTH WEST

South West Online is a State Government initiative aimed at increasing the use of online technologies in the South West Region by providing training, advice and a regional web portal. Connect South West Association Inc, was set up to help deliver the South West Online program.

In March, the Association reached a significant milestone with the official launch of its newly revamped mysouthwest.com.au web portal.

The new portal was developed using state-of-the-art virtual database technology. The new site provides small business and community organisations with e-commerce tools such as website templates and online sales facilities, at little or no cost.

The number of South West businesses using the portal to develop their own websites rose from 58 per cent to 84 per cent over the past two years and over 680 local businesses have accessed the free IT advisory service offered by Connect South West.

Over 30 small businesses are using the online shopping and secure payment gateway.

Connect South West has also offered training to the region's senior citizens with more than 780 people being trained in basic internet usage during the financial year.

Over 2,200 community groups are benefiting from the portal by setting up and maintaining their own free website.

The Association continues to work with telecentres, community groups, small businesses and government agencies to provide impartial advice and training on the adoption of best practice information technology and telecommunications.

As the internet gets bigger and bigger, people want to find information on a localised or community basis.

The portal has developed "mini portals" for each community in the South West.

These sites allow each small community to showcase itself to the world.

Links have been formed with regional tourism associations, chambers of commerce and industry bodies, local governments, and other private web portals. Community based portals in the region, including manjimup.com.au and bridgefm.com.au, are being incorporated into the regional rollout of the new "mytown" sites. Connect South West has registered 18 mytown.com.au web sites.

Connect South West is continuing to deliver the web portal and e-commerce outcomes of the South West Online initiative, both on time and on budget. The mysouthwest.com.au web portal, gives small businesses in the South West the opportunity to excel in a competitive national and global market.

Sustaining and Developing Communities

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

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

- Planning in partnership for a sustainable future;
- Effective government service delivery to regions;
- Skilled communities;
- Improved regional infrastructure;
- Enhanced regional investment;
- Lifelong learning in the regions;
- Effective health service delivery;
- Safe and cohesive regional communities;
- Enhanced quality of regional lifestyles;
- Sustainable natural resource management; and
- Conserved and restored natural and built environment.

Priority Outcomes for the South West	Achievements	Future Actions
Ensure the region has effective natural resource management strategies in place	<p>Provided technical support to:</p> <ul style="list-style-type: none"> • South West Catchments Council, in the development of a regional investment plan to gain access to funding from the Natural Heritage Trust and National Action Plan for Salinity and Water Quality; • Tuart Response Group, in public forums at Busselton, Lake Clifton and Guilderton, enabling community input to the Draft Tuart Conservation and Management Strategy; • South West and Peel Coastal Management Group (CoastSWaP), in its successful bid (with the Shire of Busselton and the cities of Mandurah and Bunbury) to host the 2005 WA Coastal Conference and WA Coastal Awards Ceremony in November 2005; and 	<p>Continue to provide input to the activities of the South West Catchments Council, Tuart Response Group, South West and Peel Coastal Management Group (CoastSWaP) and Augusta Walpole Coastal Strategy Steering Committee.</p> <p>Assist in the completion of the Wellington National Park Management Plan.</p> <p>Support implementation of a Leschenault Inlet siltation action plan.</p>

Priority Outcomes for the South West	Achievements	Future Actions
<p>Ensure the region has effective natural resource management strategies in place</p> <p>(Continued)</p>	<ul style="list-style-type: none"> Augusta-Walpole Coastal Strategy Steering Committee, in the development of a draft Augusta-Walpole Coastal Strategy. <p>Wellington Forest Advisory Committee, a sub-committee of the SWDC Board, continued to assist the Department of Conservation and Land Management as required in the development of a draft management plan for the Wellington National Park.</p> <p>Provided funding to the Shire of Busselton to undertake a feasibility study into the Busselton wetlands project.</p>	
<p>Develop leadership skills within small communities to enable development and implementation of local action plans</p>	<p>A survey has been conducted of young people from across the region to determine their priority issues from the South West Youth Strategic Plan. Based on the 110 responses received, the number one priority was the need for a 'sense of place'.</p> <p>Facilitated the development of the community leadership strategy, including organisation of the 2005 Southern Region Community Leadership Forum held in Bunbury on 30 June-1 July 2005.</p>	<p>Implement the Southern Region Leadership Strategy focusing on increasing civic participation within the community.</p>
<p>Support the development of community foundations within the region as a basis for resourcing community projects</p>	<p>Established a plan to introduce the WA Community Foundation model across the South West. A workshop program has been developed that will lead to the establishment of a region-wide structure.</p>	<p>Support the implementation of the community foundation model in the South West.</p>

Priority Outcomes for the South West	Achievements	Future Actions
Provide financial assistance for small events and regional projects	<p>Administered the South West Regional Development Scheme for 2004/05, providing funding for 21 projects.</p> <p>Funded 30 events through the 2005 South West Events Program.</p> <p>Funding of \$12,818 has been provided for river surveying in preparation for the construction of the Collie River boardwalk.</p> <p>Provided funding of \$50,000 for the Collie library extension.</p> <p>Funding of \$13,000 has been provided for the Collie rail footbridge timber decking.</p> <p>Provided funding for the development of heated pool facilities at Collie.</p> <p>Provided funding for the construction of aged persons accommodation at Brunswick Junction.</p> <p>Finalised building plans for the Binningup Library, with construction to occur in 2005/06.</p>	Administer the 2005/06 Regional Development Scheme and 2006 South West Events Program.
Support the development of a responsive health system for the South West	<p>Assisted in the establishment of a health services forum in the South West.</p> <p>Facilitated the South West Human Services Planning Committee to develop a framework for ensuring human services match changing needs in the region.</p>	Develop a shared model of community consultation within the South West to facilitate community involvement in human service delivery.

New Additional Initiatives 2005/06

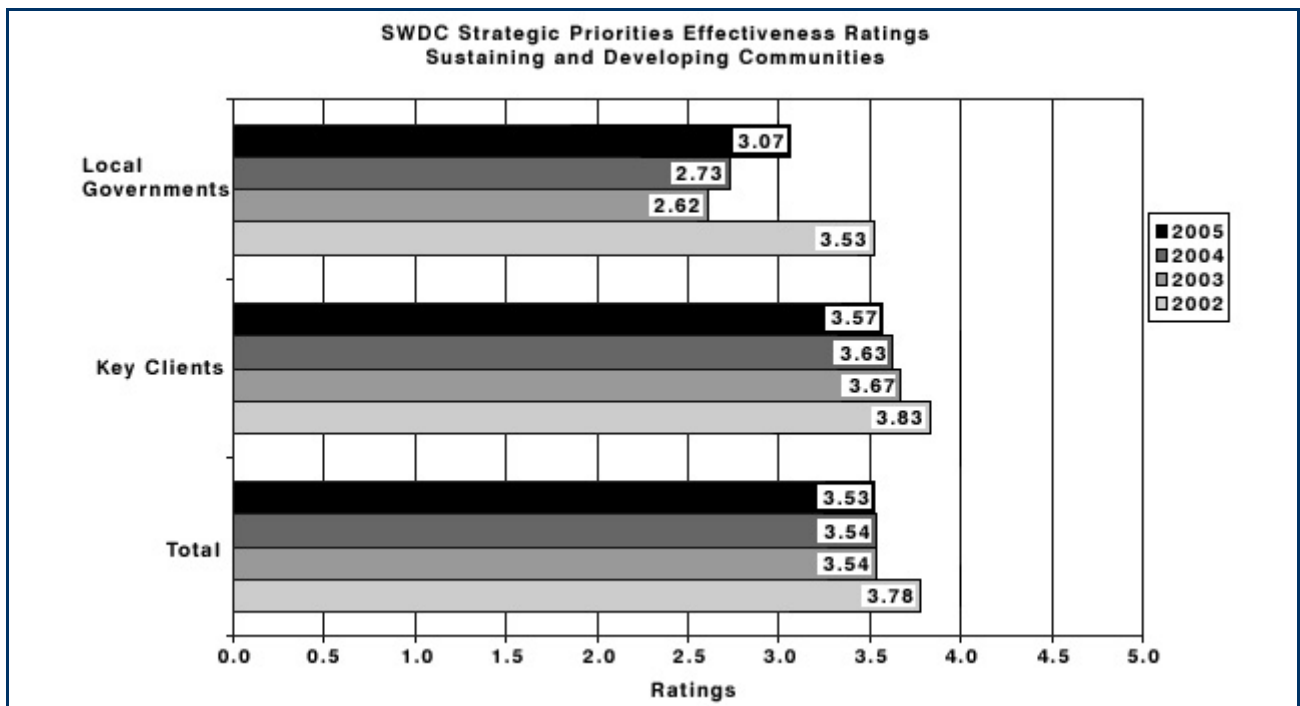
The following additional initiatives will commence during 2005/06 as part of the SWDC Strategic Plan 2005-2020 strategic theme "Investing in People":

- Facilitate the further development of the Healthy Communities Program.
- Facilitate a whole-of-government forum to examine the growth issues in the Vasse sub-region.
- Commence discussion with the Department of Sport and Recreation towards providing a framework for the development of a regional plan that matches regional development forecasts with sport and recreation needs.
- Design and implement the learning online concept with education and library stakeholders in the region.
- Develop a 'creative communities' program which involves the establishment of South West futures groups, the introduction of an innovation/creativity festival and the implementation of a pilot project to form new life-long learning nodes in the region.

HOW WE PERFORMED

SWDC's 2005 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in "Sustaining and Developing Communities". The rating scale ranged from 1 – very ineffective to 5 – very effective.

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



SPECIAL REPORT: VISIONARY AGED CARE PROJECT – ‘BALINGUP VINTAGE’

Balingup Vintage Home Town for Life Project aims to make it possible for the residents of Balingup to live in their own home for as long as possible. It seeks to make available new housing choices which are “adaptable to personal preference and changing capabilities”.

The project aims to cater for ‘well aged’ residents, elders with disabilities and people with disabilities of any age.

Vintage is set to become a model for the wider Western Australian community on how to establish and structure a community business which offers integrated, sustainable and comprehensive housing and support services to the local community.

The project involves:

- The establishment of a community business;
- The establishment of new sustainable homes for the aged (“Homes for Life”) in Balingup;
- The establishment of a community support network for ageing in Balingup; and
- The further enhancement of current service such as Home and Community Care.

2004/05 has been an exciting and fruitful year for Vintage.

Joint funding from the South West Development Commission, the Shire of Donnybrook-Balingup and Self Reliant Communities has enabled the group to employ a coordinator to progress the project.

The legal status of the group has been finalised, a business plan developed, and housing guidelines for the tender process completed.

Council has been requested to underwrite a loan to construct three purpose-built units on land supplied at no cost by the Country Women’s Association.

A board of directors, comprising prominent and highly-respected community people, has now been appointed.

Vintage now looks forward to its first year of operation as a community business, with the charitable status of a company limited by guarantee.

Informing the Community

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

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

- Enhanced government decision-making based on a thorough understanding of regional issues;
- Planning in partnership for a sustainable future;
- Effective government service delivery to regions;
- Enhanced regional investment; and
- Sustainable natural resource management.

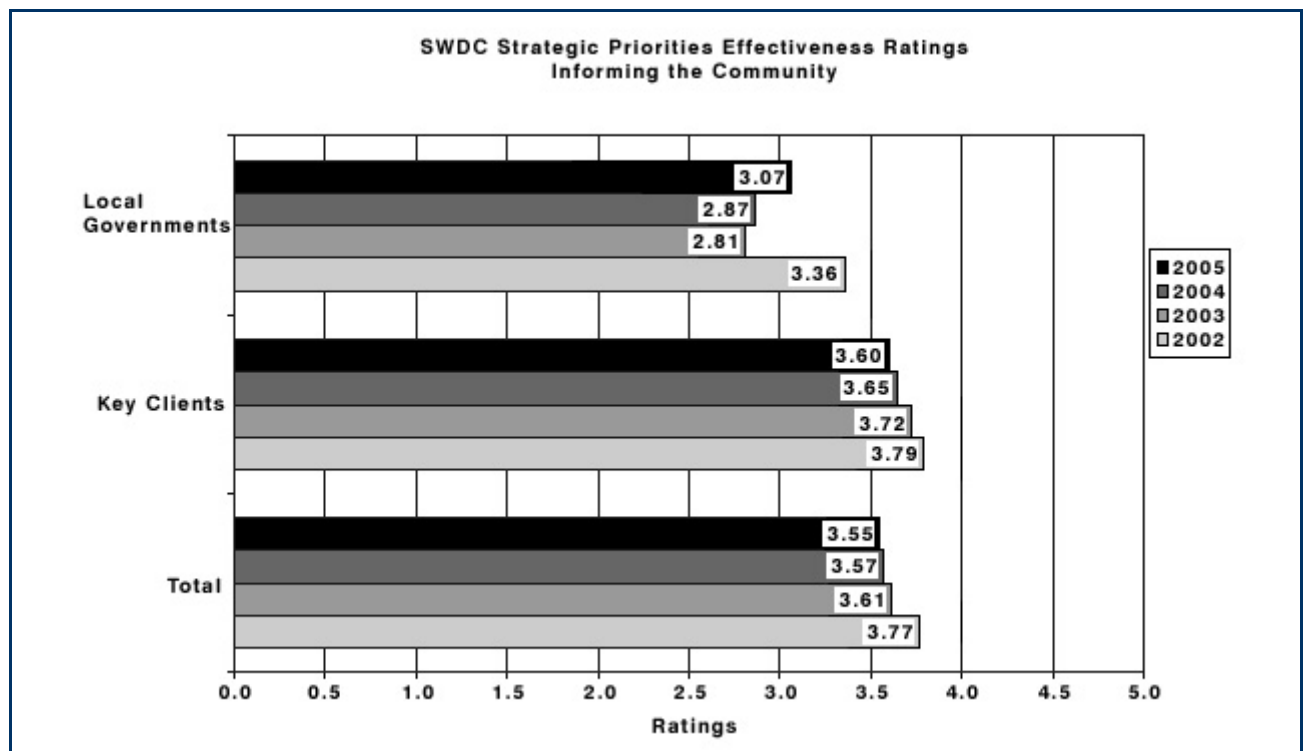
Priority Outcomes for the South West	Achievements	Future Actions
Planning for the future of the South West Region with community endorsement	Completed 'South West Directions – an action plan for a sustainable future' (July 2004). An access and distribution plan/strategy for water in the region will be developed during 2005/06. Currently SWDC participates in the Yarragadee consultation.	In partnership with water providers, complete a water distribution and access plan for the region.
Ensure strategic assets of the region are marketed effectively	Designed and implemented Stage 1 of the Kemerton Industrial Park Marketing Strategy, and in doing so: <ul style="list-style-type: none"> • Coordinated construction of a new entry statement to the Park, which was installed in May 2005. Signage was funded jointly by SWDC, LandCorp and Department of Industry and Resources. • Commenced development of a marketing suite and produced a free-standing banner, folders and three brochure inserts. Further inserts will be completed in 2005/06. Continued the ongoing promotion of the Kemerton Industrial Park to visiting delegates, businesses and during presentations in Perth, in order to seek new tenants.	In partnership with Tourism Western Australia, Australia's South West and key stakeholders, develop themed food, wine and tourism trails to market the premium wine regions. Complete Stage 2 of the Kemerton Industrial Park Marketing Strategy. Produce the 'South West Economic Perspective 2005' in collaboration with Department of Local Government and Regional Development. Commence planning for the South West Focus Conference 2006.

Priority Outcomes for the South West	Achievements	Future Actions
<p>Ensure strategic assets of the region are marketed effectively</p> <p>(Continued)</p>	<p>Undertook the main organising function of the South West Focus Conference 2004, 'Riding the New Wave'. Approximately 250 delegates attended the conference, which highlighted development opportunities in the region.</p> <p>Supported 'Western Australia On Show' at the Perth Convention Exhibition Centre opening in August 2004 with a major food and wine promotion. The exhibition attracted in excess of 200,000 visitors mostly from the Perth metropolitan area. Promoting the region's \$1 billion food, wine and tourism industry, the display featured products from some 33 food suppliers and 22 wineries and involved cooking demonstrations from three South West chefs. SWDC also commenced talks with a major national gourmet food retailer in a bid to secure further outlets for South West producers.</p> <p>Continued to produce an eight-page, quarterly newsletter, 'Regionwide', to inform its stakeholders of its activities.</p> <p>Produced the Noongar arts postcard series to support the development of Indigenous art.</p> <p>Commenced a revamp of the SWDC website, including a new graphic design, and completed a review of the site's content.</p> <p>Completed South West entry and exit signage on the Perth-Bunbury Highway and the South Western Highway.</p>	

HOW WE PERFORMED

SWDC's 2005 client survey asked local government representatives and key clients to rate the effectiveness of the Commission in assisting or contributing to the development of the region through its work in "Informing the Community". The rating scale ranged from 1 – very ineffective to 5 – very effective.

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



SPECIAL REPORT: WA ON SHOW, 'FLAVOURS OF THE SOUTH WEST' PROMOTION

A promotion by the South West Development Commission celebrating the region's \$1 billion-a-year food, wine and tourism industries was held in Perth during August 2004.

The 'Flavours of the South West' exhibition, featuring some of the region's finest foods and wines, was held at the opening of the new Perth Convention Exhibition Centre on 26-31 August.

More than 188,000 people visited the South West display which included cooking demonstrations, wine appreciation and product tastings from 33 food and beverage companies, and 23 wineries.

One of the daily highlights was live, daily cooking demonstrations by three South West chefs – Kate Lamont from Lamonts Winery Yallingup, Mark Attard senior cookery lecturer at the South West Regional College of TAFE, and Eamon Donnelly from Mojos of Bunbury.

Daily wine appreciation sessions by Dina Smith, wine educator from the Margaret River School of Wine, also captured a great deal of interest.

The event included sessions on the South West's growing organic industry by Cordon Bleu Chef and nutrition consultant, Susanne Wilder.

Products on show included primary produce such as marron, beef, milk, fresh fish and fruit and vegetables, right through to the value-added products such as cheeses, olive oils and bread.

The display promoted food and wine tourism and invited Perth people to come and visit the region.

Central to the promotion was the publication of a guide to the region's food produce which included recipes from the chefs who took part.

Copies of the recipe book/food guide can still be obtained from the Commission.

To ensure the promotion's ongoing success, the Commission has circulated this publication to overseas trade offices, throughout the Perth metropolitan area and throughout the region to help encourage continued purchase of food and wine produced in the South West Region.

And to continue the success of the 'Flavours of the South West' promotion, the Commission held a smaller display at the Bunbury Show in March to raise awareness of the variety of gourmet food produce from the South West and encourage Bunbury residents to support the region's food and wine producers.

COMMUNICATIONS AND MARKETING

The South West Development Commission actively promotes the South West Region, both within Australia and overseas, and provides timely and relevant information to its clients about activities in the region.

Kemerton Industrial Park Marketing

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

The project has been jointly funded by the SWDC, LandCorp and the Department of Industry and Resources.

During the year, the Commission – on behalf of the Kemerton Industrial Park Coordinating Committee – continued its implementation of the marketing strategy. This work included leading the development of a new entry statement and directional signs at the park.

The Commission also researched, wrote and produced two new brochures, the first in a series being developed. These information packages are due for completion during 2005/06 and will be widely distributed to industry and prospective clients.

Content for a new website (www.kemerton.com.au) was researched and developed by the Commission during the year. Graphic design for the site has also been completed. Content is set to be loaded and the site launched early in the new financial year.

In the year ahead, the Commission will also be working with the Kemerton Industrial Park Coordinating Committee and tenants in the park to commence development of new internal signage to better guide new visitors to the park.

External Communications

The Commission keeps the media well briefed about its activities and major projects by issuing media statements to ensure the public is well informed about its activities.

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

To be added to our mailing lists for either 'Regionwide' or the e-newsletter, please provide your details to the Commission on 9792 2000.

SWDC Website

The Commission commenced a major upgrade of its existing website (www.swdc.wa.gov.au).

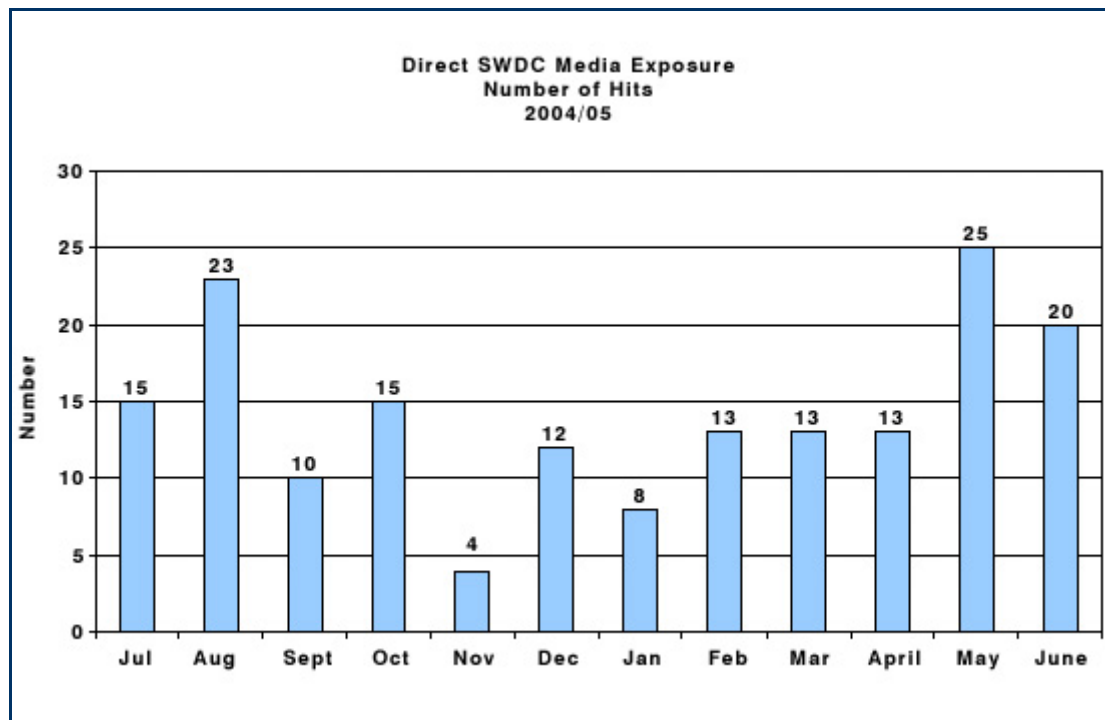
The upgrade includes a fresh look, improved navigation and better functionality.

The new site provides information tailored to offshore visitors, as well as new sections on the Commission's migration activities.

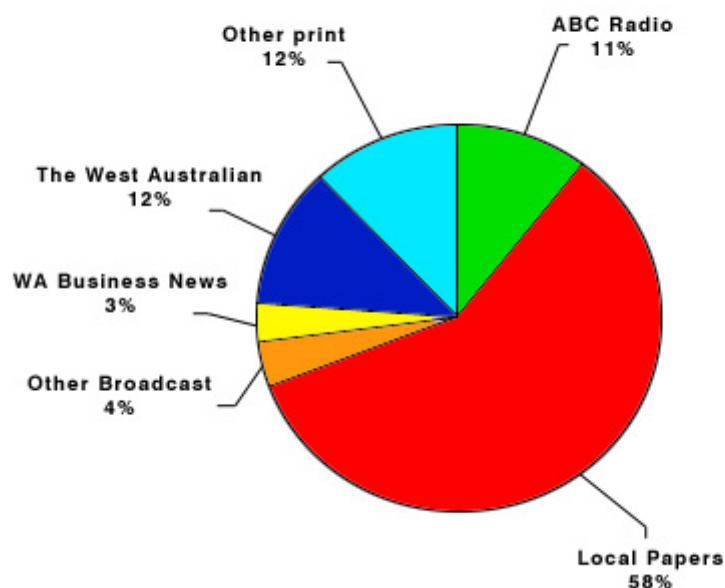
Work to create new content for the site was completed in-house; however, the Commission engaged IT specialist, Highway1, to undertake programming work to develop a new content management system.

When work is complete, the site will be fully updateable by Commission staff, which in the long term will save on ongoing maintenance costs for changes to content.

The site is due to go live early in 2005/06.



**Breakdown of incoming media enquiries (as of 30 June 2005)
2004/05**



AGENCY PUBLICATIONS AVAILABLE TO THE PUBLIC

Title	Date
South West Projects Update	2005 - June
Noongar Art Six Seasons Postcards	2005 - May
Working Life (reprint)	2005 - March
Our Role in the Region	2005 - March
Australia's South West – Better than a Holiday, Lifestyle and Business Guide	2005 - February
Kemerton Industrial Park – Bunbury Port servicing Kemerton Industrial Park (flyer)	2005 - January
Regionwide	Various
Kemerton Industrial Park – General information brochure	2004 - November
Flavours of the South West	2004 - August
South West Directions – an action plan for a sustainable future	2004 - July
South West Profile	2004 - June
South West Economic Perspective	2003
South West Telecommunications Infrastructure and Opportunities Study	2003

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

SWDC Strategic Plan 2005 - 2020	2005
South West Capability Register	2005
Annual Report 2003 - 2004	2004
Annual Report 2002 - 2003	2003
Annual Report 2001- 2002	2002

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

6.2 REPORT ON ACCESS, EQUITY AND CUSTOMER FOCUS

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

GOAL 1: People and Communities

DISABILITIES SERVICES PLAN

The Commission monitors and reviews the 'SWDC Disability Service Plan', on a regular basis to ensure that communication between service providers and people with disabilities is considered during all of the Commission's activities.

The Commission's offices in Bunbury can be accessed by ramps and self-opening doors. Disabled parking is available at the building entrance. There is lift access to the Commission's offices on the 9th floor that includes lift consoles with floor level numbers in Braille, audible floor indication and situated for convenient wheelchair access.

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

CULTURAL DIVERSITY AND LANGUAGE SERVICES OUTCOMES

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

YOUTH OUTCOMES

To fulfil its commitment to the region's youth, the South West Development Commission continues to work with the South West Youth Coordination Network.

The group meets every four months and is involved with hundreds of youth-related programs region-wide. It provides a forum for youth workers and young people to network and progress specific projects.

The Commission is assisting the group deliver on its South West Youth Strategic Plan. During the year in review, the group has set down its priority areas and is currently selecting a single strategy for focus this calendar year.

CUSTOMER FOCUS OUTCOMES

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

Customer service principles are applied throughout the work of the Commission and internally the Customer Focus Group actively promotes the customer service ideals.

The Customer Focus Group works in collaboration with all sections within the Commission to increase the awareness of our obligation to ensure delivery of quality customer service.

The outcomes of these strategies are reflected in the results of the client survey which is the Commission's main mechanism for obtaining customer feedback.

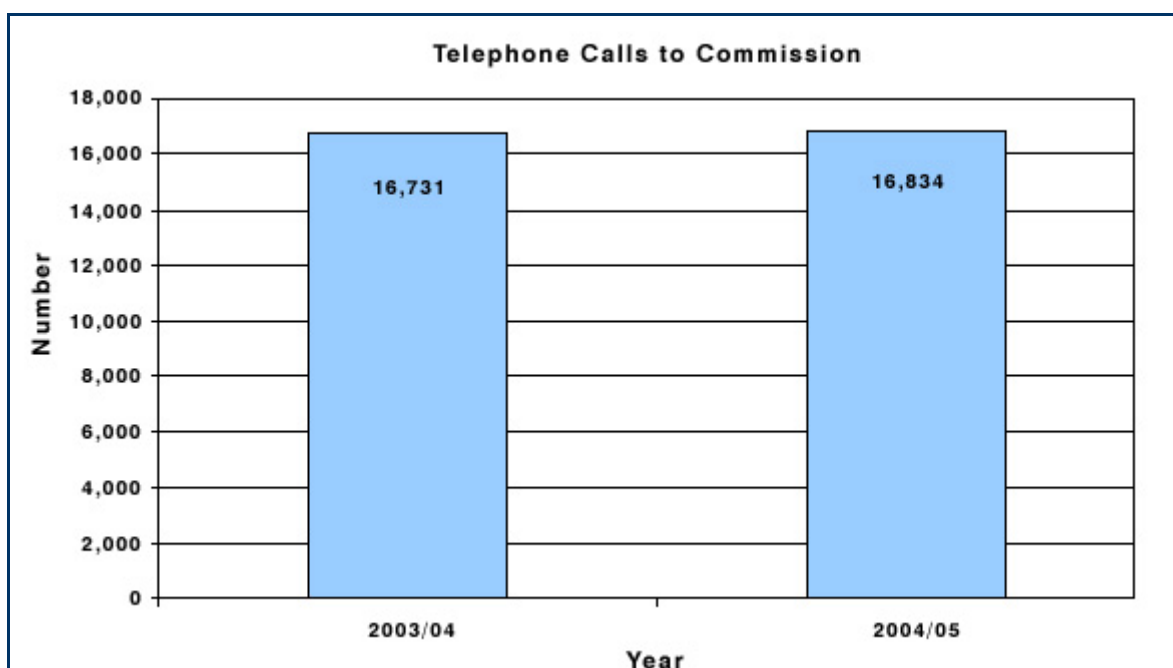
Additional to the annual client survey, the Commission has introduced a customer feedback system to report and act upon all comments and complaints.

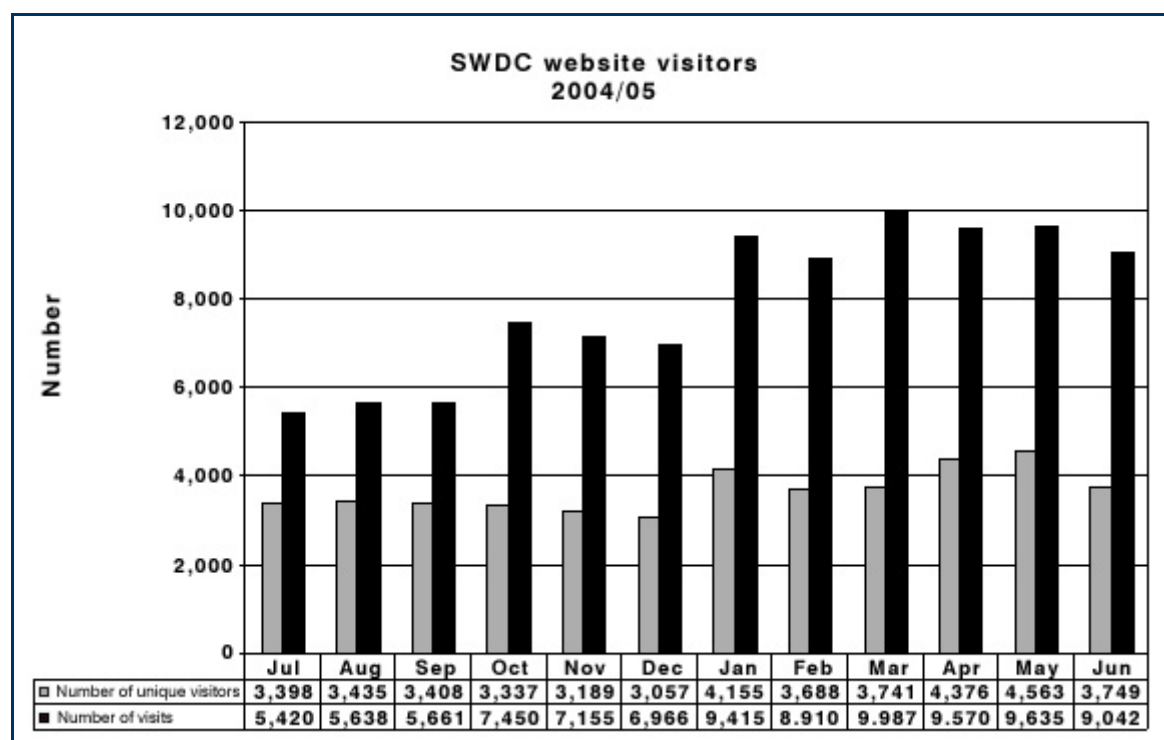
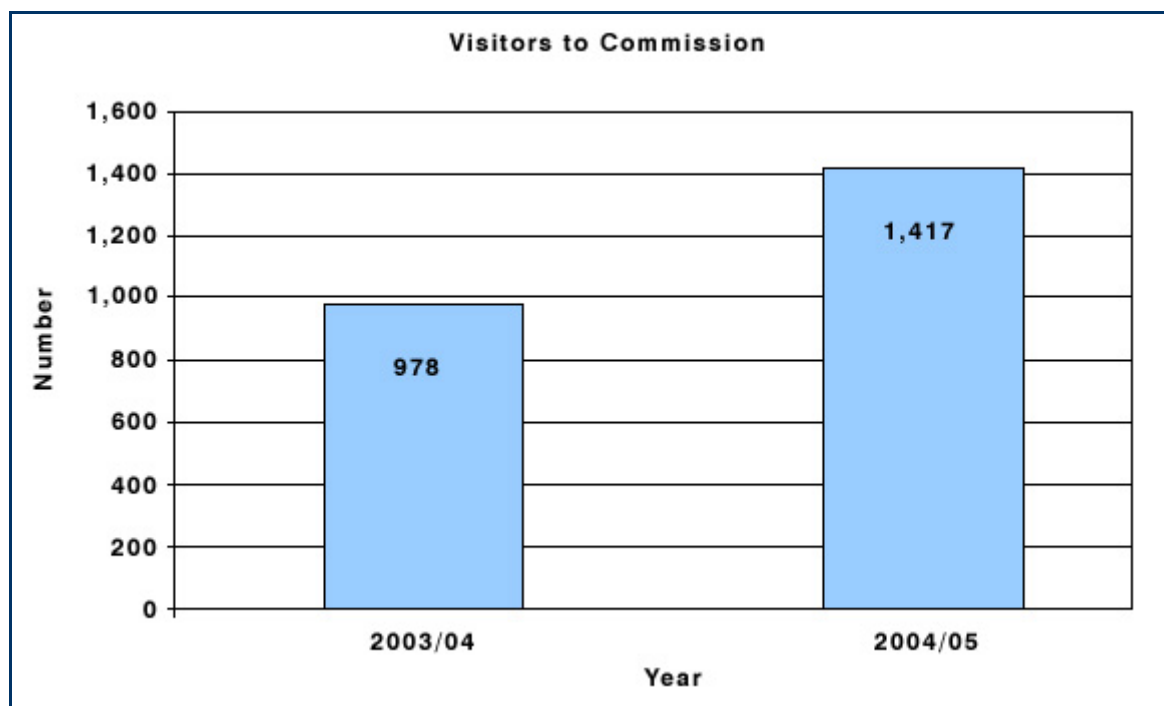
COMMISSION CONTACT

During the year in review, the number of visitors to the Commission rose by 45 per cent, while the number of telephone calls to the Commission increased by one per cent.

The rise in the number of visitors reflects increased interest in the Commission's migration services, regular meetings with industry groups and hosting meetings relating to coastal management.

Telephone activity remained relatively steady, with the Commission taking an extra 100 calls than in the previous financial year.





CLIENT SURVEY

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

Independent consultancy firm, Asset Research was employed to undertake the 2005 SWDC Client Survey. Clients were surveyed to determine their views and understanding of the Commission's role, activities and performance.

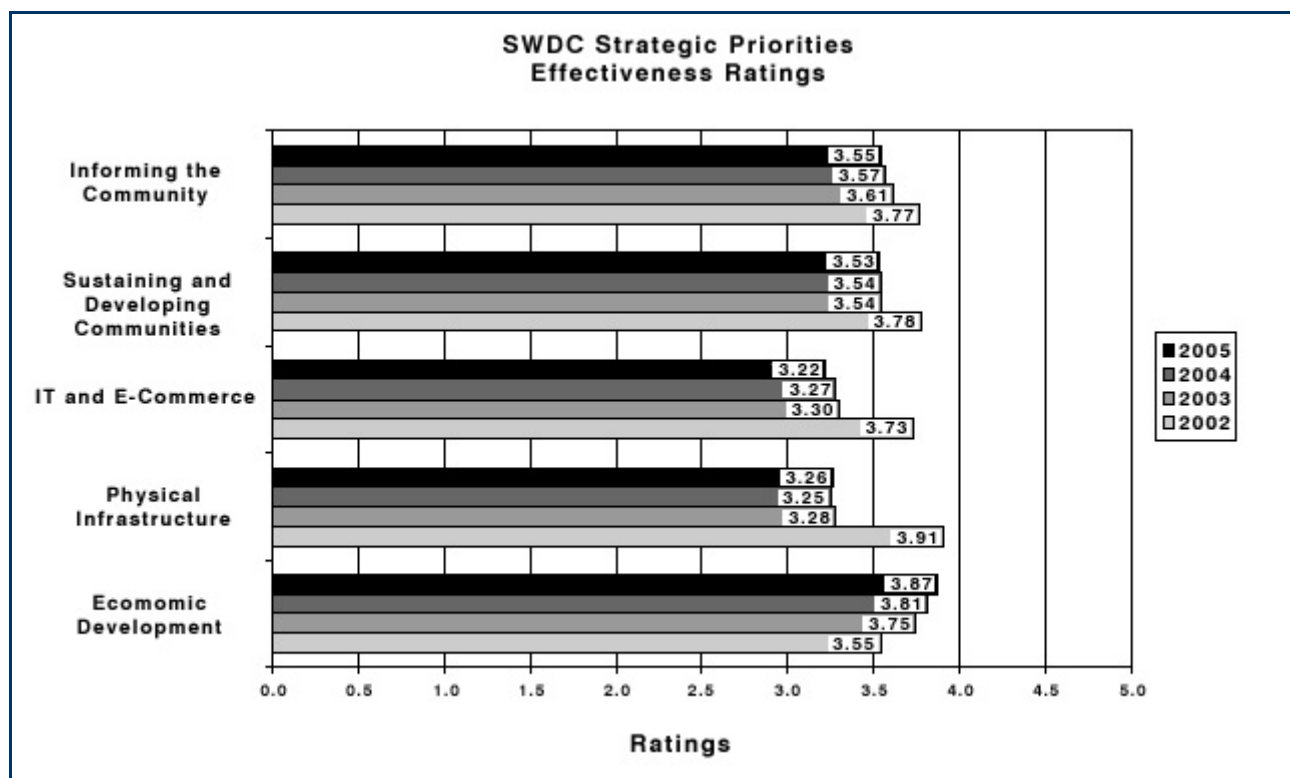
The survey questionnaire was distributed to 220 randomly selected key clients and 22 local government representatives. Altogether 177 completed surveys were received. A key client response rate of 74.1 per cent and a 63.6 per cent response rate from the local governments (with responses received from all South West local governments) were achieved. The overall survey response rate was 73.1 per cent.

'Development of the South West' and 'economic development' continued to be the two most frequently occurring descriptions of the Commission's role. However, there was a decline in the proportion of respondents nominating these two categories in this survey period compared with the 2004 survey, and an increase in the less frequently nominated descriptions of 'promotion', 'identification of opportunities' and 'tourism'.

Commission projects, which received the highest proportion of awareness, were those that were most visible or received the greatest volume of publicity. Living Windows was the most recognised project in this survey period, followed by Collie Entrance Tourism Precinct, Working Life, South West tourism and regional telecommunications (South West Online).

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

The Commission's five strategic priority areas, that is, Economic Development, Physical Infrastructure, IT and E-Commerce, Sustaining and Developing Communities, and Informing the Community, were evaluated in this survey period. All total average results were above the mid-range of the rating scale indicating an overall belief that the priorities are effective.



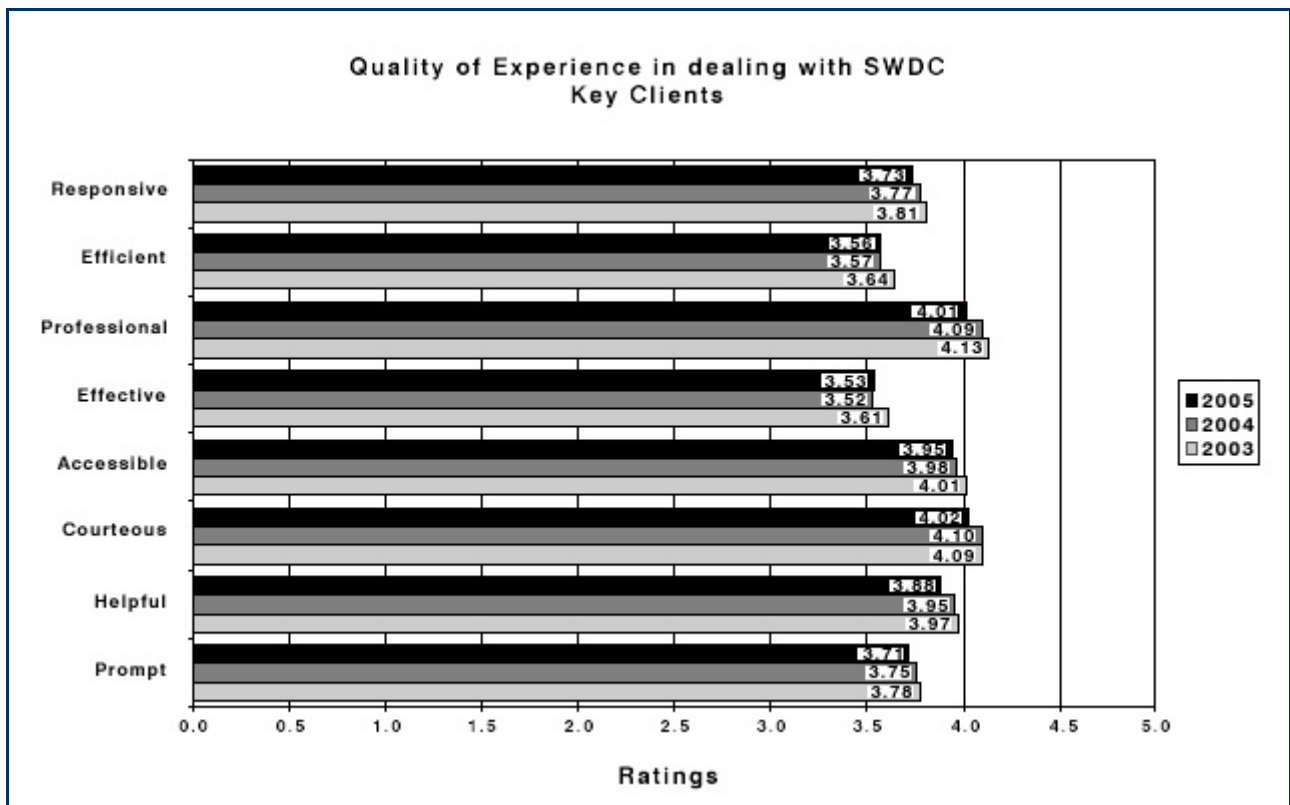
(Ratings: 1 = Very Ineffective to 5 = Very Effective)

The results for key clients showed a small reduction in the use of most aspects of the Commission's services. The key areas of service use were (in order of frequency):

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

Ratings of the Commission's performance in relation to the effectiveness of the services delivered (e.g. information about the region/Commission, provision of advice, advocacy, coordination between other organisations and groups) showed very positive results. When compared with the 2004 survey results, scores were relatively static, with the exception of increases in several local government scores.

The Commission performed well in relation to all aspects of organisational performance (i.e. courteous, professional, accessible etc), with scores for local governments reflecting a marginal increase and key clients a marginal decrease in quality of experience when dealing with the Commission on an organisational level. All scores were above the mid-range of the rating scale and reflected positively on clients' experiences in dealing with the Commission.



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

GOAL 2: The Economy

The South West Development Commission complies with the prescribed accounting and reporting requirements for government agencies. The Commission's performance indicators for the year ended 30 June 2005 are provided in Section 7 and its financial statements for the period, prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985*, in Section 8.

GOAL 3: The Environment

CLEANER PRODUCTION

The Commission is a signatory to the 'Western Australian Cleaner Production Statement', an initiative of the Western Australian Sustainable Industry Group.

As a signatory, the Commission has developed its second action plan that has as its objective to be "Eco-Efficient". One of the initiatives of the plan involves the reduction in the amount of paper and toner used by the Commission. Staff members are therefore encouraged to use double-sided printing when producing documents and reports.

GOAL 4: The Regions

REGIONAL DEVELOPMENT POLICY

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

The South West Development Commission reported to the Department of Local Government and Regional Development on 26 specific and 14 whole-of-government strategies in August 2004.

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

COMMISSION GRANTS

The South West Development Commission administered two contestable grant programs during 2004/05: the South West Regional Development Scheme and the South West Events Program.

South West Regional Development Scheme

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

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

The following 21 successful grant applications were approved in 2004/05:

Recipient	Project Name	Grant
Shire of Manjimup	Manjimup Regional Aqua Centre	\$46,000
Shire of Harvey	Brunswick Junction Tourism Precinct	\$25,000
New Opportunities for Australian Horticulture (NOAH)	Apples into India Project	\$21,000
Country Music Club of Boyup Brook WA Inc	Boyup Brook's Music and Sculpture Park	\$30,000
Walpole Family Centre Inc	Upgrade and Extend Walpole Playgroup Building	\$39,286
WA Police Service	City Eye Project	\$22,400
Cape Naturaliste Tourism Association Inc	Cape Naturaliste Lighthouse Development Project	\$30,000
Shire of Nannup	Nannup Historic Railway Bridge Attraction	\$25,200
Silver Chain Nursing Association (Inc)	Margaret River Residential Care Facility	\$30,000
Margaret River Artisans Association Inc	Marketing Projects for the Margaret River Artisans Association	\$5,000
Shire of Boyup Brook	Boyup Brook Light Industry Development Project	\$10,000
Harvey Christian Youth Centre (Binningup Camp) Inc	Binningup Camp Upgrade	\$8,724
Shire of Capel	Stage Two, Capel Youth Space Project	\$20,000
Warren Blackwood Economic Alliance	The Boyup Brook Floriculture Pilot	\$8,700
Shire of Manjimup (as auspice body for Walpole Community Development Group and the Walpole Nornalup Visitor Centre)	Walpole Mainstreet Master Plan	\$15,000
Nannup Telecentre Inc	Nannup Telecentre Training Facility Upgrade	\$5,315

Recipient	Project Name	Grant
Shire of Bridgetown-Greenbushes	Blackwood River Park Precinct Plan	\$12,000
Shire of Bridgetown-Greenbushes	Geegelup Brook Park	\$18,000
Collie Mining Heritage Group Inc	Dragline Restoration Project – Feasibility Study	\$5,000
Shire of Busselton	WA State Coastal Conference 2005	\$15,000
Shire of Nannup	Showcasing Timber Value-adding – Sculpture and Town Entrance Statements	\$8,375

South West Events Program

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

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

The following 30 successful grant applications were approved under this program in 2004/05:

Recipient	Event Name	Grant
Collie Agricultural Society	Two Valley's Food & Wine Festival	\$1,500
Bunbury Musical Comedy Group	Blockbuster 2005 Program	\$500
Manjimup Farmers' Markets	Manjimup Farmers' Markets	\$800
Pemberton Events Assoc Inc	Pemberton Marron and Wine Festival	\$2,500
Nannup Tourism Association	Nannup Rose Festival	\$2,500
Nannup Music Club	Nannup Cultural Events	\$600
Manjimup Chamber of Commerce & Industry Inc	Manjimup Cherry Harmony Festival	\$2,000
Bridgetown Heritage Group	Bridgetown Heritage Day	\$2,500
Quinninup Community Association	Quinninup Open Day	\$900
Southern Capes Motorcycle Club	State Motocross Championship	\$1,500
Southern Capes Motorcycle Club	Capel 200 Trail Ride	\$1,500
Regional Arts Development Office	South West Arts Forum	\$1,000
Country Music Club of Boyup Brook	Boyup Ute & Truck Muster	\$2,500
Warren Arts Council	Festival of Arts	\$1,300

Recipient	Event Name	Grant
Smart Events Inc	Smart Events Expo	\$700
Walpole Sport & Recreation Centre	Walpole 75 th Celebrations	\$2,500
Bunbury Agricultural Society Inc	Bunbury on Show	\$2,000
Pemberton Events Assoc Inc	Creative Constructions – Taking Recycling to the Catwalk	\$2,500
Pemberton Community Telecentre Inc	Pemberton Classic	\$2,500
Pemberton Community Telecentre Inc	Pemberton Outdoor Cinema (8 Cinemas)	\$2,000
Balingup Progress Assoc Inc	Art Happens in Balingup	\$600
Capel Fest Inc	Capel Fest Art Classic	\$1,500
Busselton Population Medical Research Foundation	South West Good Living Expo – BPS Foundation Fundraising Event	\$2,000
Harvey Telecentre	Cinema under the Stars	\$2,500
Stirling Street Arts Centre Inc	Stirling Street Arts Centre – Arts & Crafts Festival	\$900
Collie River Valley Marketing Inc	Collie Rock n Coal Festival	\$2,500
South West Opera Company	Les Miserables	\$2,000
Port Geographe Business Association	Busselton Crayfish Festival	\$2,000
Busselton All-Sports Club Assoc Inc	Busselton Jetty Swim 2005	\$1,500
Geographe Bay Yacht Club	Geographe Bay Race Week 2005	\$2,000

GOAL 5: Governance

EQUAL EMPLOYMENT OPPORTUNITY

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

FREEDOM OF INFORMATION

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

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

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

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

Manager Corporate Services
South West Development Commission
9th Floor Bunbury Tower
61 Victoria Street
Bunbury WA 6230

The Commission received one Freedom of Information request during the year, and two were carried forward from 2003/04. All applications have been finalised.

REPORTING ON RECORD KEEPING PLANS

The South West Development Commission's Record Keeping Plan was approved for a period of five years by the State Records Commission on 12 May 2005. Implementation of employee induction in record keeping, ongoing training and annual reviews of the efficiency and effectiveness of the plan are now being set in place. Training has been provided to key employees and an evaluation will be undertaken after a 12 month period.

CORRUPTION PREVENTION

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

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

PUBLIC SECTOR STANDARDS AND CODE OF CONDUCT

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

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

During 2004/05, there were no breaches of discipline under the *Public Sector Management Act 1994*.

PUBLIC INTEREST DISCLOSURES

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

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

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

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

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

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

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

Manager Corporate Services
South West Development Commission
9th Floor Bunbury Tower
61 Victoria Street
Bunbury WA 6230

ELECTORAL ACT COMPLIANCE

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

To meet these requirements, the Commission has listed the amounts spent on the following classes of expenditure in 2004/05.

(a)	Advertising Agencies	
	Main Event Media	\$ 700
(b)	Market Research Organisations	
	Asset Research	\$ 7,288
	Care Consulting	\$ 2,400
(c)	Polling Organisations	\$ 0
(d)	Direct Mail	\$ 0
(e)	Media Advertising Organisations	
	Marketforce Productions	\$ 6,813
	SW Printing & Publishing Co. Ltd	\$ 238
	Rural Press Reg. Media (WA) Pty Ltd	\$ 840
(f)	Other Advertising	
	Bunbury Key Management	\$ 522
<hr/> Total		\$ 18,801

SPONSORSHIP

2005 Small Business Awards	\$ 1,600
South West Young Achievers	\$ 1,000
Dunsborough Healthy Communities	\$ 318
University of WA – 2005 Southern Region	
Community Leadership Forum	\$ 5,119
Customer Service Awards	\$ 500
2005 NAIDOC and Sports Award	\$ 1,000
Electric Pictures – TV Documentary	\$ 2,000

COMPLIANCE WITH STATE SUPPLY POLICY

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

During the year, the Commission directed 92 per cent of discretionary expenditure towards the local economy.

COMPLAINTS MANAGEMENT SYSTEM

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

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

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

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

There were no complaints received during the reporting period.

STATE SUSTAINABILITY STRATEGY

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

The Commission finalised the new 'South West Strategy' during 2004/05. 'South West Directions – an action plan for a sustainable future' (July 2004) is a triple bottom line action plan which aims to guide the State Government's support of sustainable growth for the South West Region. Based on the State's 'Regional Development Policy', it takes into account governance, economic, social and environmental issues, and provides a framework for State Government agencies in the delivery of their services in the region.

During the year in review, the Commission also produced the 'SWDC Sustainability Action Plan 2005-2007'. The action plan was reviewed in April 2005 and all actions were found to be on track. Achievements for 2004/05 include:

- Supported 'City Dialogue' in April 2005 as part of the Bunbury City Vision project.
- Progressed the Government's South West Online initiative, as a means of improving access to Government services to Perth metropolitan standards, through the development of a new web portal (mysouthwest.com.au) by Connect South West.
- Completed the new 'South West Strategy'.
- Undertook a briefing and discussion for staff on the new SWDC Sustainability Action Plan.
- Developed and adopted an employee volunteering policy for the organisation.

Section 7.

Performance Indicators



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

SOUTH WEST DEVELOPMENT COMMISSION PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the South West Development Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2005.

Scope

The Board's Role

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

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

Summary of my Role

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

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

D D R PEARSON
AUDITOR GENERAL
16 September 2005

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

CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

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 2005.



CAROL DEVITT
CHAIRMAN OF ACCOUNTABLE AUTHORITY
31 July 2005



DON PUNCH
MEMBER OF ACCOUNTABLE AUTHORITY
31 July 2005

PERFORMANCE INDICATORS

OUTCOME

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

Key Output:

Regional Development

1.0 RELATIONSHIP WITH GOVERNMENT POLICY

The South West Development Commission delivers its services through five strategic priority areas: Physical Infrastructure, Economic Development, Information Technology and E-Commerce, Sustaining and Developing Communities, and Informing the Community.

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

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

2.0 EFFECTIVENESS INDICATORS

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

2.1 SOUTH WEST DEVELOPMENT COMMISSION CLIENT SURVEY 2005

As a requirement of its Strategic Plan, the Commission undertook an evaluation of its operations in June 2005. 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 five years.

Key performance results from the 2005 survey, including comparisons with results from previous surveys, are detailed below.

An independent consultant, Asset Research, undertook the survey. The Commission provided Asset Research with a database comprising 274 key clients and 22 representatives from South West local governments. The key clients were made up of Commonwealth and State government agencies and private organisations having regular contact with the Commission over the last 12 months.

Questionnaires were mailed out to 220 of the key clients and all local government representatives. Key clients to whom the mailout was sent were selected at random by Asset Research.

A total of 177 completed surveys were received by Asset Research, comprising 14 completed surveys from local government representatives (with responses received from all South West local governments) and 163 from key client agencies and private organisations. This represents a key client response rate of 74.1 per cent and a 63.6 per cent response rate from the local governments. The overall survey response rate was 73.1 per cent.

The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of clients (i.e. local government representatives and key clients) within a possible sampling error of +/- 5 per cent. The sampling error range for this survey period is +/- 4.8 per cent.

2.1.1 Effectiveness of the South West Development Commission

(1 = very ineffective to 5 = very effective)

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

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

(1 = very ineffective to 5 = very effective)

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

3.0 EFFICIENCY INDICATORS

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

	Note	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
Regional Development						
Operating Cost	1	\$ 3,830,124	\$ 3,466,982	\$ 3,904,291	\$ 6,584,906	\$ 6,051,040
Project / Service Hours	2	25,827	26,255	50,546	49,383	46,613
Cost Per Hour	3	\$ 148	\$ 132	\$ 77	\$ 133	\$ 130
Target 2004-2005	4	\$ 241				

Notes On Variance between Reporting Period

Note 1: Operating cost information is sourced from the Statement of Financial Performance. A net movement of \$363,142 is shown. The variation is due to an increase in salaries and wages and supplies and services.

Note 2: Prior to 2003-2004 the current reporting period total hours worked by all employees were used to calculate and report the cost per hour. The current reporting period reports and uses only hours directly attributable to projects or services.

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

Note 4: The 2004-05 target of \$241 was calculated with the inclusion of the Commission's Grant and Capital Works Programs while actual cost is calculated without Grants and Capital Works.

Section 8.

Financial Statements



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

SOUTH WEST DEVELOPMENT COMMISSION FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion,

- (i) the controls exercised by the South West Development Commission provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at 30 June 2005 and its financial performance and cash flows for the year ended on that date.

Scope

The Board's Role

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

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

Summary of my Role

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

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

D D R PEARSON
AUDITOR GENERAL
16 September 2005

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

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

The accompanying financial statements of the South West Development Commission have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2005 and the financial position as at 30 June 2005.

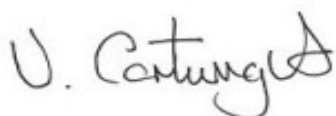
At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



CAROL DEVITT
CHAIRMAN OF ACCOUNTABLE AUTHORITY
31 July 2005



DON PUNCH
MEMBER OF ACCOUNTABLE AUTHORITY
31 July 2005



VAL CARTWRIGHT
PRINCIPAL ACCOUNTING OFFICER
31 July 2005

SOUTH WEST DEVELOPMENT COMMISSION STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	2	1,752,743	1,566,505
Supplies and services (a)	3	827,880	780,490
Depreciation expense	4	102,694	91,189
Borrowing cost expense		581,401	728,675
Accommodation expenses	5	263,170	238,977
Grants and subsidies	6	1,785,432	6,138,192
Carrying amount of non-current assets disposed of	7	665,619	0
Other expenses from ordinary activities	8	13,241	16,282
Total cost of services		5,992,180	9,560,310
Revenue from ordinary activities			
<i>Revenue from operating activities</i>			
Trading profit	9	506,111	0
Commonwealth grants and contributions	10	145,750	132,750
<i>Revenue from non-operating activities</i>			
Interest revenue		5,901	3,386
Proceeds from disposal of non-current assets	7	596,819	0
Other revenues from ordinary activities	11	119,409	139,309
Total revenues from ordinary activities		1,373,990	275,445
NET COST OF SERVICES	28	4,618,190	9,284,865
REVENUES FROM STATE GOVERNMENT			
Service appropriation	12	7,166,000	3,729,000
Liabilities assumed by the Treasurer		53,509	0
Resources received free of charge		917	0
Grants from government agencies		593,636	589,808
Total revenues from State Government		7,814,062	4,318,808
CHANGE IN NET ASSETS		3,195,871	(4,966,057)
Net decrease in asset revaluation reserve		283,499	(226,200)
Total revenues, expenses and valuation adjustments recognised directly in equity		283,499	(226,200)
Total changes in equity other than those resulting from transactions with WA State Government as owners		3,479,371	(5,192,257)

(a) Administration expenses are included in supplies and services.

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

SOUTH WEST DEVELOPMENT COMMISSION STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	2005 \$	2004 \$
Current Assets			
Cash assets	27	1,283,572	3,265,545
Restricted cash assets	13B	2,754,442	389,777
Inventories	14	355,674	531,381
Receivables	15	12,064	99,668
Amounts receivable for services	16	30,000	30,000
Other assets	17	10,114	10,471
Total Current Assets		4,445,866	4,326,842
Non-Current Assets			
Restricted cash assets	13C	4,153	0
Amounts receivable for services	16	314,000	231,000
Inventories	14	1,256,871	1,256,871
Property, plant and equipment	18	5,096,230	5,482,362
Infrastructure	19	1,335,296	1,306,935
Works of art	20	13,220	13,220
Total Non-Current Assets		8,019,770	8,290,388
Total Assets		12,465,636	12,617,230
Current Liabilities			
Payables	21	24,819	66,580
Contractual liabilities	22	1,618,619	5,239,545
Interest-bearing liabilities	23	846,109	818,442
Provisions	24	340,441	217,047
Other liabilities	25	157,885	190,813
Total Current Liabilities		2,987,873	6,532,427
Non-Current Liabilities			
Interest bearing-liabilities	23	6,780,618	7,626,727
Provisions	24	116,381	174,683
Total Non-Current Liabilities		6,896,999	7,801,410
Total Liabilities		9,884,872	14,333,837
NET ASSETS		2,580,764	(1,716,607)
Equity	26		
Contributed equity		3,757,177	2,939,177
Reserves		3,268,962	2,985,463
Accumulated deficiency		(4,445,375)	(7,641,247)
TOTAL EQUITY		2,580,764	(1,716,607)

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

SOUTH WEST DEVELOPMENT COMMISSION STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		7,053,000	3,637,000
Capital contributions		818,000	921,000
Holding account drawdowns		30,000	0
Grants from State Government agencies		613,040	663,308
Net cash provided by State Government		8,514,040	5,221,308
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee costs		(1,616,948)	(1,644,748)
Supplies and services		(662,876)	(628,313)
Borrowing costs		(620,610)	(746,935)
Accommodation		(263,655)	(238,394)
Grants and subsidies		(5,396,858)	(1,772,631)
GST payments on purchases		(651,997)	(292,205)
Other payments		(190,547)	(221,327)
Receipts			
Sale of goods and services		681,818	0
Commonwealth grants and contributions		145,204	142,190
Interest received		5,901	3,386
GST receipts on sales		209,998	33,669
GST receipts from taxation authority		477,731	278,130
Other receipts		163,340	116,373
Net cash used in operating activities	28	(7,719,497)	(4,970,805)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		596,819	0
Purchase of non-current physical assets		(186,075)	(260,979)
Net cash provided by (used in) investing activities		410,744	(260,979)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(818,442)	(791,741)
Net cash used in financing activities		(818,442)	(791,741)
Net increase/(decrease) in cash held		386,846	(802,217)
Cash assets at the beginning of the financial year		3,653,322	4,455,539
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	27	4,040,167	3,653,322

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

1 Significant Accounting Policies

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

General Statement

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

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

Basis of Accounting

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

a) Service Appropriations

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

b) Contributed Equity

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

c) Grants and Other Contributions Revenue

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

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

d) Revenue Recognition

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

e) Acquisitions of Assets

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

Assets costing less than \$1,000 are expensed in the year of acquisition (other than where they form part of a group or similar items which are significant in total).

f) Depreciation of Non-current Assets

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

Depreciation is calculated on the straight-line basis, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are:

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

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

g) Revaluation of Land, Buildings and Infrastructure

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

h) Inventories

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

i) Leases

The Commission has entered into a number of operating lease arrangements for the rent of the office building where the lessor effectively retains the entire risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

j) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is calculated at 5 per cent of monthly receivables.

k) Payables

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

l) Interest Bearing Liabilities

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

m) Employee Benefits

Annual leave

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

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits, and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on-costs, experience of employee departures and periods of service.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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

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

Superannuation

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

From 30 June 2004, the Treasurer has assumed the liability for pension and pre-transfer benefit superannuation liabilities. The assumption was designated as a contribution by owners under TI955 (3) (IV) on 30 June 2004.

The superannuation expense comprises the following elements.

- i. Change in the unfunded employer’s liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- ii. Employer contributions paid to Gold State Superannuation Scheme and the West State Superannuation Scheme.

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

A revenue “Liabilities assumed by the Treasurer” equivalent to (i) above is recognised under Revenues from State Government in the Statement of Financial Performance as the unfunded liability is assumed by the Treasurer. The GESB makes the benefit payments and is recouped by the Treasurer.

The Commission is funded for employer contributions in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. These contributions were paid to the GESB during the year. The GESB subsequently paid the employer contributions in respect of the Gold State Superannuation Scheme to the Consolidated Fund.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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

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

Employee benefit on-costs

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

n) Accrued Salaries

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

o) Resources Received Free of Charge or For Nominal Value

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

p) Cash

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

q) Comparative Figures

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

r) Rounding of Amounts

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
2 Employee Expenses		
Wages and salaries	1,344,247	1,324,220
Superannuation	184,628	139,071
Long service leave	42,453	(48,981)
Annual leave	112,364	57,882
Other related expenses (I)	69,051	94,313
	1,752,743	1,566,505
 (I) These employee expenses include superannuation, workers compensation premiums and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 24.		
3 Supplies and Services		
Communications	56,806	53,653
Consultants and contractors	345,554	307,259
Consumables	89,856	111,354
Repairs and maintenance	39,490	30,346
Travel	2,834	0
Other	293,340	277,878
	827,880	780,490
4 Depreciation Expense		
Office equipment	67,222	57,400
Buildings	35,194	33,789
Infrastructure	278	0
	102,694	91,189
5 Accommodation Expenses		
Lease rentals	233,885	208,672
Repairs and maintenance	23,429	24,922
Cleaning	5,856	5,383
	263,170	238,977
6 Grants and Subsidies		
Non public organisations	477,209	230,973
Public organisations	1,308,223	5,907,219
	1,785,432	6,138,192
7 Net Gain/(loss) on disposal of non-current assets		
Loss on Disposal of Non-Current Assets		
Office Equipment	(8,214)	0
Land	(54,820)	0
Buildings	(5,768)	0
Net loss	(68,802)	0

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
8 Other Expenses from Ordinary Activities		
Guarantee fee for loan	16,417	18,063
Doubtful debts expense	(3,176)	(2,713)
Equipment written off	0	932
	13,241	16,282
9 Trading Profit		
Sales	681,818	0
Cost of Sales:		
Opening inventory	1,788,252	1,765,315
Land development	0	22,937
	1,788,252	1,788,252
Closing inventory	1,612,545	1,788,252
Cost of Goods Sold	175,707	0
Trading Profit	506,111	0
10 Commonwealth Grants and Contributions		
Recurrent	145,750	132,750
	145,750	132,750
11 Other Revenues for Ordinary Activities		
Sundry income	65,245	72,940
Grants-public organisations	5,000	0
Rental from property	47,039	64,074
Government vehicle scheme	2,125	2,295
	119,409	139,309

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
12 Revenues from State Government		
Appropriation revenue received during the year:		
Service appropriations (I)	7,166,000	3,729,000
	7,166,000	3,729,000
 The following liabilities have been assumed by the Treasurer during the financial year:		
Superannuation (II)	53,509	0
Total liabilities assumed by the Treasurer	53,509	0
 Resources received free of charge (III)		
Determined on the basis of the following estimates provided by agencies:		
Crown Solicitor's Office	917	0
	917	0
 Grants received from government agencies	593,636	589,808
	593,636	589,808
 Total Revenue from State Government	7,814,062	4,318,808

- (I) Service appropriations are accrual amounts reflecting the full 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.
- (II) The assumption of the superannuation liability by the Treasurer is a notional revenue to match the notional expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a pre-transfer benefit entitlement under the Gold State Superannuation Scheme.
- (III) Where assets or services have been received free of charge or for nominal consideration, the Commission recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners, in which case the Commission shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

2005	2004
\$	\$

13A Project Revenues for the Year

Financial support and fees were received from community, government and semi-government organisations for the projects stated below.

Kemerton-Bunbury Transport Corridor	0	50,000
Invest South West	8,420	0
Aboriginal Economic Development Officer	122,000	155,525
Community Development	3,163	0
Northcliffe Timber Technology	0	6,540
Regional Initiatives Fund	400,000	400,000
Busselton Airport Marketing	25,000	0
Kemerton Signage	1,860	50,000
TradeStart	140,085	141,790
	700,528	803,855

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
13B Restricted Cash Current		
Restricted Projects		
Cash held in the account to be used specifically for the approved projects listed below.		
Kemerton-Bunbury Transport Corridor	17,340	40,004
Aboriginal Economic Development Officer	56,964	72,749
JLV Relocation Assistance	500,000	0
Bunbury Coastal Enhancement Project	1,195,644	0
Koombana Groyne	50,000	0
Pioneer Park Cemetary Memorial	100,000	0
Turkey Point Infrastructure	70,000	0
E-Commerce PhD	24,000	0
Regional Initiatives Fund	29,986	62,994
TradeStart	39,438	118,323
International Tourism	68,000	0
Kemerton Signage	28,388	50,000
Restore Collie River Boardwalk	202,182	0
'New Futures' in Agriculture	30,000	0
Yarloop Enhancement	70,000	0
Repairs Bunbury Court House	50,000	0
Margaret River Townscape	20,000	0
Wine Tourism Trail	20,000	0
Life Long Learning	60,000	0
Yarloop Community House	60,000	0
Working Life Hub	50,000	0
Convention Coordinator-Australia South West	12,500	0
Restricted Project Cash	2,754,442	344,070
Provision for 27 th pay	0	45,707
Total current restricted cash	2,754,442	389,777

13C Restricted Cash Non Current

Provision for 27 th pay	4,153	0
	4,153	0

Amount held for the payment of the 27th Pay in 2017, payment of 27th pay occurred in current financial year clearing provision held in 2003/04.

14 Inventories

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

- Current at cost	355,674	531,381
- Non-current at cost	1,256,871	1,256,871
	1,612,545	1,788,252

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
15 Receivables		
Current		
Government agencies	6,135	66,473
Commonwealth government	0	597
External	6,388	7,074
Provision for doubtful debts	(459)	(3,635)
GST receivable	0	29,159
	12,064	99,668
16 Amounts receivable for services		
Current	30,000	30,000
Non-current	314,000	231,000
	344,000	261,000

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
17 Other Assets		
Current		
Prepayments	10,114	10,471
	10,114	10,471
18 Property Plant and Equipment		
Office Equipment at cost	419,431	429,732
Accumulated depreciation	(207,115)	(238,563)
Written down value	212,316	191,169
Buildings		
At fair value (2004)	549,314	582,993
Accumulated depreciation	-	-
Written down value	549,314	582,993
Land		
At fair value (2004)	4,334,600	4,708,200
	4,334,600	4,708,200
Total Property, Plant and Equipment	5,096,230	5,482,362

The revaluation of land and buildings is in accordance with information received from the Department of Land Information (Valuation Services) for 2004 by desktop revaluation. Fair value has been determined on the basis of current market buying values. Regular three-yearly kerbside revaluations are undertaken with another revaluation due in 2005/06.

Reconciliations

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

	Land	Buildings	Office Equipment	Total
Carrying amount at start of year	4,708,200	582,993	191,169	5,482,362
Additions	0	0	98,400	98,400
Revaluation	188,500	95,000	0	283,500
Disposals	(562,100)	(120,000)	(108,703)	(790,803)
Depreciation written back	0	26,515	98,672	125,187
Depreciation	0	(35,194)	(67,222)	(102,416)
	4,334,600	549,314	212,316	5,096,230

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
19 Infrastructure		
At fair value	1,335,575	1,306,935
Accumulated depreciation	(278)	0
	1,335,296	1,306,935
Pemberton Hydro Energy Precinct was previously work-in-progress and the fair value has been determined by reference to the acquisition cost as the asset is specialised and no market evidence of value is available.		
20 Works of Art		
At fair value	12,000	12,000
At cost	1,220	1,220
	13,220	13,220
Works of Art consist of the Baudin Charts at fair valuation and Indigenous Art at cost.		
21 Payables		
Current		
GST Payable	9,647	0
Other creditors	15,172	66,580
	24,819	66,580
22 Contractual Liabilities		
Current		
Contractual	1,618,619	5,239,545
	1,618,619	5,239,545
23 Interest Bearing Liabilities		
Current		
Amount due to the Western Australian Treasury Corporation	846,109	818,442
	846,109	818,442
Non-current		
Amount due to the Western Australian Treasury Corporation	6,780,618	7,626,727
	6,780,618	7,626,727
Total Interest Bearing Liabilities	7,626,727	8,445,169

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
24 Provisions		
Current		
Annual leave	167,001	141,239
Long service leave	151,729	58,859
Other employee benefits (I)	21,711	16,949
	340,441	217,047
Non-current		
Long service leave	116,381	174,683
	116,381	174,683

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

Employee Benefit Liabilities

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

Provision for employee benefits:		
Current	340,441	217,047
Non-current	116,381	174,683
	456,822	391,730

Long service leave present value was calculated using the State Government's seven year bond rate of 5.46 per cent.

25 Other Liabilities

Current		
Accrued expenses	0	7,058
Accrued salaries	18,357	6,500
Accrued superannuation	1,482	0
Accrued interest	138,046	177,255
	157,885	190,813

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
26 Equity		
Contributed equity		
Opening balance	2,939,177	1,613,000
Capital contributions (I)	818,000	921,000
Contributions by owners (II)	0	405,177
Closing balance	3,757,177	2,939,177

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

(II) Assumption of Superannuation by the Treasurer

Reserves		
Asset revaluation reserve (I)		
Opening balance	2,985,463	3,211,663
Net revaluation increments:		
Land	188,500	(324,200)
Buildings	94,999	98,000
Closing balance	3,268,962	2,985,463

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

Accumulated deficiency		
Opening balance	(7,641,247)	(2,675,190)
Change in net assets	3,195,872	(4,966,057)
Closing balance	(4,445,375)	(7,641,247)

Notes to the Statement of Cash Flows

27 Reconciliation of Cash

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

Cash	1,281,572	3,263,545
Cash on hand	2,000	2,000
Restricted cash (refer to notes 13B and 13C)	2,758,595	389,777
	4,042,167	3,655,322

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
28 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(4,618,190)	(9,284,865)
Non-cash items:		
Depreciation expense	102,694	91,189
Doubtful debt expense	(3,176)	(2,754)
Resources received free of charge	54,426	0
Land development	0	(22,937)
Cost of goods sold	175,707	0
Net(gain)/loss on sale on non-current assets	68,800	0
Adjustment for other non-cash items	(12,131)	(18,720)
Increase/(decrease) in assets:		
Current receivables	(1,284)	(28,360)
Other current assets	52,643	96,109
(Increase)/decrease in liabilities:		
Current accounts payable	(51,408)	25,219
Current provisions	123,394	(45,873)
Contractual liabilities	(3,620,926)	4,170,060
Other current liabilities	(6,281)	26,373
Non-current provisions	(58,302)	(3,631)
Net GST receipts/(payments)	35,730	19,594
Change in GST in receivables/payables	38,806	7,791
Net cash provided by/(used in) operating activities	(7,719,497)	(4,970,805)

29 Remuneration of Members of the Accountable Authority and Senior Officers

Remuneration of Members of the Accountable Authority

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

\$ 0 - \$10,000	9	9
\$10,001 - \$20,000	1	1

The total remuneration of the members of the Accountable Authority is:	45,287	28,938
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The superannuation included here represents the superannuation expense incurred by the Commission in respect of members of the Accountable Authority.

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

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
Remuneration of Senior Officers		
The number of Senior Officers other than senior officers reported as members of the Accountable Authority, whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:		
\$80,001 - \$90,000	0	0
\$90,001 - \$100,000	3	3
\$100,001 - \$110,000	0	0
\$130,001 - \$140,000	1	0
\$150,001 - \$160,000	0	1
The total remuneration of senior officers is:	417,722	433,450

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.

30 Remuneration of Auditor

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

Auditing the accounts, financial statements and performance indicators	15,500	14,000
Payment for auditing services is paid in the following year.		
Audit fee for 2004-05 will be paid in 2005-06.		

31 Lease Commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:

Non cancellable operating lease commitments		
Motor vehicle - not later than one year	44,365	41,653
Motor vehicle - later than one year and not later than five years	18,268	7,164
Office rentals - not later than one year	286,234	257,962
Office rentals - later than one year and not later than five years	1,295,391	1,167,437
Office rentals - later than five years	365,315	674,923

32 Contingent Liabilities

There are no contingent liabilities that the Commission is aware of as at 30 June 2005.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

33 Explanatory Statement

(I) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$ 30,000.

	2005	2004	Variance
Expense	\$	\$	\$
Employee expenses	1,752,743	1,566,505	186,238
Borrowing cost expenses	581,401	728,675	(147,274)
Grants and subsidies	1,785,432	6,138,192	(4,352,760)
Carrying amount of non-current assets disposed of	665,619	0	665,619
Revenue			
Trading profit	506,111	0	506,111
Proceeds from disposal of non-current assets	596,819	0	596,819
Service appropriation	7,166,000	3,729,000	3,437,000
Liabilities assumed by the Treasurer	53,509	0	53,509

Employee expenses

Although the Commission had a decrease in actual wages and salaries paid in 2004/05 there was increased costs associated with travel, employee entitlements including annual and long service leave and the superannuation liability assumed by the Treasurer. Included also is a payout of leave entitlements on the transfer of an officer to another agency.

Borrowing cost expense

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

Grants and subsidies

The variance is due to the Commission including current contractual liabilities indentified in accordance with SAC 4 in 2004. The major liability is the grant payment to the City of Bunbury for the Coastal Enhancement Project.

Carrying amount of non-current assets disposed of

The Commission disposed of some land and buildings and some minor equipment during the year.

Trading Profit

The variance is due to no land sales in the current year.

Proceeds from disposal of non-current assets

This amount reflects the proceeds from the sale of land and buildings and minor equipment.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Service appropriation

The increase in appropriation was due to extra funds being available for grants allocated for South West Initiatives and election commitments.

Liabilities assumed by the Treasurer

In 2005 the superannuation liabilities assumed by Treasury have a notional revenue allocated.

(II) Significant variations between estimates and actual results for the financial year

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% or \$30,000.

	Actual 2005 \$	Estimates 2005 \$	Variance \$
Borrowing cost expenses	581,401	806,000	(224,599)
Accommodation expenses	263,170	362,000	(98,830)
Grants and subsidies	1,785,432	6,743,000	(4,957,568)
Other expenses from ordinary activities	13,241	194,000	(180,759)
Other revenues from ordinary activities	119,409	207,000	(87,591)
Grants and subsidies (revenue)	739,386	650,000	89,386

Borrowing cost expenses

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

Accommodation expenses

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

Grants and subsidies

The variance in the Grants and subsidies is due to the contractual liability for the Coastal Enhancement project being included in the budget estimates.

Other revenues from ordinary activities

The variance is due to the lower than expected cost of activities and inclusion of costs in supplies and services.

Grants and subsidies (revenue)

The variance is due to the sourcing of extra revenue from external sources for projects.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
34 Supplementary information		
<u>Write-offs</u>		
Public property	0	932
	0	0

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

35 Land Development

The Commission, under an agreement with the Western Australian Land Authority developed and sold Part Lot 5 South Western Highway - Picton. All revenue and expense have been included in the Statement of Financial Performance.

36 Output: Regional Development

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

37 The Impact of Adopting International Accounting Standards

The South West Development Commission is adopting international accounting standards in compliance with AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (IFRS).

AASB 1 requires an opening balance sheet as at 1 July 2004 and the restatement of the financial statements for the reporting period to 30 June 2005 on the IFRS basis. These financial statements will be presented as comparatives in the first annual financial report prepared on an IFRS basis for the period ending 30 June 2006.

AASB 1047 Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards requires financial reports for periods ending on or after 30 June 2004 to disclose:

1. How the transition to Australian equivalents to IFRS is being managed:

The Commission has had the 1 July 2004 IFRS opening balance sheet and accompanying notes reviewed by the Office of the Auditor General and is working towards a full set of Financial Statements under the IFRS.

2. Key differences in accounting policies that are expected to arise from adopting Australian equivalents to IFRS.

The South West Development Commission has assessed the impact on the Commission as being minor.

The key differences are the calculation of the employee benefit obligation to include all unconditional annual and long service leave as current and the treatment of computer software as intangibles. There has been no identified impact on the Commission's equity.

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

38 Additional Financial Instruments Disclosures 2004/2005

(a) Interest Risk Exposure

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

	Weighted average interest rate %	Fixed Interest Rate Maturities			Non interest Bearing	Total
		1 yr or less \$	1 to 5 yrs \$	Over 5 yrs \$	\$	\$
<u>Assets</u>						
Cash assets		0	0	0	1,283,572	1,283,572
Restricted cash		0	0	0	2,754,442	2,754,442
Receivables		0	0	0	12,064	12,064
Total financial assets		0	0	0	4,050,078	4,050,078
<u>Liabilities</u>						
Payable		0	0	0	(24,819)	(24,819)
Contractual liabilities		0	0	0	(1,618,619)	(1,618,619)
Other liabilities		0	0	0	(157,885)	(157,885)
Borrowings from WATC	6.83%	(846,109)	(3,681,357)	(3,099,261)	0	(7,626,727)
Employee benefits		0	0	0	(456,822)	(456,822)
Total financial liabilities		(846,109)	(3,681,357)	(3,099,261)	(2,258,145)	(9,884,872)
Net financial assets (liabilities)		(846,109)	(3,681,357)	(3,099,261)	1,791,933	(5,834,794)

Additional Financial Instruments Disclosures 2003/2004

Interest Risk Exposure

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

	Weighted average interest rate %	Fixed Interest Rate Maturities			Non interest Bearing	Total
		1 yr or less \$	1 to 5 yrs \$	Over 5 yrs \$	\$	\$
<u>Assets</u>						
Cash assets		0	0	0	3,265,545	3,265,545
Restricted cash		0	0	0	389,777	389,777
Receivables		0	0	0	99,668	99,668
Total financial assets		0	0	0	3,754,990	3,754,990
<u>Liabilities</u>						
Payable		0	0	0	(66,580)	(66,580)
Contractual Liabilities		0	0	0	(5,239,545)	(5,239,545)
Other Liabilities		0	0	0	(190,813)	(190,813)
Borrowings from WATC	7.74%	(818,442)	(3,560,444)	(4,066,283)	0	(8,445,169)
Employee benefits		0	0	0	(391,730)	(391,730)
Total financial liabilities		(818,442)	(3,560,444)	(4,066,283)	(5,888,668)	(14,333,837)
Net financial assets (liabilities)		(818,442)	(3,560,444)	(4,066,283)	(2,133,678)	(10,578,847)

SOUTH WEST DEVELOPMENT COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

(b) Net Fair Value of Financial Instruments

	Carrying Amount	Net Fair Value
Financial Liabilities 2004/2005	\$	\$
WA Treasury Corp short and long term debt	\$7,626,727	\$7,863,754

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

(c) Credit Risk Exposure

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

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